PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 112

HOUSE OF COMMONS

OFFICIAL REPORT

FOURTH SESSION OF THE FORTY-NINTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
THIRTY-SIXTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1986-87

COMPRISING PERIOD
9 MARCH—20 MARCH 1987

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THIRTY-SIXTH YEAR OF THE REIGN OF HER MAJESTY QUEEN ELIZABETH II

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The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

ENERGY

Offshore Supplies Office

1. **Dr. Godman** asked the Secretary of State for Energy if he has any plans to increase the staffing and extend the role of the Offshore Supplies Office; and if he will make a statement.

The Minister of State, Department of Energy (Mr. Alick Buchanan-Smith): I shall continue to ensure that the Offshore Supplies Office is sufficiently staffed to enable it to fulfil its important role.

Dr. Godman: Does the Minister agree that the role and staffing of the OSO should be increased over the next few years to deal with what will be the Petroleum Act? Is the Minister satisfied with the OSO's role in securing contracts for United Kingdom companies? Naturally, I am primarily concerned with the fortunes of Scott Lithgow.

Mr. Buchanan-Smith: I pay tribute to the staff at the OSO who are hard-working and dedicated, and who are ensuring that British industry has a full and fair opportunity to win orders. I expect that for 1986, United Kingdom firms will have gained more than 80 per cent. of the orders available. That demonstrates the success of its work. I want that to continue, as I know the hon. Gentleman does. I am grateful to him for what he said.

Mr. Rowlands: Given the admission by the Government that 20,000 jobs have been lost in the oil industry in the last 12 months or more, and given the awful announcement today of the loss of highly skilled jobs at Huntings, one of our most internationally renowned consultancies, should the Government not be bringing forward more positive measures to stimulate development and exploration of the North sea, instead of this misplaced confidence and attitude that the Minister has shown today?

Mr. Buchanan-Smith: The hon. Gentleman does not appear to have noticed that there has been a substantial drop in the price of oil, which has a great effect on the industry. I am surprised that the hon. Gentleman does not acknowledge that.

The situation is difficult at the moment because of the drop in the price of oil. The hon. Gentleman has also overlooked the fact that at the end of last year we improved the industry's cash flow by some £300 million through the early repayment of advance petroleum revenue tax. The hon. Gentleman should acknowledge that action has been taken.

Oil and Oil-Related Construction Activity

Mr. Kennedy asked the Secretary of State for Energy if he will make a statement on the current level of oil and oil-related construction activity in the United Kingdom.

Mr. Buchanan-Smith: The total contract tonnage associated with current developments on the United Kingdom continental shelf which has been awarded to United Kingdom construction yards, is around 200,000 tonnes. That construction work takes place over a period of time related to each project schedule.

Mr. Kennedy: I thank the Minister for that reply, but may I underline—I know that he is very conscious of this—the extremely depressing effect that the oil slump has had on construction-related activity in the Highlands? Will his Department be sympathetically disposed towards accepting evidence from, for example, the Highland regional council as to the related impact which the regional development cuts have had on the oil-related construction

sector in the Highlands, which has acted as a double blow against it, and which also underlines the need for further tax concessions in the forthcoming Budget?

Mr. Buchanan-Smith: The Highland regional council has been in touch with my Department and I am sensitive to what the hon. Gentleman says. In my own area, Grampian regional council has said the same thing. Both councils have taken the opportunity of giving evidence to the Select Committee on Energy which is looking into these problems. I accept that there are much wider repercussions to the economy of these areas, and I know that my right hon. Friend the Secretary of State for Scotland is aware of the problems and shares my concern.

Mr. Coombs: Will my right hon. Friend give the House an update of onshore exploration and development, particularly that which is related to sensitive areas of the south of England?

Mr. Buchanan-Smith: Onshore activity has continued and there was considerable interest in the first onshore licensing round. It provides opportunities for smaller British firms to get involved, but I know that my hon. Friend acknowledges that, as I have said previously, any activity is strictly controlled under planning legislation and environmental considerations are involved. That must be right.

Nuclear Power Stations

3. **Mr. Jack Thompson** asked the Secretary of State for Energy what representations he has received about the Government's long-term policy towards nuclear power stations; and if he will make a statement.

The Secretary of State for Energy (Mr. Peter Walker): I have received a number of letters, principally in relation to Sizewell B.

Mr. Thompson: The Secretary of State's response was very brief. Bearing in mind the fact that since the publication of the Sizewell B report, the chairman of the CEGB has said that he wants to press ahead with nuclear power stations in other parts of Britain, will the right hon. Gentleman carefully consider the folly of the proposition that a group of nuclear power stations should be built on a coastal strip of Northumberland, adjacent to a profitable and extensive coalfield and close to a coal-fired power station, which is owned by the CEGB and is ripe for coal-fired development?

Mr. Walker: From the statements by the CEGB chairman that I have seen, I know that he has mentioned the board's interest in new coal-fired stations. However, I have received only an application for Sizewell B and that is the only one on which I can comment.

Sir Trevor Skeet: Does my right hon. Friend agree that a PWR is urgent and would be competitive and timely as the only power station that is likely to be commissioned before 1995 when it will be required?

Mr. Walker: I cannot comment on such matters until I have made a decision on Sizewell B.

Mr. Dormand: Will the Secretary of State go further than he went in reply to my hon. Friend the Member for Wansbeck (Mr. Thompson) and address himself to the unemployment problem in the north-east? Productivity is greater than ever in our coalfield and it would be a suitable place for a coal-fired power station. I hope that the right hon. Gentleman accepts that it would be cheaper to build and run a coal-fired station than a nuclear power station.

Mr. Walker: I know that the hon. Gentleman appreciates that I cannot comment on his final point until I have made a decision on the report that I have received. I believe that the coal industry in the north-east has considerable importance for the future and I am pleased that the enterprise company is bringing new jobs to the region. I hope that that will be on an ever-increasing scale. I am certainly aware of the unemployment dimensions of the problem.

Dr. Michael Clark: Among all the representations about the future of nuclear power, has my right hon. Friend received any that point out the need to conserve hydrocarbon fuels, particularly as they will be chemical feedstocks in the future and will be a source of man-made fibres, fertilisers and plastics, as well as premium fuel for aviation use?

Mr. Walker: I have received representations on almost every aspect of energy and every possible use of energy. The factors mentioned by my hon. Friend deserve careful consideration.

Mr. Orme: The Secretary of State mentioned that the CEGB has been talking about new coal-fired power stations. Will he comment on reports in the press and elsewhere that the Treasury is very much opposed to that type of development?

Mr. Walker: I read with amazement the newspaper report that a debate was taking place between the Treasury and myself. No such debate was taking place.

Mr. Heathcoat-Amory: As the CEGB will be applying later this year to build a PWR at Hinkley Point in Somerset, will my right hon. Friend ensure that, while safety requirements must be rigorous, the planning inquiry will be more narrowly focused and that it will take less than a year to reach a conclusion?

Mr. Walker: As I have not been informed of any such application by the CEGB, I cannot comment on it. I know that people in Somerset or any other area will want the proper planning considerations to take place, and that should be done within a limited time scale, which gives enough time for objectors, but does not delay important decisions.

Dismissed Miners (Review)

5. **Mr. Eadie** asked the Secretary of State for Energy if the chairman of British Coal has kept him informed about the results of his review of cases involving dismissed miners; and if he will make a statement.

The Parliamentary Under-Secretary of State for Energy (Mr. David Hunt): On 8 September 1986, the chairman of British Coal announced a final internal review that would look at all outstanding cases of alleged unfair dismissal arising from the National Union of Mineworkers strike. The result of that review is not yet available, although I understand it is now nearing completion.

Mr. Eadie: Since it was in October last year that the chairman of British Coal promised a review of the cases of the dismissed miners, is it not time that we knew the results of that review? Is the Minister aware that, despite

the fact that the strike has been over for two years, 113 Scottish miners are still dismissed? Is the Minister aware that the dispute will never be over until justice is seen to be done and these men from all over the country are reinstated?

Mr. Hunt: The hon. Gentleman is aware that the dismissal and re-employment of employees is a matter for British Coal. Indeed that would be the case with any employer. The hon. Gentleman will also be aware that, of the 1,014 members dismissed as a result of that tragic and unnecessary strike, over half have been taken back. I plead with the hon. Gentleman for one moment to lift up his eyes from his normal Scargill brief and to recognise that the barriers to progress, which have been built up over the years by negative attitudes and entrenched by restrictive practices, are coming down all over the coal industry. It is about time that the hon. Gentleman recognised that the only power left to Arthur Scargill appears to be the control that he exercises over the Labour party's energy policy.

Mr. Hannam: When discussing coalfield manning will my hon. Friend congratulate the chairman of British Coal on the acceptance by the South Wales miners at Margam, as a result of their vote last Thursday, of the six-day shift system? Has my hon. Friend noted that that vote took place exactly two years to the day after the end of the coal strike?

Mr. Hunt: My hon. Friend is right to point out that a far better topic of conversation with the chairman of British Coal would be the important meeting on Margam. My hon. Friend is right that that vote took place exactly two years to the day after the tragic and unnecessary strike.

The industry has moved on and I wish that Opposition Members would recognise that. The industry has moved away from the political strikes of the past and from the negative, confrontational style of Arthur Scargill and towards the most positive attitude to productivity ever seen by the nation.

Mr. Allen McKay: Does the Minister agree that his answer to my hon. Friend the Member for Midlothian (Mr. Eadie) was less than helpful? Our concern is for miners who have been dismissed — in some cases for reasons that would not have warranted dismissal in normal circumstances. Some of the cases for dismissal result from stealing a bit of coal and the Minister and I would have done that if we had found ourselves in similar circumstances. *[Interruption.]* If Conservative Members would not have done, they have forgotten their marriage vows. Does the Minister agree that it would be a good stroke for industrial relations to make a magnanimous gesture in these cases?

Mr. Hunt: As well as hoping that the hon. Gentleman will regret some of his words, I wish to make it clear that what I was protesting about is that Opposition Members are aware that these are matters for British Coal and that a review is being carried out. Over half the miners concerned have already been taken back. It is not a matter for Ministers.

Mr. Pollock: When my hon. Friend next meets the chairman of British Coal will he take the opportunity to congratulate, through him, the management and the work force on achieving record levels of productivity? Surely, it is that productivity that offers a better prospect of security and continuity of employment for the work force?

Mr. Hunt: I believe that the enthusiasm and determination of the men and management in pushing through the new productivity records will take the industry into a stable and viable future. It will ensure good markets and job security.

North-East Leicestershire Coalfields

6. **Mr. Janner** asked the Secretary of State for Energy when he last discussed the development of the north-east Leicestershire coalfields with the chairman of the Coal Board.

Mr. Hunt: My right hon. Friend and I have regular meetings with the chairman of British Coal to discuss all aspects of the coal industry.

Mr. Janner: Is the Minister aware that pits in north-west Leicestershire are closing down rapidly and that it is vital that new pits are opened in north-east Leicestershire? There has been exploration and an inspector's report approving a pit additional to Asfordby. Will the new pits be opened in time to preserve the jobs and the work of the excellent Leicestershire coal miners?

Mr. Hunt: I understand that British Coal is still considering the future of the rest of the Belvoir coalfield, and it is for it to assess the relative attractions of potential investment projects. British Coal is discussing a six-day shift in south Wales and the good news is that discussions have been going on with the trade unions on mulit-shift workings at Asfordby. If the discussions reach a successful conclusion, the mine will be uprated to production of 3·5 million tonnes a year and the number of jobs available will be in excess of 1,500.

Mr. Ashby: Will my hon. Friend give priority to the south Leicestershire coalfield miners, who have endured a number of job losses and worked in extremely difficult circumstances? They are known to be some of the best miners in the country. I ask my hon. Friend to recall that in the south midlands coalfield production is at a record level. The miners in this area would be a tremendous enchancement to the mining industry if they were kept on and given priority for jobs within the Leicestershire coalfield.

Mr. Hunt: Decisions on the manning of these pits must be a matter for British Coal. My hon. Friend is right to recognise the men's tremendous effort in his area — in Leicestershire and in the south midlands. These successes are being built on as we move from one productivity record to another, and that must be the best possible news for the future.

Mr. Orme: I wish to support the argument of my hon. and learned Friend the Member for Leicester, West (Mr. Janner) for further development in this area of the mining industry. I visited it recently and it was impressed upon me that the original decision was that there should be three pits in the area. Can the Minister give an assurance that development will take place very soon in north-west Leicestershire?

Mr. Hunt: These are matters for British Coal. I am pleased to hear that Asfordby is on schedule and that the

upcast shaft and the downcast shaft are now 300m and 180m down, on schedule, on cost and within budget. There is also the important development of south Warwickshire, where I understand tha discussions are proceeding on multi-shift working.

Mr. Andy Stewart: Does my hon. Friend agree that, bearing in mind the needs of the Leicestershire miners, it would make more sense to develop the Witham coalfield in Nottinghamshire, which is adjacent to the present site of West Burton power station, and will also be the site of the next coal-fired power station in Britain?

Mr. Hunt: My hon. Friend will understand that I cannot comment on the last part of his supplementary question. As for the first part, I shall pass his remarks to the chairman of British Coal—*[Interruption.]* I remind Opposition Members as they heckle me, that productivity measured by output per man shift fell each year under the previous Labour Government, compared with a 4 per cent. per annum improvement envisaged in "Plan for Coal". We have seen record productivity under this Government.

Mersey and Severn Barrages

7. **Mr. Ron Davies** asked the Secretary of State for Energy what meetings he has had on a regular basis with interested bodies concerning the Mersey and Severn barrage schemes.

Mr. David Hunt: My colleagues and I have met representatives of the Severn tidal power group and the Mersey Barrage Company. It is my right hon. Friend's policy to ensure that the organisations carrying out these studies consult fully all interested bodies.

Mr. Davies: Will the Minister confirm that neither of the bodies to which he has referred has an obligation to consider the environmental impact of the schemes, despite both areas being of international wildlife significance? Will he take steps to establish appropriate advisory bodies to ensure that research takes place? Will he give an undertaking now to continue formally to consult the voluntary organisations, which have already expressed their concern about the environmental impact of the schemes?

Mr. Hunt: I am happy to reassure the hon. Gentleman that environmental studies are recognised as an essential feature of barrage studies and that a significant proportion of the present expenditure on the two estuaries will be devoted to environmental studies. Full environmental appraisals will not be possible, especially for the Severn, until a decision is made to progress the scheme beyond the scope of the present studies.

Mr. Marland: Is my hon. Friend aware that my constituents in west Gloucestershire on the banks of the river Severn accept his undertaking to consult all the interested bodies as being thoroughly responsible? We are concerned not only with the environmental aspects, but with the full impact of the cost of construction, since the Severn barrage could be one of the most expensive civil engineering projects ever undertaken.

Mr. Hunt: I pay tribute to my hon. Friend and to other right hon. and hon. Friends who have pressed my ministerial colleagues and I on what I believe is one of the widest work programmes and consultation arrangements that the country has ever seen into what is, after all, one of the most promising of our renewable energy resources.

Mr. Corbett: I agree with the points made by my hon. Friend the Member for Caerphilly (Mr. Davies). Can the Minister say what timescale is involved in taking a decision, particularly on the Severn barrage? To my knowlege, the decision-making has been going on for about 30 years. The proposal presents a viable alternative to the further development of the nuclear energy programme which will not provide anywhere near as many jobs as the Severn barrage scheme stands a chance of providing.

Mr. Hunt: Without commenting on the latter part of the hon. Gentleman's question, we are seeing remarkable progress on both the Severn and Mersey barrages. Indeed, I heard only last week that the Mersey barrage studies are well ahead of schedule and part I of the study is expected to be finished later this year. On the Severn barrage, we are now in the midst of a two-year programme, jointly funded by the Severn tidal power group, the Central Electricity Generating Board and the Department. I have every optimism that the studies will be completed ahead of schedule.

Nuclear Power Industry (Accidents)

8. **Mr. Chapman** asked the Secretary of State for Energy how many fatal accidents there have been in the civil nuclear power industry in the United Kingdom in the last 10 years; and what was the number of fatalities.

The Parliamentary Under-Secretary of State for Energy (Mr. Alastair Goodlad): There were 10 accidents, each involving one death, in the 10 years to February 1987. None involved radiation.

Mr. Chapman: Although one fatality is one too many will my hon. Friend confirm that the figures that he has given the House compare favourably with accidents in other major energy-conversion industries? For example, will he confirm that in the coalmining industry the figure is over 300, and does he agree that safety is an important factor in assessing how we meet our energy demands in the future?

Mr. Goodlad: I note what my hon. Friend says. He is correct that there were, sadly, 388 fatal accidents in the coal industry in the 10 years to 1985. The Government and the nuclear industry are fully conscious of the importance of both site and environmental safety, and the industry's record in that respect is excellent.

Mr. Donald Stewart: Is the Minister aware that the figures—I do not challenge their accuracy in any way—are totally misleading? A fatality in the mining industry is a tragedy for the individual concerned and his family, but it is totally unlike incidents in the nuclear power industry which have implications for the local community and society at large? There is no relevant comparison between figures.

Mr. Goodlad: The important point is that the industry is conscious of its safety responsibilities.

Mr. Yeo: Will my hon. Friend assure the House that he will keep in mind the importance of maintaining the excellent safety record when he arrives at his decision on the possibility of constructing Sizewell B? Will he assure the House that approval for Sizewell B will be given only if his Department is satisfied that there is every prospect of maintaining the safety record?

Mr. Goodlad: Yes, Sir.

Mr. Campbell-Savours: Will the Minister confirm that all information relating to the Windscale fire in 1957 has now been published and will he accept that one of the problems for the supporters of nuclear power, such as myself, is that the industry is clouded in a cloak of secrecy? If we could remove that secrecy I believe a majority of the British people would wholeheartedly support its development.

Mr. Goodlad: I believe that the hon. Gentleman is correct to say that full publication has been made of the details relating to the Windscale fire. I agree that openness on the part of the industry is extremely important and I believe that the industry is very open with information. All incidents at nuclear installations, however minor, must be reported by law to the nuclear installations inspectorate. Any incident that might give rise to a significant radiological hazard, either to the public or to a member of staff, is also promptly notified to Ministers. The details of all significant incidents are published regularly by the Health and Safety Executive.

Shetland Islands

9. **Dr. Michael Clark** asked the Secretary of State for Energy how much oil has so far been brought ashore to the Shetland Islands; and if he will make a statement about the future involvement of the Shetlands in North sea oil development.

Mr. Buchanan-Smith: Up to the end of 1986 the total amount of crude oil brought ashore to the Sullom Voe terminal was 351·6 million tonnes. There is continuing opportunity for the Shetlands.

Dr. Clark: I thank my right hon. Friend for that answer. He will be aware that the Select Committee on Energy recently visited the Shetland Islands. Will he acknowledge the co-operation that the Shetland Islands have given the North Sea oil companies over recent years? Will he also ensure that his Department does all that it can to let the companies that have business in the North sea know that they will be welcome in the Shetland Islands, so that the expertise and technology that has been built up there can be used to full advantage?

Mr. Buchanan-Smith: Yes, Sir. The Shetlands have some good facilities, not only at Sullom Voe, which I mentioned in my answer, but in the Lerwick base and at Sumburgh airport. In the longer term, the geography of the Shetlands is such that they could find themselves strategically placed for developments in the northern North sea or in the area to the west of the Shetlands where prospecting is taking place.

Mr. Douglas: Does the Minister of State acknowledge that one should be wary in the House and elsewhere of speaking for the Shetland islanders because they are pretty good at speaking for themselves? Does he concede that one of the things to which he should turn his mind, with his right hon. Friend the Chancellor, is the ring fence arrangement for taxation in the North sea, so that development for satellite fields can be assessed as new development to step up the rate of activity both east and west of the Shetlands and in the North sea as a whole?

Mr. Buchanan-Smith: Having for many years had dealings with the Shetlanders on fisheries and oil and gas matters, I believe that no one respects more than I do the independence of the Shetlanders, but, so far as I am aware even the Shetlanders have not claimed a ring fence for those islands.

Mr. Wallace: It may not necessarily follow from the Minister's departmental responsibility, but does he accept that the reform of local government finance will have an important influence on future oil developments in the Shetlands, not least on the terminal at Sullom Voe? Has his Department been in touch with the Scottish Office on the importance of that, the necessity for the arrangements that will follow from the changes to the non-domestic rate, and any implications for possible pooling of non-domestic rates?

Mr. Buchanan-Smith: The hon. Gentleman should address his remarks to my right hon. and learned Friend the Secretary of State for Scotland. I hope that, like the rest of the House, he will welcome the interest that my hon. Friend the Member for Rochford (Dr. Clark) showed following the enterprising visit by the Select Committee on Energy to those islands. I very much welcome the interest taken in the House in the important role played by the Shetlands in the economy as a whole, particularly in relation to oil.

Coal-Fired Power Stations

10. **Mrs. McCurley** asked the Secretary of State for Energy how many applications for the construction of coal-fired power stations have been submitted to him or his predecessors by the generating boards since May 1979; and if he will make a statement.

Mr. Peter Walker: No applications for coal-fired stations have been made by the CEGB since May 1979, although for much of the period since then the largest coal-fired station in western Europe has been under construction at Drax. It was completed last year to time and budget at a cost of some £900 million.

Mrs. McCurley: I thank my right hon. Friend for his reply. As he has given us assurances that the Treasury will not interfere in any approvals that his Department gives for the construction of coal-fired or, indeed, nuclear power stations, can he also give an assurance about the conversion from oil-fired to coal-fired stations, especially now that the oil-fired station at Inverkip desperately needs that conversion, and needs it quickly?

Mr. Walker: I note my hon. Friend's remarks. On no occasion in my ministerial life have I ever, alas, been able to say that the Treasury will not interfere in anything. I can only say that no discussion or debate is going on between myself and the Treasury on those matters because only one application is before us. Conversion schemes or any other application by the CEGB will be carefully and quickly considered.

Mr. Wrigglesworth: When the Secretary of State is considering alternative forms of power generation, will he bear in mind that there is a very wide consensus of support for coal-fired power stations and that the power generating industries that make and design much of the power station equipment for nuclear and other types of power generation can also generate jobs and wealth in designing and commissioning a coal-fired power station?

Mr. Walker: I am well aware of that. If the Government had not recognised the continuing importance of the coal

industry, we would not be investing £2 billion in that industry over the next three years. We have invested far more over recent years than the Labour Government that the hon. Gentleman used to support. In return, I hope that he will give careful consideration to the 150,000 jobs that are involved in the nuclear industry, particularly in the north-east.

Mr. Holt: In considering Sizewell B, will my right hon. Friend recognise the importance of the coal-fired industry particularly as it relates to NEI Parsons in the north-east of England where any further loss of jobs would be quite untenable? Until those orders come from the Government, nothing further can be done. We wish for a lead in that respect.

Mr. Walker: Orders come from the CEGB, not the Government. The Government do not own or run any power stations. I understand that applications must come from the generating industry, depending upon requirements. My hon. Friend knows that the CEGB has been examining a number of sites for coal-fired power stations. It will undoubtedly be considering what future strategy to pursue. I can only repeat what I said in reply to my hon. Friend the Member for Renfrew, West and Inverclyde (Mrs. McCurley), that as soon as any applications come in they will be carefully and quickly considered.

Mr. Orme: Is it not a fact that, because there have been no orders for any type of power station over the past eight years under this Government, there is now a shortage of capacity, particularly in the south-east and south-west of England?

Mr. Walker: The Labour Government, who made the decision in 1978 on the Drax power station, decided to compensate the CEGB because they decided that the power station had been ordered ahead of time and the capacity was not needed.

Coal-fired Power Stations

11. **Mr. Grylls** asked the Secretary of State for Energy when he next expects to meet the chairman of the Central Electricity Generating Board to discuss the ordering of new coal-fired power stations.

13. **Mr. Beith** asked the Secretary of State for Energy what recent discussions he has had with the chairman of the Central Electricity Generating Board about the ordering of coal-fired power stations.

Mr. Peter Walker: I meet the chairman regularly and we discuss a wide range of issues. Applications for consent to the construction of power stations are a matter for the CEGB, and I have received no application in respect of a coal-fired station.

Mr. Grylls: Does my right hon. Friend agree that unless orders for new power stations are placed quite soon there will inevitably be more redundancies in the power construction industry? Does he accept that that could be very serious, because it could damage one of our most successful industries not only in its capacity for building power stations in Britain, but all over the world?

Mr. Walker: My hon. Friend is well aware of the way in which the Government have given quite considerable assistance to the industry in obtaining overseas orders. He will also be aware of the manner in which we have organised credit facilities and so on for power station projects on a considerable scale. My Department has done all in its power to obtain those overseas orders. My hon. Friend will also understand that, as the CEGB applies to me to meet its capacity needs for the future, these matters will be quickly and carefully considered, as I have already said.

Mr. Beith: Is it not a matter of serious concern to the Secretary of State that the CEGB should not have submitted applications for coal-fired power stations to him? Does he not recognise that that was part of the strategy to get Sizewell through? Will he not now recognise that his overall responsibilities for energy require him to ensure that we have investment in coal-fired power station building quickly because that would be of immense importance to industry in the north of England?

Mr. Walker: The hon. Gentleman should be more objective in his study of capacity needs. It is not true that capacity needs will not be met at present. Quite reasonably, before deciding on its overall strategy, the CEGB should know whether the availability of nuclear power stations is part of that strategy. That is a perfectly reasonable decision to take. The CEGB has not delayed decisions so that there will be a lack of capacity. Therefore, I do not agree with any suggestion that it has done that.

Sir Trevor Skeet: Is the Secretary of State aware that one of the difficulties in ordering a coal-fired power station before the 1990s is the technical problem of getting rid of nitrous oxide, which is a real problem in the industry?

Mr. Walker: It is a problem, but it can be tackled.

Mr. Skinner: If the Government wish to improve the manufacturing base, would it not be sensible to start to build a coal-fired power station immediately and to follow it with another? Does the Secretary of State accept that a coal-fired power station, or stations, should be built adjacent to the coalfields and that he should make an early start by siting one in the north midlands and south Yorkshire area as quickly as possible to provide some jobs?

Mr. Walker: It is important that the CEGB should decide how best to meet its capacity needs, and in terms of employment those needs must be dealt with efficiently and effectively. The improvement in the productivity of the coal industry will considerably assist it in making people believe that it deserves the orders that it requires. The industrial dispute which the hon. Gentleman supported so enthusiastically considerably damaged the coal industry.

Mr. Favell: Does my right hon. Friend agree that not only are coal-fired power stations important to British manufacturing industry but that civil nuclear power stations are important, especially to the north-west and to William Fairey, which he will visit next week? Has my right hon. Friend read the report in *The Sunday Times* yesterday? Will he confirm that he will not be bullied by the French and other EC members, but will continue to support British manufacturing industry?

Mr. Walker: As for the report in *The Sunday Times*, as far as I am aware, no official complaint of any description has been made by the Commissioners of the European Community, so I cannot comment on the issue. The

Labour party's decision to eradicate the nuclear power industry during the next 20 years will be disastrous for jobs, especially in the north-east and the north-west.

THE ARTS

Scotland (Expenditure)

34. **Dr. Godman** asked the Minister for the Arts what is the current level of expenditure on the arts in Scotland.

The Minister for the Arts (Mr. Richard Luce): The Arts Council of Great Britain has allocated £13·52 million to the Scottish Arts Council in 1986-87. In addition, the programme of my right hon. Friend the Secretary of State for Scotland provides for £80 million expenditure on arts and libraries this year.

Dr. Godman: The Glasgow citizens theatre is anxious to extend its season from 35 to 52 weeks at an additional cost of £250,000. This will help tourism and jobs in terms of the garden festival in 1989 and the city of culture in 1990. Will the Government and the Arts Council help in this laudable endeavour?

Mr. Luce: I acknowledge the remarkable range of arts facilities in Glasgow, including the citizens theatre, and I am glad that in 1990 Glasgow will be the cultural city of Europe. I hope that will bring many tourists and give much help to Glasgow. The allocations of funds is a matter for the Scottish Arts Council, which this year will receive a 4·6 per cent. increase in its overall grant. It is for the council to decide how precisely to allocate that money.

Mr. Maclennan: Has the Minister made any assessment of the effect upon expenditure on the arts of the transfer of responsibility for leisure and recreation from the regions to the districts? Has central Government funding taken any account of that effect, especially to offset the damage that has been suffered in rural areas because of the withdrawal of funding from the arts?

Mr. Luce: What I can say—I can only speak for the arts—is that the Scottish Office has provided an extra £600,000 for this financial year and the coming financial year to help the national arts organisations for Scotland. A formula has been operating for many years to allocate the total sum of money to the Scottish Arts Council, whose policy is to spread the money as widely as it can and to make the arts as accessible as possible to as many people in Scotland as possible.

Mr. Fisher: Does the Minister understand that the feebleness of his answer will greatly disappoint people in Glasgow and in Scotland in general? The Glasgow garden festival and the year of culture will need positive investment by the Government if their potential for the arts and for the people of Scotland is to be realised. Is the Minister aware of the possibility of a substantial Scottish arts presence at the 1989 Toronto arts festival, and does he accept that the Government must invest in that if the potential is to be realised? Will he again allow these opportunities to slip because of the feebleness of the Government's arts policy?

Mr. Luce: The hon. Gentleman is talking absolute nonsense. When the cities made their bids to become the culture city, it was made quite clear that there would not be funding from central Government, that we would look to them to take the lead, and that it was a test of their good intent and plans to do a good job in providing arts facilities in their city as a cultural centre. It was precisely on that understanding that Glasgow was chosen and Glaswegians have shown their confidence in their city by saying that they can set aside, to add to local government and private sector money, enough resources to enable the city to be a great success in 1990.

Acceptance-in-lieu

35. **Mr. Hanley** asked the Minster for the Arts if he has any plans to change current arrangements for acceptance-in-lieu of works of art.

Mr. Luce: I continue to keep the arrangements under review in consultation with my right hon. Friend the Secretary of State for the Environment.

Mr. Hanley: Will my right hon. Friend say how much was spent last year securing pre-eminent works of art for the nation and whether he believes that the £2 million reserve in his Department and the £10 million reserve at the Treasury are adequate for this purpose and also whether co-operation between his Department and the Treasury is adequate?

Mr. Luce: I am grateful to my hon. Friend for drawing attention to the important new arrangements for acceptance in lieu, which means that we can now draw on a contingency reserve to the tune of an extra £10 million in addition to the £2 million that my Department gives. Overall, in this present financial year, just over £3 million has been drawn upon. There have been only seven acceptances in lieu this year and the opportunities for more are very strong. The more people who take this up, the better.

Mr. Robert Sheldon: Will the Minister bear in mind that, with the recent escalation in prices at auctions, what might have been adequate a year ago is no longer adequate? Does he accept that these sums need to be revised to take account of changing circumstances.

Mr. Luce: I agree with the right hon. Gentleman that the rates of inflation of some objects of art are very high, and that is a factor to be taken into account. As I have already said, the contingency reserve has not been fully drawn upon for this year and opportunities to draw upon it are still available. He will be aware of other arrangements, including the private treaty sale and the douceur, all of which are mechanisms for making it cheaper to purchase important objects of art and to save tax for the seller.

Mr. Alan Howarth: I acknowledge the substantial contribution that the Government have already made to enable the National Trust to acquire Kedleston hall, but is my right hon. Friend aware that the trust is still about £1·5 million short of the funds it needs to enable it to preserve the contents? As the origin of the problem is very much bound up with capital transfer tax obligations, will he look urgently to see whether there may be further scope, perhaps by drawing on the contingency fund that he has mentioned, to help by way of the AIL arrangements, or, if that is not appropriate, by some other route?

Mr. Luce: Many of these matters are for my right hon. Friend the Chancellor of the Exchequer. My hon. Friend will recognise that the new arrangements for acceptance in lieu have been operating for only a short time and that the

full contingency fund has not been adequately and fully drawn upon. The opportunity is still there, and I urge people to take full advantage of it.

Mr. Meadowcroft: We appear to be less and less able to compete with American galleries and foundations in our attempts to retain art treasures in Britain. Does the Minister agree that one way in which he could assist in the retention of such treasures would be for him to take a much more generous view of the valuation of such treasures which may be given in lieu of tax?

Mr. Luce: There are very clear mechanisms and we bring in expert advisers to assess values. I am satisfied that those arrangements are working well. As regards the selling of treasures abroad, the export review committee, which has been in place for over 30 years, does an extremely good job in recommending what should or should not have a stop put upon it. These procedures are working well.

Museums and Galleries (Refurbishment)

37. **Mr. Gerald Bowden** asked the Minister for the Arts if he will make a statement on progress in refurbishing national museums and galleries.

Mr. Luce: I attach high priority to maintaining and improving these buildings, and have allocated over £27 million to it in 1987-88. That is over 30 per cent. more in real terms that in 1979-80.

Mr. Bowden: I welcome my right hon. Friend's answer, but may I ask him whether he is obliged to accept the services of the Property Services Agency? The agency does a good job and provides professional expertise in many cases, but occasionally some museums could benefit from competitive tendering for refurbishment.

Mr. Luce: My hon. Friend is right to draw attention to this matter. From 1 April 1988 our museums and galleries will be untied from the PSA and will be able to take whatever action they wish about tendering and will be able to recruit whatever staff they need to enable them to do their job on that basis. This is the right way to proceed and it is right to give more responsibility to the trustees and to the directors.

Mr. Tony Banks: Is the Minister aware of the appalling state of upkeep of many of our great national museums — particularly the Victoria and Albert museum? Since voluntary charges were meant in part to assist in the refurbishment of that museum, what has been the most recent impact on attendance figures of the amount of money that the V and A has been able to produce from those charges? Has it not resulted in a great fall in the number of people attending the museum?

Mr. Luce: I must make it absolutely plain to the hon. Gentleman that, over a number of years, I have made available £27 million to the Victoria and Albert alone to enable it to undertake very important maintenance and refurbishment work. The record shows that the V and A has done a marvellous job under Sir Roy Strong's leadership and that a number of new galleries have been refurbished, including the medieval treasury. It is for the trustees to decide whether voluntary charges are in the interests of the museum. If the net increase in income leads to an improvement in facilities, I am sure that the vast majority of the British people will welcome it.

Mr. Greenway: Will my right hon. Friend confirm that, even where there are charges, voluntary or otherwise, there is always a time during the day when children have access to museums and galleries, and that he is pleased to see that happen?

Mr. Luce: I welcome the fact that a number of museums which charge, including almost every independent museum, give an excellent service to the public and offer a wide range of special services to enable schoolchildren to enter at a discount.

CIVIL SERVICE

Recruitment

82. **Mr. Wareing** asked the Minister for the Civil Service what plans he has to change the system of recruitment into the Civil Service.

The Minister of State, Privy Council Office (Mr. Richard Luce): There are no plans to change the basic principles of fair and open competition and selection on merit in Civil Service recruitment. Changes are continually being made to the detailed procedures to meet the changing needs of the Civil Service and of the labour market.

Mr. Wareing: Although it is now 17 years since the Fulton report was produced, is the Minister aware that the administration group of the home Civil Service — and, even more, the equivalent grades in the diplomatic service — are overwhelmingly dominated by the products of Oxbridge? Is it not time that we ended this elitism in the Civil Service and introduced some democracy? Is the right hon. Gentleman aware, and is he content with the fact, that 70 per cent. of those recruited into the home Civil Service administration groups in recent years have been the products of Oxford and Cambridge? Can it be that the other universities are no use at all in turning out our higher officials in Government service?

Mr. Luce: Our sole interest must be to get the best people for the Civil Service. *[Interruption.]* We have a fair and open system, based on merit. *[Interruption.]* I hope that the hon. Gentleman will listen to this answer, because it may be of some interest to him. Whereas, in 1982, 75 per cent. of the recruits for the high fliers in the Civil Service were from Oxbridge, at the end of 1986 the proportion was down to 46 per cent. The hon. Gentleman will see that a much broader range of backgrounds is now coming into the Civil Service.

Sir Geoffrey Finsberg: Does my right hon. Friend accept that those who have to deal with the administrative sections of the Civil Service think that they are extremely good and do not want them mucked up with some sort of equality nonsense from the Opposition?

Mr. Luce: I agree entirely with my hon. Friend. The thing that really matters in the Civil Service is that the system should be fair and open and that we choose people on merit, irrespective of their background.

Dr. McDonald: As we are considering recruitment, will the right hon. Gentleman ensure that civil servants will be recruited to staff the management centres for the Government data network? Will he also ensure that any exchange of information between Departments when the network is established will come under parliamentary

scrutiny, bearing in mind the fact that information about individuals from the Department of Employment, the Home Office or the Department of Health and Social Security could be put together in a package, thus posing an obvious threat to civil liberties?

Mr. Luce: I shall consider what the hon. Lady has said and, if I may, write to her in due course.

Trade Unions

85. **Mr. Soley** asked the Minister for the Civil Service when he last met the Civil Service trade unions; and what matters were discussed.

Mr. Luce: I have informal meetings from time to time with representatives of the Civil Service trade unions. Matters of mutual interest are discussed.

Mr. Soley: When the right hon. Gentleman next meets the trade unions, will he discuss with them the effect on morale in the Civil Service of the cuts being made by his colleagues in other Departments, especially the DHSS, where cuts are preventing the provision of a good standard of service to the public and undermining morale in an increasingly serious way?

Mr. Luce: I and my colleagues who are in charge of Departments are keen to ensure that the morale of the Civil Service is high. I am sure that the hon. Gentleman will have noticed that my right hon. Friend the Secretary of State for Social Services has acknowledged that there have been pressures on certain parts of the DHSS, particularly in offices all over the country, as a result of which he is planning to increase the size of the Civil Service by 5,000. That is an acknowledgement of the pressures and an attempt to deal with the morale problem in the Civil Service.

Mr. Peter Bruinvels: May I suggest that not everything is right in the Civil Service at the moment? Is my right hon. Friend aware that the four Civil Service unions have set up a campaign for a better Civil Service at a cost of £6 million? Should not all members of the Civil Service now declare loyalty and allegiance to Her Majesty the Queen and act like true civil servants by being honourable, respectable and responsible?

Mr. Luce: All the evidence that I see as I travel around the country and meet civil servants is that they do an outstandingly good job and that they are loyal, dedicated and professional. When individuals are not, disciplinary procedures can be taken.

Mr. Corbett: Given the fact that, in the face of rising crime, extra police officers have been appointed, why does the Minister resist calls, in the face of rising VAT fiddles, for an increase of 1,000 officers to deal with VAT frauds? Does the right Gentleman understand that, for about £20 million a year, they could recoup about £122 million in what is now fiddled VAT money?

Mr. Luce: The fact that, with the DHSS, VAT and in certain other areas, we have shown flexibility about the size of the Civil Service and are prepared to make modest increases when that would lead to an improvement of the service shows that we are anxious to ensure that there is a proper service.

Mr. Gow: Does my right hon. Friend agree that the offer that the Government have made to civil servants is sufficient to recruit, retain and motivate civil servants of high quality?

Mr. Luce: That is principally a matter for my right hon. Friend the Chancellor of the Exchequer, but my hon. Friend may have noticed that there is now a provisional pay agreement with the Institution of Professional Civil Servants to provide much more flexibility in the pay scheme to acknowledge retention and recruitment needs. I hope that that will be progress in the right direction.

Mr. Maclennan: Did the Minister take the opportunity to explain to the Civil Service unions whether the policy on decentralised pay bargaining was that proposed by the Paymaster General or that followed by the Chancellor of the Exchequer?

Mr. Luce: There is common agreement among us that there is a need for more flexibility in the pay system. The provisional pay agreement that has been reached with the IPCS is a step in that direction and has the suppport of the whole Government.

Official Forms

86. **Mr. Gerald Bowden** asked the Minister for the Civil Service how many official forms have been scrapped since 1979.

Mr. Luce: Since the Government's review of forms began in 1982, at least 17,500 forms have been abolished and 25,000 have been improved.

Mr. Bowden: I congratulate my right hon. Friend on that achievement. Can a price be put on it? Can he say how much has been saved by scrapping those forms? Is there not a case for simplifying the forms that must remain to ensure that they are understood even by the most simple-minded of us?

Mr. Luce: I am grateful to my hon. Friend. The saving made so far is £9 million of taxpayers' money. I hope that, as a result of the more recent reductions in the number of forms, further savings will be made. I welcome the fact that there is a campaign, led by Chrissie Maher, that is designed to improve plain English in this country. Her campaign has helped to improve and simplify many of the forms that the Government produce for taxpayers.

Mr. Holt: Could my right hon. Friend state why it is necessary for the Ministry of Defence to circulate a form asking about ethnic origin, when the Secretary of State for Defence has refused to do that for the armed forces? What is the difference?

Mr. Luce: Principally, that is a matter for my right hon. Friend the Secretary of State for Defence.

Mr. Dykes: Despite that welcome reduction, is my right hon. Friend aware that the tax assessment regulation forms now total more than 600 pages, compared with half that figure in 1950? Will he discuss that with the Chancellor of the Exchequer to see whether it can be reduced in the forthcoming Finance Bill?

Mr. Luce: I shall certainly discuss that with my right hon. Friend. For my part, I will do anything that I can to try to simplify the forms and make sure that they are better understood and more easily interpreted by the citizens of this country.

Mr. Skinner: Is the Minister aware that the simplest of all the forms recently issed in the Civil Service was the one that asked civil servants whether they wanted to set up a political fund in the Civil and Public Services Association? As a result of all the attacks by the Government on civil liberties of one kind or another, the CPSA decided by a majority of 2: 1, on this very official form, that they would set up a political fund. Does he agree that that shows that civil servants realise they have been badly treated by the Tory Government?

Mr. Luce: The vast majority of civil servants wish to do what has always been their duty—remain impartial. The Government believe that trade unions need political funds only if they propose to participate in party political activities or to campaign for or against political parties or candidates.

Zeebrugge Ferry Disaster

3.31 pm

The Secretary of State for Transport (Mr. John Moore): With permission Mr. Speaker, I wish to make a statement about the loss of the vessel Herald of Free Enterprise.

Shortly before 7 pm GMT on Friday 6 March, the roll-on/roll-off passenger ferry "Herald of Free Enterprise" capsized, without warning, in a position about three quarters of a mile outside the entrance to the port of Zeebrugge. She had left Zeebrugge about half an hour before on a passage to Dover. It is my sad duty to inform the House that a total of 53 people are known to have died and 82 others are believed to be missing. A total of 408 passengers and crew were rescued. I am sure that the whole House would wish to join me in expressing our deepest sympathy to the bereaved and the injured.

Immediately the tragedy occurred, the Belgian authorities took charge of the search and rescue arrangements, with assistance from Her Majesty's Coastguard and the Ministry of Defence rescue co-ordination centre at Plymouth. Two British warships were immediately dispatched to the scene, together with search and rescue helicopters carrying divers and other rescue equipment. I wish to pay tribute to all those involved in the rescue arrangements, especially to the Belgian authorities and the Belgian people, without whose speedy response the casualties would have been much greater. I should also like to pay tribute to the police, hospitals and fire services on both sides of the Channel, the staff of Townsend Thoresen and the British ambassador and his staff in Belgium for their assistance to the injured and bereaved.

A team of marine surveyors from my Department led by Captain Vale have begun to conduct a preliminary inquiry into the loss of this vessel.

I have decided that a full formal investigation should be held into this disaster. It will be conducted under the provisions of the Merchant Shipping Acts. I am pleased to announce that after consultation with my right hon. and learned Friend the Lord Chancellor, the hon. Mr. Justice Sheen, the Admiralty judge, has been appointed to be the commissioner for the investigation. He will be assisted by four assessors who will be appointed shortly. The date and venue for the inquiry will be announced when arrangements have been made, but I am anxious that there should be no delay.

It will be for the formal investigation to investigate the causes of this disaster and to make recommendations to ensure that all possible lessons are learnt. But the preliminary reports which I have received suggest that the cause of the capsize of the vessel was an inrush of water through the bow loading doors. I have no evidence to suggest that this was due to any fundamental fault in the design of the ship.

My Department has today embarked on a programme of checks on roll-on/roll-off ships leaving United Kingdom ports to ensure that all loading door mechanisms are in working order; that officers and crew are aware of the operating procedures, that all openings in the hull and superstructure must be closed before ships proceed to sea in accordance with statutory requirements, and that recommendations of safe practice should be observed.

I am also advising owners of roll-on/roll-off ferries to fit warning lights on the bridge of the vessels to show whether the loading doors are properly closed. Clearly, I shall consider whether to make this a statutory requirement.

Understandably, there is anxiety about the financial difficulties of the injured and bereaved both immediately and in the long term. As regards immediate needs in Zeebrugge, the British consul and his staff are offering all possible consular assistance. In this country, the Department of Health and Social Security is providing emergency arrangements so that people arriving at Gatwick and Dover can be given immediate help. As regards concern about long-term financial entitlements a team from the Department of Health and Social Security is going out to Zeebrugge today to give advice on the spot.

I understand that P&O has announced today that it has set aside £250,000 to meet the immediate personal needs of those in distress following the tragedy. This fund will be handled by the Townsend Thoresen office in Dover. The company will also be advertising in the national press tomorrow with details of the central point for claims. I have its assurance that all claims will be dealt with as quickly as possible.

On the initiative of Dover district council, a Channel ferry disaster fund has been established to assist the victims and their relatives. This will not affect claims for compensation. The Government will contribute £1 million to the fund. Parliamentary approval to this payment will be sought in a supplementary Supply Estimate for the transport services and central administration vote. Pending that approval, the £1 million donation will be met by a repayable advance from the contingencies fund.

Every year some 28 million passengers are safely carried on United Kingdom ferries and it is tragic that our fine record of safety has been marred by this disaster. I share the grief and anguish of those who are bereaved, and of those who are still uncertain of the fate of their friends and relatives. I am sure that the thoughts of all hon. Members of this House are with them.

Mr. Robert Hughes (Aberdeen, North): On behalf of the Opposition I express our shock at the magnitude of the tragedy and loss of life. We give our condolences to all those who lost family and relatives, and to the injured. It was a particular shock to many of us who have seafaring connections.

I join the Secretary of State in paying tribute to the rescue services and the Belgian authorities, which acted with exemplary speed and efficiency. I also pay tribute to individual passengers and crew members. Reports are coming in of individual acts of heroism and it is clear that passengers and crew alike put their lives at risk and may, indeed, have lost their lives, trying to save other people.

I thank the Secretary of State's staff who, after I spoke to them on Friday night, kept me in constant touch over the weekend. I thank the Secretary of State for phoning me when he returned from Zeebrugge on Saturday night. I thank the Government for the donation of £1 million to the Dover disaster fund.

Does the Secretary of State agree that it is of paramount importance that we discover as quickly as possible whether the primary cause of the disaster was the ship sailing with the doors open? I am glad that he has already put his surveyors on the ships to check the mechanisms to ensure that there is nothing wrong with

[Mr. Robert Hughes]

them. I am pleased that he is insisting that all roll-on/roll-off ferries are now fitted with monitoring devices and warning signals so that the skipper or the crew on the bridge can know immediately if something has gone wrong. Will he not hesitate to use section 21 of the Merchant Shipping Act 1979 to insist that that is done? I cerainly hope that it will not be necessary for him to use compulsion.

Will the Secretary of State discuss with European Transport Ministers of maritime nations how they can instigate common safety procedures? We want to ensure that all ships have proper standards of sailing procedures, no matter which port they are leaving—not just our ports or Belgian ports. Will he undertake an immediate examination of the need to secure vehicles before vessels leave port? It appears that there may have been a contributory factor of vehicles moving rapidly because they were not secured.

Will the inquiry look at the possibility of fitting stanchions in these vessels, which have no bulkheads, to prevent the vehicles from moving quickly in the event of such disasters, or in the event of a collision, because movement of vehicles affects the stability of the vessels? Will there be an inquiry into the ship's design, especially with regard to stability? The most important question to be answered is how, within 45 to 60 seconds, a vessel such as this could roll over.

Will the right hon. Gentleman ask the inquiry to look at the possibility although it is extremely expensive, of fitting moving bulkheads, if not to existing vessels, to new vessels, as some sort of bulkhead would at least buy some time to evacuate people safely?

I agree that we want a thorough and urgent report. Will the Secretary of State undertake that there will be interim reports so that any safety lessons that emerge will be put into effect without any delay? Will he urge the inquiry to look at the commercial pressures that may be compelling vessel owners to have swifter turn-rounds? Whatever lessons came out of this, in no circumstances can commercial pressures be allowed to militate against the safety of our people and our passengers.

Mr. Moore: I thank the hon. Gentleman for his initial comments. I know that he speaks for all hon. Members in what he has said, and I welcome it. I start with his last point. Safety cannot be inhibited by any pressures. It is the first prerequisite, and all hon. Members would expect it to be the prerequisite of any Government, to establish regulations on safety at sea. The hon. Gentleman was right to pay tribute to the passengers and the crew. It is difficult at this stage to be precise, but in my conversations at Zeebrugge and again this morning, with Jeffrey Sterling, it is clear to me that there are many, as yet untold, heroic actions both by members of the crew and passengers. I am sure that the former would have done their duty in the standards and tradition of the British merchant navy.

The hon. Gentleman asked me to establish the inquiry urgently—of course we must. To follow up another of his questions, I make it clear that no action will be inhibited by the time that it takes us to establish the precise cause. The preliminary investigations that I started on Friday night and Saturday morning are already under way. If there are, as a consequence, any actions to be taken, or if actions become necessary because of what the formal inquiry presents, we shall not be inhibited in taking those actions by the inquiry process.

The hon. Gentleman asked about the Act and the way that I might use other sections of the Merchant Shipping Act and section 21 in particular. I would not hesitate to use them. There is already a considerble number of regulations in this sector, as he knows. There are no statutory regulations on the physically securing of vehicles. It is done by advice to the masters of the marine. Whether that should be turned into statutory regulations is something that I should be more than happy to consider.

With regard to stanchions, the inquiry will not be inhibited in any aspect. It cannot be and should not be. We shall look at that point. With regard to the European Transport Ministers, the House may not be aware that the Commissioner for the European Commission, Mr. Stanley Clinton Davis, and some of his staff, spent most of Saturday with me. Not only did he show sympathy and concern, but he wishes, with the European Transport Ministers, to look at and discuss this matter.

With regard to the character and design of the ship, the public inquiry will no doubt address the design and safety margins for such ships. For the present, I stress again, as it is important for the many millions who travel by sea, that there is no evidence to suggest any reason for imposing restrictions on their operation. I would not have said that without clear advice. I would not inhibit, but encourage, the inquiry to look at this and all aspects of the issue.

Mr. Peter Rees (Dover): I thank my right hon. Friend for the statement and for his decision to make an immediate grant to the Dover district council disaster fund. His prompt visit and that of my right hon. Friend the Prime Minister to Zeebrugge to see the aftermath of the disaster was much appreciated. My hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) and I appreciated the prompt visit that the Minister with responsibilities for shipping paid with us to the coastguard station at Dover and to the headquarters of Townsend Thoresen on Saturday.

Will my right hon. Friend accept that many people in east Kent will wish to be associated with the tributes that he has paid to the rescue services, and with the expression of gratitude that he made to our neighbours in Belgium for their prompt and sympathetic response?

I welcome my right hon. Friend's prompt decision to set up a judicial inquiry under the Merchant Shipping Act. Will he ensure that the judge and his assessors are accorded all of the resources and assistance that they require, so that, while their inquiry will be a thorough one —it must be that to command confidence—it will also be a fairly speedy one? The obvious uncertainties over the reasons for this incident, and therefore over the passage of the ferries, may prejudice the ferries, which have had, until now, a well-deserved reputation for efficiency and safety in carrying millions of people across the Channel every year.

Will my right hon. Friend consider whether, in incidents of this kind, the methods of contacting and informing the families of those directly involved could be sharpened up? I know that my hon. and learned Friend the Member for Folkestone and Hythe and I came across one or two distressing cases over the weekend of families who were left in considerable uncertainty for a long time. One

appreciates that, when an incident has occurred in foreign waters, and the primary responsibilities for the rescue lie with foreign authorities, the difficulties may be considerable, but I know that my right hon. Friend will be sensitive to that particular point.

Mr. Moore: I thank my right hon. and learned Friend and start by saying how much my Department appreciated the assistance that he and my hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) gave by going to the rescue centres and information areas in Dover and Folkestone and ensuring that they did everything that they could to help the relatives of those who were looking for their kin.

As to the Belgium authorities, may I reiterate to the House what my right hon. Friend the Prime Minister said, and what I said when I was in Belgium? I cannot express enough the thanks of the House and the British people for the extraordinary courage, efficiency and care with which the Belgian authorities and the Belgian people greeted us on this occasion.

The inquiry must not be restricted in any way as to resources. It is essential that it does its job properly; it would not wish to do anything else. I understand the point that my right hon. and learned Friend is making about speed. It is essential that we move as fast as we possibly can because, as he said, this involves an important industry that safely carried 28 million of our people across the Channel last year.

I heard the points that my right hon. and learned Friend made concerning the difficulties that occurred with regard to some of the telephone lines. Some 26 telephone lines were put in in the Maidstone special emergency area. I shall ask my right hon. and hon. Friends to look at this matter again, but it is very difficult when an incident has occurred in somebody else's jurisdiction. I shall certainly look at the point because of many of the difficulties that the bereaved found in these circumstances, and still find, is something that we all appreciate.

Mr. James Wallace (Orkney and Shetland): I associate my right hon. and hon. Friends with the expressions of sympathy for the bereaved and injured. I also pay tribute to the emergency services, the rescue services and to all those who supplied comfort and assistance to the injured and bereaved in Belgium and on this side of the Channel. From information supplied by my hon. Friend the Member for Yeovil (Mr. Ashdown), who has constituents missing, presumed dead, I know that the prompt and sensitive response of the staff of Townsend Thoresen has been particularly welcomed.

I welcome the announcement that the Minister made of Government support for the disaster fund and also the very prompt steps that he and his Department have taken to ensure safety and to reassure the public, who will need to have their confidence rebuilt after what has happened.

The Minister said that a full and public inquiry will take place, which will perhaps establish how the water got in. No doubt the Minister will be aware of the great concern that has been expressed at the volume of open space on the car deck. Will he confirm that that will be one of the matters that the inquiry will be looking into? The Minister can be assured that, if there are findings that suggest safety measures that could, perhaps, be said to conflict with commercial pressures, he will have our support in ensuring that safety is paramount.

Mr. Moore: I thank the hon. Member for what he said on behalf of his party. He will know that nothing can take second place to safety. He must understand that, and I reiterate the point.

I thank the hon. Gentleman for his remarks about Townsend Thoresen. Those who have been involved in the tragedy are fully aware of the enormous resources that the company has devoted to try to make sure that the difficulties are handled with as much sensitivity as possible.

The hon. Member is absolutely right to say that, as far as we can, we must take every action quickly. I will not let the inquiry inhibit action to reassure people.

I said earlier that the public inquiry will no doubt address the design of the ship and the safety margins of this type of ship, but I also said carefully that, as far as we could see at this stage, there is no evidence to suggest that we should impose restrictions on operations, apart from the additional action that I have announced today.

Mr. Terence Higgins (Worthing): While joining in the expressions of sympathy to the bereaved, may I ask whether my right hon. Friend is satisfied that steps to recover and identify the remaining bodies in the wreck are being taken without delay?

Mr. Moore: I thank my right hon. Friend for that question. He has drawn attention to a difficult and important issue. I have spoken to Sir Jeffrey Sterling and to the people involved and there is no question but that the only criterion that concerns them is the raising of the vessel in such a way as to obtain the bodies of those currently entombed in the ship. That is the first, last and only important criterion that they are addressing, and that must be right. It is a very difficult operation, as those who have been involved know. Therefore, I am afraid that it will take time, but we wish them speedy success.

Mr. Donald Stewart (Western Isles): May I associate myself with the expressions of sympathy and with the thanks offered to the rescue services for the fact that, despite the tragic deaths, many passengers were rescued alive? Like other hon. Members, I represent a constituency which is served by roll-on roll-off ferries. I make no imputation against that type of vessel, but will the Secretary of State include in the public inquiry a general review of roll-on roll-off ferries?

Mr. Moore: I made it quite clear what I suggested that the public inquiry should examine and I do not think that I need to repeat the words for the third time. I thank the right hon. Gentleman for his initial remarks. He is right to remind the House of the extraordinary achievements of the rescue services. It is impossible to describe how cold the waters were. To get 408 survivors out of 543 passengers in such conditions is one of the most remarkable miracles. We are all desperately sad at the death toll that we already know about and at the deaths that we suspect, but the achievement of the authorities and of everybody else is something for which we must all thank God.

Several Hon. Members *rose*——

Mr. Speaker: Order. In a tragedy of this magnitude there is hardly an hon. Member whose constituency has not suffered loss or injury. I think that it would be fair to all concerned if we moved on, because it is impossible for me to decide or discover who has suffered most.

Statutory Instruments, &c.

Mr. Speaker: With the leave of the House, I shall put together the four motions relating to statutory instruments.

Ordered,

That the draft Carriage of Passengers and their Luggage by Sea (Domestic Carriage) Order 1987 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Merchant Shipping Act 1979 (Commencement No. 11) Order 1987 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Civil Defence (Grant) (Scotland) Amemdment Regulations 1987 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Civil Defence (Grant) (Amendment) Regulations 1987 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Lennox-Boyd.]*

European Community Documents

Mr. Speaker: With the leave of the House, I shall put together the two motions relating to European Community documents.

Ordered,

That European Community Document No. 10279/1/86, relating to medical and health research, be referred to a Standing Committee on European Community Documents.

That European Community Documents Nos. 11198/85 and 10522/1/86, relating to road haulage, be referred to a Standing Committee on European Community Documents. —*[Mr. Lennox-Boyd.]*

CHEVENING ESTATE BILL *[LORDS]*

Ordered,

That the Chevening Estate Bill *[Lords]* be referred to a Second Reading Committee.—*[Mr. Lennox-Boyd.]*

Opposition Day

[10TH ALLOTTED DAY]

Intermediate Nuclear Weapons

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Lennox-Boyd.]*

3.54 pm

Mr. John Cartwright (Woolwich): There is widespread agreement in all parts of the House about the significance of Mr. Gorbachev's announcement on 28 February that the Soviet Union was dropping its previous insistence that any agreement on intermediate nuclear weapons in Europe could not be implemented until a similar agreement had been reached on strategic and space weapons. That statement was warmly welcomed throughout the world. Sadly, so far there has been no opportunity to discuss it in the House. There has been no statement from any Minister and, despite the Government's skeletal legislative programme, they apparently cannot find the time for a debate on the subject. That is why the alliance parties have given up half a day of their precious time to enable Parliament to discuss the issues and to probe and clarify the Government's position on this important subject.

The alliance strongly welcomes the Soviet decision, first because we believe that Mr. Gorbachev was wrong to try to hold progress on INF negotiations hostage to progress on strategic and space systems. The three negotiating baskets of Geneva were always intended to be separate and they should remain so. Secondly, we welcome Mr. Gorbachev's decision because it demonstrates the validity of the 1979 dual-track decision — the decision to modernise NATO's capability, while, at the same time, negotiating to remove the threat of the Soviet SS20s. The apparent success of that strategy reinforces the alliance's belief that sound defence and sensible disarmament are complementary and not contradictory. It also confirms our belief that progress in disarmament is less likely to result from great moral gestures than from patient, tough and determined negotiation.

The worldwide response to Mr. Gorbachev's announcement has been extremely positive. In the United States, the assistant Secretary of Defence, Mr. Richard Perle, seldom known as a dove in such matters, suggested it was

"a constructive step that should open the way to concluding the remaining issues, leading ultimately to a treaty."

That was fairly typical of the response throughout the world.

Strangely, the British Government were almost the last to respond. When the statement appeared the Government were somewhat restrained in their enthusiasm. *The Daily Telegraph* of 3 March described the Foreign Secretary's statement as

"carefully avoiding any impression of being over the moon about the prospect of a zero option agreement".

At this stage we should be clear about the origins and purposes of the zero option. It is by no means some sinister Soviet ploy. After Reykjavik, Lord Carrington reminded us that the zero option was inherent in the original dual-track decision of December 1979. The zero option was first put forward officially in a speech by President Reagan as long ago as 18 November 1981. At that stage, he offered

the non-deployment of cruise and Pershing II missiles in return for worldwide dismantling of Soviet INF missiles. That offer was incorporated in the United States draft treaty that was tabled on 2 February 1982. It is also worth recalling that the draft treaty called for a freeze on the shorter range systems with reductions to be "sought in subsequent phases".

I argue that the zero option represents a good deal for Western Europe. Some 441 Soviet SS20s are now deployed. We may argue about how many of those are deployed against targets in Western Europe, how many are targeted against Asia and how many are in the so-called "swing" zone, which enables them to hit targets on either continent. They are mobile systems and therefore all of them are potentially available for use in the European theatre. With three warheads on every missile, that means that the Soviets have a total of 1,323 warheads in place. That compares with the 572 single warhead cruise and Pershing missiles that would be eventually deployed if NATO completes its planned programme within the next year or so.

Thus, there are substantially more Soviet missiles and warheads to be dismantled or destroyed as a result of the zero solution than there are NATO systems. This would be the first time in the history of arms control that brand-new, effective and sophisticated nuclear weapons were destroyed as a result of an agreement. That is extremely significant.

The Government's position on the zero option has undergone some subtle change since the Reykjavik summit. [HON. MEMBERS: "Subtle?"] It may not be so subtle, but we shall see as I develop my argument. The Prime Minister was originally an enthusiastic supporter of a straightforward zero option solution. On 27 March 1982 at Harrogate the right hon. Lady said:

"That is our objective, the zero option objective. That is a balanced objective. 'You get rid of yours and we won't put ours in place.'"

That is a clear and straightforward description of the option.

On 1 November 1983 the Prime Minister said:

"No one would be better pleased than the Government if the result of negotiations was a zero option by the end of the year."—[*Official Report*, 1 November 1983; Vol. 47, c. 736.]

That was clear, unconditional support for a simple zero option solution. No qualifications were being set out at that stage about, for example, short-range weapons. It seems that it was the Reykjavik summit that set the alarm bells ringing. That summit seemed suddenly to reveal the possibility that the zero option was no longer an abstract theory, no longer a negotiating position. At that stage zero option was threatening to become a reality, and the right hon. Lady seemed to be somewhat concerned about how far President Reagan was intending to go in his negotiations with the Soviet Union.

The Camp David meeting between the President and the Prime Minister produced the statement of November 1986 suggesting that

"priority should be given to an INF agreement with restraints on shorter range systems."

That was no different in character from what had been said before about shorter-range systems in relation to INF. However, the Prime Minister seems to have reinterpreted the Camp David statement in a much stronger form. On 18 November 1986 she was talking about an INF agreement and saying:

"It would also be subject to negotiating at the same time on shorter-range systems".—[*Official Report*, 18 November 1986; Vol. 105, c. 444.]

In other words, an INF deal was somehow to be held hostage to progress on shorter-range systems.

That is not the view that American Administration officials have taken. Paul Nitze and other officials have made it clear that the United States endorsed the Reykjavik understanding that short-range INF systems would be dealt with but in follow-on negotiations. There has been no support for the idea that an INF deal would somehow be conditional on an agreement on short-range systems.

Sir Julian Ridsdale (Harwich): I am aware that the hon. Gentleman has great experience of these matters because I am a member of the North Atlantic assembly with him. Does he agree that General Rogers, the C in C of NATO in Europe, took the same position as my right hon. Friend the Prime Minister? He had doubts and he wanted to safeguard certain matters.

Mr. Cartwright: That is a fair point. I wish to consider short-range systems in more detail later. When I reach that stage, I shall try to deal with the issue which the hon. Gentleman has raised.

I was dealing with the switch in Government emphasis and the much greater importance that was suddenly given to short-range INF systems after the Reykjavik summit. The Secretary of State for Defence does not seem to have been swept along by the sudden anxiety about short-range systems. The right hon. Gentleman attended a Gleneagles meeting of NATO Defence Ministers in October after the Reykjavik summit and he was quoted in a number of national newspapers on 22 October as saying:

"any INF deal should take into account the 'wider spread of weapons' in Europe, but at the end of the day 'if we can get a deal on INF alone then that's fine as far as the British Government is concerned.'"

That was a welcome statement, and I shall be interested to see whether the right hon. Gentleman is as clear-cut in his comments this afternoon on that issue or whether he, too, has had to refine his attitude towards the zero option.

Since Mr. Gorbachev's statement on 28 February the Prime Minister has become even more strident in her denunciations of what she has described as the "huge imbalance" in the Soviet Union's favour in shorter-range nuclear systems in Europe. She has talked about the Soviet Union's "total superiority" in such systems. As a result, it seems that there is a suggestion that no deal should be done on INF until the imbalance is somehow sorted out.

I wish briefly to consider the issue of shorter-range INF systems. It is understandable that there should be concern that, if the SS20s are withdrawn, their role might be performed by shorter-range systems, especially if those systems are based forward. We know that the SS21s and SS22s were brought forward into eastern Europe as a counter to cruise and Pershing deployments after December 1983. The Soviets have made it clear, however, that they are willing to withdraw those forward-based SS21s, SS12s and SS22s as soon as an agreement is signed on INF systems—the cruise and the Pershing on the NATO side and the SS20 on the Soviet side. There is thus a willingness on the part of the Soviet Union to deal with the problem as soon as an INF deal is signed.

There is also a proposal by the Soviet side to begin talks immediately with a view to reducing and, if necessary, eliminating other nuclear missiles in Europe. There is a

[Mr. Cartwright]

willingness, a possibility and a potential for dealing with the problem to some extent immediately, and further by additional negotiations.

There is nothing new about Soviet superiority in shorter-range nuclear missiles. That has been the position for at least 20 years. It was well known in December 1979 when NATO took its dual-track decision, and NATO did not make that decision relate to the problem of shorter range systems.

Sir Geoffrey Johnson Smith (Wealden): I appreciate that there were strong political reasons for Europe taking that dual-track stance in 1979 and again later. I think that the hon. Gentleman will agree that the world has moved on since then, especially in the grey area of shorter-range systems. Is he suggesting that we should trust the Soviet Union, after we have signed a zero-option agreement on long-range systems, to fulfil the promise that it has made, and that there should be no linkage with the discussions on long-range systems?

Mr. Cartwright: I believe that the deal that was accepted by both sides at Reykjavik is a sensible one. We can arrive at a settlement on the long-range INF systems immediately — that was implied originally by the 1979 dual-track decision — and then move on to consider short-range systems. I take up the issue of the Soviet short-range threat.

Mr. John Wilkinson (Ruislip-Northwood): Is the hon. Gentleman saying that the West should trade the certainty that its own INF, which has been so painfully put in place, would be dismantled in return for the possibility of negotiations, with no certain outcome, on short-range systems that directly affect us?

Mr. Cartwright: I am suggesting that the deal that was worked out at Reykjavik is a sensible one. It responds immediately to what was set out to be dealt with in 1979, the longer-range INF systems. The Soviets have offered negotiations and to take back immediately the systems which have been based forward. They have offered negotiations on the shorter-range systems. That seems to be acceptable to the United States and I cannot understand why it is not acceptable to Conservative Members.

I shall deal with the alleged difficulty about Soviet short-range systems. The most modern SS21s and SS23s account for only about 200 systems in the Soviet inventory. Much of the apparent Soviet superiority consists of elderly missiles of extremely doubtful accuracy. It is worth saying that Soviet superiority in very short-range systems, such as battlefield and short-range tactical systems, is balanced by NATO's much larger stocks of nuclear artillery shells and bombs. That is something we should bear much in mind.

Short-range systems are certainly important but we should not allow ourselves to be mesmerised by the problem. Secondly, we should not start to shift the INF goalposts as a result of the Soviet's superiority in short-range systems.

Mr. John Maples (Lewisham, West): I am interested that the hon. Gentleman is now such an enthusiastic supporter of the zero-zero option for intermediate nuclear systems. That has not always been his position. In a debate in the House on 31 October 1983, the alliance tabled an amendment that urged the Government effectively to cease deploying cruise and Pershing missiles in exchange for a reduction by the Soviet Union in the number of SS20s that they deploy. Does he think in retrospect that that was wrong and that the Government's decision was right?

Mr. Cartwright: No. If the hon. Gentleman does a little more research than he has apparently done, or does not depend only on Tory Central Office, he will discover that in that debate the alliance had an amendment of its own which called for further negotiations with the Soviet Union without in any way weakening NATO's bargaining position. He would also find out that my right hon. Friend the Member for Tweeddale, Ettrick and Lauderdale (Mr. Steel) made it clear that we regarded the zero option as the best long-term possibility, but at that stage in the game it was not a practical possibility because the Soviet Union had clearly ruled it out. Therefore, we were arguing for something very much closer to the "walk in the woods" solution, which had a great deal of support at that time.

Mr. Denis Healey (Leeds, East): The hon. Gentleman has put fairly the position that he put in the debate in 1983. However, does he recall that he and his right hon. and hon. Friends in the Social Democratic and Liberal parties, including the right hon. Member for Plymouth, Devonport (Dr. Owen), voted against the deployment of cruise and Pershing at the end of the debate, with the Labour party? Every single one of them voted in that way.

Mr. Cartwright: Every member of the alliance voted in favour of our amendment and the Labour party summoned up all its courage on the issue and bravely abstained on our amendment. That was the position. We set out five objections to the Government's motion and we voted against the Government's motion, not against deployment. If the right hon. Gentleman disputes that in any way I refer him to the comment made by my right hon. Friend the Member for Plymouth, Devonport (Dr. Owen) on 23 November 1983 after the Soviet Union had quit the negotiations at Geneva. He said:

> "NATO has no alternative but to continue with the first stage of the deployment."—[*Official Report*, 23 November 1983; Vol. 49, c. 329.]

That kills the right hon. Gentleman's argument that somehow we voted against deployment. We did not; we voted against the Government.

Mr. Edward Leigh (Gainsborough and Horncastle): Will the hon. Gentleman give way?

Mr. Cartwright: I will not give way to the hon. Gentleman. I have been generous in giving way.

Mr. Stephen Ross (Isle of Wight): Does my hon. Friend recall that when I was the defence spokesman for the Liberal party in 1979 I agreed with the Government on the need to deploy cruise and Pershing missiles if the SS20s were not withdrawn and I repeated that and carried the party with me in 1981 at Blackpool?

Mr. Cartwright: I am grateful to my hon. Friend for that helpful contribution.

Mr. Leigh *rose*——

Mr. Cartwright: I have been reasonably generous in giving way. I think that I have given way sufficiently for the moment.

I want to move on to some of the other issues that have been raised against the background of Mr. Gorbachev's

announcement. That includes issues such as verification, chemical weapons, the conventional imbalance and the doctrine of flexible response. All those issues have been raised in relation to the possibility of an IMF deal.

Verification is obviously an extremely essential element in any agreement. The United States has proposed a full exchange of information. It has proposed on-site verification of dismantling and effective monitoring of the future of missile sites. The Soviet Union, for its part, has agreed in principle but has so far been somewhat reluctant to fix details of verification procedures. However, modern satellite surveillance systems have enabled us to know accurately the details of SS20 deployments made so far and I believe that it should be possible by using those methods to prevent cheating. It is worth recalling that there are problems for the Soviet Union, too. The United States deploys many hundreds of cruise missiles which could be nuclear armed or conventionally armed. It is extremely difficult for the Soviet Union to know whether they are carrying nuclear or conventional warheads. Verification will obviously involve a great deal of tough, detailed negotiation but I do not believe that it should be allowed to become a stumbling block in the progress towards an agreement.

There is no doubt that the Soviet Union's possession of chemical weapons is a threat but that threat has not radically changed since December 1979. The progress now being made at the United Nations disarmament conference—I give credit to Her Majesty's Government for the role Britain has played in the negotiations—is of great importance. Currently, the negotiations are balanced on the issue of verification, particularly the American concern about challenge verification, but I cannot believe that tying chemical weapons to an INF deal in any way would make agreement at Geneva any easier.

Mr. Ray Whitney (Wycombe): On the matter of chemical weapons, when the hon. Gentleman says that the threat has not changed, is he telling the House that there has not been a build-up of Soviet chemical weapons since 1979?

Mr. Cartwright: I accept that there has been a build-up but the threat, as an effective threat, is still there. There has been no additional strengthening of that threat. The United States' decision to press ahead with the binary system is something that I very much regret, but whether the threat is stronger or at the same level, the situation is not altered or improved by trying to link negotiations on chemical weapons to INF negotiations.

It has been suggested in some quarters that NATO somehow needs the cruise and Pershing missiles to answer Soviet conventional superiority in Europe. It is worth reminding ourselves that those weapons systems were not deployed in answer to a Soviet conventional superiority. They were deployed in answer to the Soviet's introduction of very much more powerful, accurate and sophisticated intermediate nuclear weapons. NATO was well aware of the conventional imbalance in December 1979 when it took the dual-track decision but it was not an element in that decision. The deployment of cruise and Pershing was conditional on the Soviet removal of SS20 and not on cuts in conventional forces. Again, I would argue that there is no hard evidence that the conventional position has worsened dramatically since December 1979. In fact, I would suggest that there is some evidence that NATO is at last beginning to get its act together on conventional forces.

Mr. Donald Stewart (Western Isles): Will the hon. Gentleman give way?

Mr. Cartwright: Yes, but this must be the last time.

Mr. Stewart: Would the hon. Gentleman take into account the evidence of Robert McNamara from his tremendous knowledge of the position, that when there is a slight preponderance in favour of the Soviet Union, it has been grossly exaggerated?

Mr. Cartwright: I would probably go a little further than the right hon. Gentleman. I do not think that it is a "slight preponderance" but a worrying preponderance. However, I take the view that one can exaggerate. That is a fair point.

In NATO we cannot go on seeing nuclear weapons as some sort of crutch to bolster NATO's conventional deficiencies. Deterrence has to rest on a mix of nuclear and conventional strength and the nuclear component ought to be seen as a weapon of last resort, not something to be used for war fighting. Therefore, I could not accept any attempt to link an INF deal to conventional force levels. That is an important issue but it should be the subject of separate negotiations.

That brings me to the issue of flexible response. I certainly accept that it could be argued that a zero option and the removal of intermediate nuclear missiles undermines the doctrine of flexible response because it removes one rung in the ladder of escalation. However, that again was clearly foreseen in December 1979 as an inherent result of the dual-track decision. If the SS20s are removed there is not the same need to respond with comparable nuclear weapons systems. In any case, NATO would retain substantial nuclear capability in the European theatre; for example, dual-capable aircraft, United States submarine-launched cruise missiles and even the United Kingdom nuclear forces dedicated to NATO.

In any case I have some doubts about the scenario of nuclear escalation being based on some sort of stately gavotte starting with battlefield systems, moving through tactical and intermediate systems to strategic nuclear weapons. I agree with General Rogers, the supreme allied commander in Europe, who has always said that when one crosses the nuclear threshold at the lowest level one has no idea about what will flow from that decision. Therefore, I do not believe that we should let some slavish adherence to the doctrine of flexible response stand in the way of sensible disarmament.

The Government are right to be careful and cautious about the prospect for an INF deal. The deal is certainly not in the bag. A great deal more negotiation will be needed before we can sign an agreement. Therefore, a cautious and careful approach is justified but there is a difference between being cautious and careful and raising unnecessary obstacles along the road. I think that we are all agreed that Mr. Gorbachev was wrong to link INF agreements to progress on SDI. It would be just as wrong now for the West to try to link an INF deal to other important issues which must be the subject of separate negotiations. NATO fixed the goalposts of the zero option in 1981 and it would be foolish for us now to try to move them.

Mr. Leigh: The hon. Gentleman speaks with great knowledge and authority on these matters. Therefore, can he tell the House once and for all, because it is important for the House and the nation to know, whether he now disavows the statement in the official 1986 Liberal publication "These are Liberal Policies", that the alliance was opposed to the deployment of cruise missiles?

Mr. Cartwright: Fortunately, I am not responsible for what goes into "These are Liberal Policies". If that statement were simply reflecting a Liberal assembly decision, no doubt it was an accurate description of the Liberal assembly vote. However, if we are talking about the way in which the alliance votes in Parliament and the position that it took, it is absolutely clear that we backed the dual-track position of December 1979. Although we wanted negotiations to go on until the last moment and we wanted them to succeed, at the end of the day we accepted that deployment had to take place. That is the position, which we made absolutely clear.

Let me look again at the prospects for negotiations. The House should also bear in mind that an agreement on INF would be an important confidence-building step for other negotiations, which are likely to be even more complex and demanding, for example, on shorter-range systems, conventional defence, chemical warfare, and so on. Those of us who believe in negotiated disarmament should bear in mind that it is important that we start to show some results from negotiated disarmament. The Labour party is no longer interested in securing negotiated disarmament. It believes that one disarms first and hopes that the others will follow in one's footsteps. Those of us who do not accept that road and who believe that disarmament comes through negotiations must now start to show some results. There is not much to show from the past—the threshold test ban treaty, the unratified and now increasingly tattered SALT II and an ABM treaty that is increasingly under pressure. There is now a welcome sense of urgency about INF negotiations, and it would not be right for us to confuse our objectives with other important issues.

We need a clear step-by-step approach to the difficult and time-consuming business of disarmament negotiations. That approach was endorsed strongly by the Foreign Secretary in the unlikely setting of a dinner in East Berlin on 4 April 1985 when he justified the case for seeking individual disarmament agreements by quoting Plutarch as having said:

"Many things which cannot be overcome when they are taken together yield themselves up when taken little by little."

Those words are just as relevant today as when the Foreign Secretary used them almost two years ago.

I urge the Government to throw their full weight behind the effort to secure the zero option as a vital first step in the long process of negotiated disarmament.

4.21 pm

The Secretary of State for Defence (Mr. George Younger): I am most grateful to the hon. Member for Woolwich (Mr. Cartwright) for giving us the opportunity to discuss what is undoubtedly a matter of great importance, which greatly interests all hon. Members. I thank him for the thoughtful way in which he has done his best to present a case, but I am bound to add that I cannot help feeling a great deal of sympathy for him in the impossible task with which he has been landed. There are some clear pointers to the extreme difficulty of that task. One is a truly extraordinary situation that I cannot recall happening before. An Opposition party that had to choose an important matter for a debate in which there are clear policy lines to be discussed has failed even to attempt to table a motion on which the House can express a view for or against. We know why that is. There is not the remotest chance that the Liberal party and the Social Democratic party could have got together between the middle of last week and now and devised any motion that would have got both parties into the same Lobby.

Mr. Keith Best (Ynys Môn): My right hon. Friend says that he cannot recall a similar incident. I recall not long ago a debate on defence matters, initiated by the leader of the Liberal party, in which he gave several options, none of which he thought he would favour. In fact, he said in terms that these matters could not be decided by a party in opposition because it did not have sufficient knowledge.

Mr. Younger: My hon. Friend is correct. I remember that other strange operation, of which today's operation reminds me, when the leader of the Liberal party produced 10 different options. He expressed doubts about all of them, and none has been heard of again. That is not surprising.

It cannot be without significance that this important debate, decided upon by the alliance I understand, has been attended by only two members of the Liberal party. It is clear why that is so. Most of the remarks of the hon. Member for Woolwich—certainly all those with which I agreed, of which there were a considerable number—would be turned down outright by any version of the Liberal assembly that anyone likes to invent.

With respect to the hon. Gentleman, his anxiety to try to please both halves of his responsibilities has led him to some strange conclusions. He said that he had no doubt that the zero option was a good deal. I am grateful for that. He is right. That is why we should pursue it. However, the hon. Gentleman may not have remembered that on 31 October 1983 his right hon. Friend—if that is the right description—the leader of the Liberal party gave as the third reason for not having supported the Government on the twin track decision that he did not agree with the emphasis put on the zero option.

Mr. Cartwright: I cannot let the right hon. Gentleman get away with that. If he looks at the rest of what my right hon. Friend the leader of the Liberal party said, he will see that he said that he dislikes the emphasis placed on the zero option, and he added:

"Of course that was the best option".—[*Official Report*, 31 October 1983; Vol. 47, c. 640.]

But it was not the best option to obtain agreement at that time.

Mr. Younger: That was a noble effort. I can only say that, in the Government's view, that was the best option; and today it is clear that it has paid off handsomely and the Government were right throughout.

The hon. Gentleman tried to suggest that the Americans were not in favour of restraints on the short-range intermediate nuclear forces. With respect, that is untrue. It has been part of the American negotiating position for several years—about four or five years. So the hon. Gentleman is not correct on that.

The hon. Gentleman also mentioned that Mr. Gorbachev was said to have announced that he would withdraw the short-range intermediate nuclear weapons,

but the point is that the word is "withdraw". The hon. Gentleman would do well to ponder the difference between "withdraw" and "destroy". Withdrawing those highly mobile weapons is not a great reassurance to those of us who are frightened that they could easily be moved around quickly and deployed against us.

The hon. Gentleman has one advantage in his difficult task—he is provided, by the twin-headed advisers who sit behind him, with an argument for almost every occasion. He cannot be stuck, whatever happens. For instance, he had to marry the difference between these two statements. His hon. Friend the Member for Isle of Wight (Mr. Ross), whom I am delighted to see here, correctly intervened on 13 December 1979 to say:

"I, on behalf of my parliamentary colleagues, fully support the decisions taken in Brussels yesterday, as we agree that it is necessary to update and modernise the NATO theatre nuclear capability."—[*Official Report*, 13 December 1979; Vol. 975, c. 1545.]

Well done indeed. However, let us look at the more up-to-date "These are Liberal Policies" of 1986. Page 19 of the Liberal document states:

"The Liberal Party and the Alliance in Parliament oppose the deployment of cruise missiles in this country. We will seek the immediate removal of those that have now arrived."

It is a hard task to represent the alliance on a subject such as this.

I take issue with the hon. Member for Woolwich on one strange theory that he produced today, which simply will not do, and I hope that he will not try it again. He said that he is not responsible for Liberal party policy. I understood that he was appointed as the defence spokesman of the alliance. I can reveal to the House that the alliance consists of two parties — the Liberal party and the Social Democratic party. Therefore, whether the hon. Gentleman likes it or not, from now on he is responsible for the policies of the Liberal party.

Mr. Stephen Ross: No—for the alliance party.

Mr. Younger: From a sedentary position, the hon. Member for Isle of Wight has said, "for the alliance party." Unfortunately, the electors are not given such a luxury. Each one of us must decide whether we support a particular candidate in our constituency. We must support either a Social Democrat or a Liberal, and the policy must be spoken for by the alliance spokesman who is in the Chamber now. I believe that argument is one to which the hon. Gentleman had better not return.

I want to spend a few moments spelling out the Government's position on this important issue. In spite of all that I have said, we are grateful to the hon. Member for Woolwich for raising this issue. It is now more than seven years since NATO's twin track decision in 1979 to deploy long-range INF missiles in Europe and at the same time to seek an arms control agreement with the Soviet Union. It was a decision that epitomised this Government's approach to security: a determination to provide the defence forces we need, together with a willingness to reach arms control agreements that would provide for security at lower levels of weapons. We went ahead with those deployments, and today it is beginning to look as though the Soviet Union may at last be willing to negotiate a balanced agreement on them.

It is as well to remember how we got to where we are today. By 1979, the Soviet Union had reached approximate parity in strategic weapons with the United States. Then, as now, there was a gross imbalance in conventional forces in Europe. The Soviet Union was rapidly building up its deployments of Backfires and SS20 missiles. Each of these missiles is capable of carrying three nuclear warheads, which could strike targets throughout western Europe. Faced with these threats, it was clearly essential that NATO had an effective response, short of the strategic level, with European-based forces cabable of striking the Soviet Union. NATO's existing capability in this area consisted of aircraft — mainly US F111s — which were becoming increasingly vulnerable to attack on the ground and which faced increasing Soviet air defences. We and our NATO partners therefore decided in 1979 to modernise those forces with ground-launched cruise and Pershing II missiles, to be based in the United Kingdom and four other European countries, beginning in 1983. This was the deployment part of the 1979 decision. The arms control part of the decision was to seek a negotiated agreement on weapons of this type.

For many months, the Soviet Union refused to negotiate at all, but when it became clear that NATO was firm in its resolve to go ahead with the deployment part of its decision, it agreed to negotiations, and these began in November 1981. NATO's position throughout these negotiations has been that there should be global equality between United States and Soviet LRINF missiles.

The most radical proposal was the one we tabled in 1981 for a global ban on all United States and Soviet long range INF missiles. When it became clear that the Soviet Union was not ready for such a radical step, the United States, between 1983 and 1986, tabled a series of interim offers, providing for global equality at levels above zero. The deal agreed at Reykjavik was quite close to the original NATO proposal of global zero — but, as an important concession to the Soviet Union, it was agreed that it could retain 100 SS20 warheads in Soviet Asia, while the United States would retain a similar number in the United States.

What of the attitude of the Soviet Union? Well, we saw a range of tactical moves from the Russians. First, back in 1981, they pretended that balance already existed in INF weapons by distorting the figures and including the United Kingdom and French deterrents of a quite different nature and purpose. They claimed that this meant that NATO should not go ahead with deployments. They tried scare tactics, with dire predictions in 1983 about the consequences if NATO deployments went ahead. Then they tried walking out of the negotiations. When that did not work, they returned to the negotiating table, and we saw Gorbachev's offer of January last year, which offered a zero solution in Europe, but would have left the Soviets with 500 SS20 warheads in Asia, which could rapidly be returned to Europe at a time of tension. Finally, at Reykjavik, they agreed to the zero-100 solution.

Dr. David Owen (Plymouth, Devonport): Is not the right hon. Gentleman missing out the other important concession made by Mr. Gorbachev at Reykjavik—that he accepted that the French and the British should retain nuclear weapons as they were European states? Without that concession it would have been harder, and I believe indeed wrong, for the United States to have accepted the 100 SS20s on the Chinese border.

Mr. Younger: The right hon. Gentleman is quite correct. I was going to mention that later. I am sure that the right hon. Gentleman would agree that the reason why

[Mr. Younger]

the Russians accepted that qualification was largely that we were clearly determined not to be pushed from that position. I am sure that the right hon. Gentleman would be generous enough to agree with that.

Mr. Wilkinson: Would my right hon. Friend clarify a very important point about the Soviet SS20 deployments? He referred to Soviet Asia. Is it not true that the 100 SS20s could, from Soviet Asia, threaten Iran, Turkey, Pakistan, the ASEAN states and Japan? Does my right hon. Friend agree that the Soviets are seeking to prevent the United States from deploying their 100 INF systems in Alaska?

Mr. Younger: My hon. Friend is correct. Of course, the precise positioning of where we can agree to have those 100 missiles in the Soviet Union will be an important part of the negotiations.

Having reached the zero-100 solution, the Soviet Union then put up another obstacle. Mr. Gorbachev had agreed at his Geneva summit with President Reagan in 1985 that an INF deal could be agreed independently of the other negotiations. But at Reykjavik this linkage was imposed once again. The Russians declared that they could not go ahead with an INF deal without a solution on the SDI, and the opening of negotiations on a comprehensive test ban. It was always hard to see the logic in this position, and we can all welcome the fact that this latest Soviet barrier to progress in the negotiations has also been put aside.

One prominent red herring has been the Soviet attempt to involve the United Kingdom and French deterrents, and the right hon. Member for Plymouth, Devonport (Dr. Owen) raised that point a moment ago. We and our NATO allies have been clear throughout that they have nothing whatever to do with the INF negotiations, which are about land-based intermediate range United States and Soviet systems. At first the Soviets claimed that those national deterrents should be matched against their SS20s in Europe; then they tried insisting that they should be prevented from being modernised; and finally, at Reykjavik, Mr. Gorbachev confirmed Soviet acceptance that they had no connection with the INF negotiations.

What lessons can be drawn from this? It is obvious enough that many of the Soviet proposals have been tabled not so much in order to make progress towards a negotiated solution, but rather with the hope of beguiling Western publics and undermining support for NATO deployments and our negotiating positions. Our people, or most of them, are not as naive as some in the Soviet Union appear to think. You will need no reminding, Mr. Deputy Speaker, of the volume and heat of the debate on INF deployments when it reached its height in 1983. But we and our allies were clear in our determination to proceed with deployments unless an equitable deal could be reached, and the general election result that year demonstrated that, despite the antics of a noisy minority, the British public knew that to be the right course.

At this point it must be recorded for the benefit of the right hon. Member for Devonport and his right hon. and hon. Friends that throughout this business the Labour party has been solidly supporting the actions and efforts of the Soviet Union to drive a wedge between the two halves of the Alliance on this point. Many Labour Members know that to be true.

Mr. William Cash (Stafford): Does my right hon. Friend agree that it is most important that we should be extemely cautious about this offer from Mr. Gorbachev, especially as in his statement on 2 March he said:

"Of course, the conclusion of such an agreement, as has been repeatedly emphasised, should be conditioned by a decision on the prevention of deployment of weapons in space, in view of the organic interconnection of these issues."?

In other words, there appears to be something of a qualification there.

Mr. Younger: My hon. Friend has raised two points. First, I am sure he will agree that this is not an offer from Mr. Gorbachev. We must remember that this is not an offer from Mr. Gorbachev; this is an acceptance by Mr. Gorbachev of the offer that we have been making and that has been on the table for some considerable time.

Secondly, my hon. Friend may be right to say that there is a qualification in those words. However, as I read them, they refer specifically to deployment, and it is common ground in the West that deployment is not allowed under the anti-ballistic missile treaty and, if it became necessary, it would have to be the subject of negotiation between East and West.

There are other conclusions to be drawn from all this. The 1979 twin track decision was the result of extremely close consultation in the Alliance, and that consultation has continued to this day, at all levels. We have worked together, respecting each other's needs and interests, in pursuing our common goal, often in the face of great pressure and difficulties. That is the strength of the Alliance—that we can work together on that basis—and Opposition Members would do well to reflect solemnly on that fact.

One other point is abundantly clear. We would have got nowhere in the negotiations if we had not been determined to proceed with deploying cruise and Pershing II missiles. We have done so, and that has brought us to the position today where we can see the outline of a deal that would get rid of 90 per cent. of the Soviet SS20 threat. What would the Soviets have offered the unilateralists? What would they have offered if we had failed to go ahead with our deployments?

But we are not home yet. During the past few days, some hon. Members seem to have acquired the impression that an INF agreement is in the bag. That is far from being the case. The Soviet Union has removed this latest self-imposed obstacle, and that is to be warmly welcomed, but a number of important issues need to be resolved, not by declarations and speeches, but by serious and detailed negotiations, if we are to have an agreement. Important details on the long-range INF missile reductions must be resolved. There is also the question of shorter-range INF missiles, which the hon. Member for Woolwich mentioned at some length, which have ranges between 150 km and 1,000 km. The Soviet Union has a large imbalance of about 9 : 1 in its favour at this range band. It is an important range, because it allows missile systems in the Warsaw pact to target almost all of western Europe, while NATO missiles of a similar range would be incapable of targeting the Soviet Union. If they were left unconstrained in an LRINF agreement, and especially an agreement banning LRINF missiles in Europe, this could be undercut by Soviet deployments of SRINF systems that could be almost as effective.

That is why part of NATO's negotiating position since 1982 has been that any INF agreement should include

constraints on SRINF missile systems of the 500 km to 1,000 km range, which means the Soviet Scaleboard and SS23 missiles. The NATO proposal has remained broadly the same over those years. It calls for a ceiling in Soviet systems of this range, together with a United States right to match them. It is an essential condition for any equitable INF agreement, but the Soviet Union has yet to agree to it. Its offer of negotiations on missile systems of 1,000 km and below is all very well, but it does not provide what is required to prevent an INF agreement from being undercut by deployments at this level.

Mr. Dick Douglas (Dunfermline, West): There is bound to be an element of confusion in relation to the word "we". I hope that the Secretary of State will try to establish any difference of emphasis between the negotiating posture that INF should be linked to the short-range missiles possessed by the Soviet Union and NATO in Europe and what he seems to be suggesting is the Government and NATO position.

Mr. Younger: I am not sure whether I understood the hon. Gentleman's point, but I have tried to make clear to the best of my ability whether I mean the United Kingdom or NATO when I have used the word "we". If I have not done so, I apologise and will try to make sure that it is clear in the future.

Mr. Douglas: I am sorry if I did not put it clearly. The deficiency is obviously mine. What I am trying to establish is that the United States' negotiating policy does not seem to have a linkage to the short-range nuclear weapons in Europe. We seem to be insisting on such a link.

Mr. Younger: I do not think the hon. Gentleman is correct. It has been part of the United States' negotiating position for years that there should be constraints on short-range systems. That was clearly repeated to me recently when I was in Washington and when Ambassador Nitze and Richard Perle came over here last week.

Mr. A. J. Biffen (Berwick-upon-Tweed): There is a world of difference between reminding the House that the United States and, indeed, Britain continue to be concerned about short-range nuclear missiles and about seeking a solution to the problem and declaring that it is a condition of arriving at the INF agreement.

Mr. Younger: The hon. Gentleman had better check it again himself, but this has been part of the position on the negotiations for a very long time. Indeed, he will find that it is part of the United States' negotiating position at Geneva.

Mr. Gavin Strang (Edinburgh, East): As I understand it, the United States has produced a counter-proposal to the Soviet initiative — if we can call it that — and circulated a draft treaty. Does that draft treaty refer to SRINF?

Mr. Younger: I cannot go into detail on the proposal that the United States has tabled at Geneva. The negotiators on both sides will know, but I cannot go into that today. I am absolutely clear that the United States has agreed—this was reinforced to me recently—that this is part of its negotiating position. There is no change in that position, and this difficulty, if it is one, is entirely imaginary.

Mr. James Callaghan (Cardiff, South and Penarth): This is the nub of the debate. My understanding is that the United States' position, as expressed by Mr. Maynard Glitman in Geneva last week, was that they would deal with the intermediate nuclear force negotiations and secure a treaty, in the expectation that they would follow it immediately with further negotiations to deal with the other short-range missiles. That excludes the offer that Gorbachev has apparently made to withdraw — the Secretary of State used the correct word — those deployed in Eastern Europe as a result of our deployment of cruise.

As there might be a difference between the British Government and the United States Government, the House will be interested to know the answer to this question. Is it the view of Her Majesty's Government that short-range nuclear missiles must be included in the same treaty as that for intermediate nuclear forces, on which they seem to be about to embark? If so, those of us who supported the Government's attitude on deployment would differ from them very strongly.

Mr. Younger: I think that I can give the right hon. Gentleman the assurance for which he asks. He may have noticed that my right hon. and learned Friend the Foreign Secretary referred to this in a broadcast on Sunday, but it was made clear that the draft treaty contains articles constraining the shorter-range weapons that might be used to bypass an LRINF agreement. That is clearly in the negotiating position as of now. I can answer the right hon. Gentleman's question by saying that, of course, it is possible that an initial agreement may be drawn up containing constraints, and it does not rule out later negotiations about other aspects further to the constraints that may have been agreed. But our position is clear. If an INF agreement is to be struck, it must include constraints on SRINF, the details of which are still to be negotiated. I hope that that reassures the right hon. Gentleman. It is certainly intended to do so.

It is for these reasons that NATO's position is that, in the event of an LRINF agreement, it will also be important that it is followed by negotiations aimed at addressing the imbalance in SRINF forces and dealing further with LRINF. Furthermore, as the Prime Minister and President Reagan agreed at Camp David last year, reducing the levels of nuclear weapons will increase the importance of eliminating conventional disparities. But there is no suggestion that we are imposing any formal negotiating linkage between these aims and an INF agreement. My hon. Friend the Minister of State, Foreign and Commonwealth Office will deal with this issue further, if he is fortunate enough to catch your eye, Mr. Deputy Speaker, later this evening.

The third issue that needs to be resolved in an INF agreement is verification. We have welcomed the general statements by the Soviets of willingness to accept on-site inspection, but, if an agreement is to be effectively verifiable, it will need to include specific and detailed provisions as to how this is to be achieved. This will require long and painstaking negotiations and a constructive approach on both sides. We will need to be patient, and the Soviet Union will have to understand that we will not be rushed into an agreement with inadequate verification just on promises that the details can be settled later. But if the Soviet Union really wants an agreement, and is prepared to negotiate constructively, then it will find

[Mr. Younger]

the United States, with the full support of its allies, more than willing to join it in negotiating and implementing an agreement.

I should like to conclude by giving a view of the Reykjavik INF European zero deal from my point of view as Secretary of State for Defence. We have seen a lot of comment in the press over worries in Europe about the deterrence implications of this INF deal. It would indeed involve the complete removal of the cruise and Pershing II missiles that we have worked so hard to deploy here in the first place. Of course, any arms control agreement that involves substantial reductions of forces will mean difficult choices and hard decisions. We and our NATO allies have discussed these and will continue to do so in the months ahead; but the Reykjavik deal would also remove a major element of the Soviet intermediate range threat facing us, and I am totally confident that we would be able to maintain effective deterrence following such a deal. I also hope and believe that a successful INF deal would help to make progress possible in other areas of arms control.

The Government's policies on all this are clear. We will maintain the forces required for effective deterrence — unlike some who would throw them away. We will work with our allies to maintain our common security — unlike some who would throw them out. In this way, rather than through pious statements and wishful thinking, we will also provide the most effective basis for reaching arms control agreements that can provide for security at lower levels of forces.

I started by welcoming this debate and making a few suggestions to the hon. Member for Woolwich, who opened the debate, about how difficult his task must be. However, his task is relatively simple compared to the task facing the right hon. Member for Leeds, East (Mr. Healey) who is to speak in the debate. The whole House awaits with great interest every word that will be spoken by the right hon. Gentleman. It is widely known, not just in this House but throughout the Western Alliance, that the right hon. Gentleman is gravely disturbed and greatly disagrees with the vast majority of the Labour party's policy on this matter. Yet he is faced with the prospect of making a speech defending many matters with which he completely disagrees.

Moreover, the right hon. Gentleman has to do that, a time when it has become crystal clear that the policy followed by the Labour party for the last four or five years has fallen in ruins about the ears of those by whom it was formulated. They have resisted, fought and disagreed with the whole policy of deploying cruise missiles in response to the SS20s on the basis that to do so would force the Soviet Union never to remove them and to be more intransigent than ever.

It is plain to anyone who can read and understand English that exactly the reverse has taken place, purely because we resisted the blandishments of the right hon. Gentleman's hon. Friends, although usually he did not employ such blandishments — until recently anyway — and stood up to the threats that were made and deployed the cruise missiles. As a direct result that Soviet Union is now prepared to come to discuss the removal not just of cruise missiles in this country and in other western European countries, but of the SS20s which caused the problem in the first place.

There can seldom have been a clearer case of the policy of a party being proved in mid flight to be absolutely unviable and to have produced the opposite effect to that which was intended. Therefore, it is a highly suitable policy for the Labour party to have adopted and I look forward to the right hon. Gentleman's defence of it.

4.54 pm

Mr. Denis Healey (Leeds, East): I shall start by echoing the Defence Secretary's words because I welcome the chance to debate this important matter. I am staggered to find that the alliance parties, as they call themselves, should have chosen to debate possibly the most important single issue in world affairs and yet neither the leader of the Social Democratic party nor the leader of the Liberal party has chosen to speak in the debate. Indeed, the leader of Liberal party is not even here.

Mr. A. J. Beith (Berwick-upon-Tweed): Where is the leader of the Labour party?

Mr. Healey: My right hon. Friend will be here in a minute. I thank the Secretary of State for Defence for offering me a poisoned chalice. I hope to return it to him and watch him drink it to the dregs in the course of my speech.

I shall start by talking about the fundamental issue— about what is happening in the Soviet Union and how we should respond. I am afraid that so far that matter has been largely ignored by both opening speakers. I do not think that anyone any longer denies that something absolutely new and encouraging has been happening inside the Soviet Union since Mr. Gorbachev became general secretary. The incompetence and corruption of the Soviet bureaucracy is now castigated every day in the newspapers, officers of the KGB have been imprisoned for maltreating journalists and I noticed this morning that even Mr. Bernard Levin had left his machine-gun post unmanned on the Golan Heights to express his views about what was happening in the Soviet Union and, very reluctantly, to specultate that just possibly the whole system is beginning to transform itself.

Perhaps it is still too early to feel confident about how the internal situation in the Soviet Union will develop over the next few years. However, the evidence about fundamental changes in Soviet foreign policy is now overwhelming and highly encouraging. Last April Mr. Gorbachev used the jargon of dialectic materialism to renounce the doctrine of the inevitable conflict between the two camps that has guided Soviet foreign policy since the time of Lenin. He spelt out in more detail his new ideas about the world to the Soviet central committee and to the recent international forum in Moscow this year.

It is clear to all observers that he now believes two things which are quite new for a Soviet leader. First, that in the nuclear age security must be based on co-operation with one's political opponents rather than on a continuing arms race with them, and that both sides in their military arrangements should pursue purely defensive strategies. That was a central theme in his speech to the Moscow forum. The second fact that is emerging, not only from discussions like those recently attended by Professor Erickson but also from Soviet behaviour, is that the Soviet Government now accept that it is impossible to achieve military superiority in an arms race, that even equality is unnecessary and that the objective is sufficiency.

So far the only Western statesman who has had the wisdom to recognise and admit this in public is the West German Foreign Secretary Mr. Genscher in an impressive speech at Davos at the beginning of February, to which I had the privilege of listening. Since Mr. Genscher spoke, the truth of his remarks has been borne out by what Mr. Gorbachev said 10 days ago in Moscow. He accepted the zero option for intermediate nuclear forces that was first put to Mr. Brezhnev by my right hon. Friend the Member for Blaenau Gwent (Mr. Foot) and me in September 1981 and adopted by NATO and President Reagan in November 1981.

The Secretary of State for Defence has said a good deal this afternoon about the reasons why that was put forward. It was not, with respect to him, a concession to Western strength, a response to the deployment of cruise and Pershing—first of all, because cruise and Pershing have already been matched since their deployment by the bringing forward of SS22 and perhaps SS23 missiles to Czechoslovakia and East Germany, and by the patrolling of submarine-launched cruise missiles off both American coasts.

I am rather surprised that the leader of the Social Democratic party should have taken so much credit in that outburst of his last week for the response to the cruise and Pershing deployment, when, as has been pointed out already, he and his Liberal colleagues voted against that specific proposal, side by side and shoulder to shoulder with the Labour party, in the only debate that we held on the matter before deployment, in 1983.

Mr. Maples: Despite all the exciting and encouraging noises coming out of the Soviet Union at the moment, does the right hon. Gentleman really think that Mr. Gorbachev would be offering to withdraw all SS20s from Europe if NATO had not deployed cruise missiles?

Mr. Healey: This is the question that I am immediately coming to. The striking thing about the zero option is that it is not a concession to Western strength; it is a concession from Soviet strength.

As the Secretary of State for Defence pointed out—this was confirmed yesterday by the American negotiator in Geneva — the zero option means that the Soviet Union will dismantle over three times as many missiles as NATO will dismantle and many more than three times as many warheads. If one adds in the Soviet missiles already deployed in the far east, they will have to be reduced from, I think, about 130 to some 33.

The plain fact is that this is a remarkable proposal. I suspect that General Rogers may be right in saying that some of the Western Governments who put it forward in 1981 did so only because they thought that the Soviet Government were certain to reject it. That was General Rogers's speculation in a speech that he made on the Gorbachev offer last week.

Since it was NATO which first proposed the zero option some five years ago, one would expect the Western Alliance to give it an immediate, unanimous and positive response. Yet the leaders of the Western Alliance are now running around like chickens with their heads chopped off. Oddly enough, the only Government who seem united and positive in their response are the Government who, in previous episodes of arms discussion, have been divided — the Government in Washington. For the first time since President Reagan came to power, Mr. Shultz, Mr. Weinberger, Mr. Nitze and Mr. Perle are all offering a welcome to Mr. Gorbachev's speech.

But that is far from being true elsewhere in the Alliance. NATO is behaving more like the alliance in this House than the Alliance of Western Governments. The Secretary-General, Lord Carrington, welcomed the proposals, but the Supreme Allied Commander, General Rogers, said that they gave him "gas pains" and said that they are unacceptable unless there is a simultaneous agreement, not only on short-range intermediate nuclear forces, but on chemical weapons and on conventional weapons.

In France, there is public disagreement. The President and the Prime Minister have pronounced themselves in favour; both the Foreign Minister and the Defence Minister have publicly pronounced themselves against. In West Germany, on the other hand, the Foreign Minister is in favour and the Defence Minister is against.

In Britain, the Gorbachev speech was met over the following two days by an avalanche of negative briefing, largely emanating, I understand, from No. 10 Downing street, which culminated in the extraordinary performance of the Prime Minister at Question Time last Thursday, when she brought the dinosaurs on her Back Benches shambling out of their caves to grunt approval of what she said because they thought that she was taking a bold, negative posture, as against the wet, wimpish posture of the American President — and, by God, they have actually put down an early-day motion in those terms.

The Prime Minister won the approval of the dinosaurs because she insisted that last Thursday there was a 9 : 1 superiority in short-range intermediate nuclear forces—those with a range of between 500 and 1,000 km—and that this must be corrected at the same time — she repeated this again and again and again—as there was an agreement on intermediate nuclear forces.

Yet in his broadcast yesterday, the Foreign Secretary took exactly the opposite view. I am glad to see that the Secretary of State for Defence agreed with him, rather than with the Prime Minister; I do not suppose that he is looking forward to his next meeting with "Attila the Hen", but still I do not suppose that he looked forward very much to his last meeting.

The plain fact is that what the Foreign Secretary said, and the Secretary of State for Defence repeated today, is that there must be some constraints on short-range intermediate nuclear forces in the same treaty as INF. Unlike the Secretary of State for Defence—who was a bit nervous about revealing that he either had or had not seen the draft treaty that the Russians have been reading for the last five days—the proposal in the American treaty is quite clear.

It is that the Russians should remove the SS22 and SS23 missiles which they brought forward — the right hon. Gentleman is quite right about that—to East Germany and Czechoslovakia, and that they should freeze their superiority of 9 : 1 and not increase their superiority so as to circumvent the removal of the intermediate nuclear forces. That is a completely different proposal and exactly the opposite of what the Prime Minister seemed to be saying last week.

Indeed, I was interested in the fact that Mr. Matthew Parris — one of our late colleagues, a former Conservative MP and a former member of the Prime Minister's kitchen cabinet—told the Foreign Secretary, after Mr. Parris had carefully deployed all the Prime

[Mr. Healey]

Minister's arguments against agreeing to an INF treaty, that his position appeared to be just like a Conservative caricature of the Labour party's position.

I can see why Mr. Parris said that, and I can see why the Secretary of State for Defence is looking so thoughtful when I repeat it — because the American policy, endorsed by the Foreign Secretary and the Secretary of State for Defence, is to freeze the Soviet 9:1 advantage in SRINF and then begin to negotiate it after the treaty on INF is signed.

I see that the right hon. Gentleman does not dispute this. The only difference is that the Americans at Reykjavik said that they asserted the right to raise their number of SRINF to match those deployed by the Soviet Union. But their negotiators have since made it clear in Geneva, according to the newspapers, that they have no intention of taking advantage of that right. So we are going, in my view quite rightly, for an INF agreement which freezes a 9:1 superiority in SRINF and leaves that for negotiation immediately afterwards.

The question that we must ask ourselves is, if the Foreign Secretary and the Secretary of State for Defence are so convinced that this is the right policy, why has the Prime Minister tried to overthrow it—and on the eve of a visit to Moscow in which we assume that she was hoping to cut what the Italians call "una bella figura"? I think that there are three reasons. They are pretty obvious. The first is that she has been hoping to use her visit to Moscow as she, the Foreign Secretary and the Minister used his last visit—for self-advertisement for election purposes. That is not my phrase but that of the spokesman of the Soviet Foreign Office, Mr. Gerasimov, who was extremely irritated by some of the things which Ministers have said about their recent discussions with the Soviet Union.

The Conservative party's election strategy is based on reviving the psychoses of the cold war, the suggestion that there has been no real change in the Soviet Union since the days of Stalin and that the Russians would drop nuclear weapons on us if ever we adopted the same defence policy as most of the other NATO countries already have. We saw that in a recent and disgusting party political broadcast, a recent advertisement placed by the Conservative party in the *Daily Express* and in the quite disgraceful film which, I am glad to say, embarrassed even the Defence Secretary when he saw it, and which has been produced by the Ministry of Defence for circulation to schoolchildren.

The second reason why the Government, or the Prime Minister, have sought to torpedo the INF discussions is that, as she admitted in her communiqué signed at Camp David the other day, any agreement on nuclear weapons will make conventional forces more important. She knows that she is gravely weakening our conventional forces to pay for the Trident submarine programme. We have had a concatenation of military officers, starting with Major Lord Morpeth through General Frank Kitson up to Field Marshal Lord Bramall, who said in *The Times* this morning that if the Government go on like this, they will be shooting themselves in the foot and gravely damaging the morale of the British Army.

Mr. Jim Spicer (Dorset, West): The right hon. Gentleman talks about the weakening of our defence forces, but his policy and that of his party is to put our corps in Germany in an impossible position in which they could not hold one inch of ground on that important central front. He knows that and would never have supported such a policy in the past, so why on earth is he supporting it at the moment?

Mr. Healey: The hon. and, perhaps, gallant Member is talking tripe. If he reads the lengthy and thoughtful report of *The Economist's* defence correspondent, Mr. Meachin, last August, he will find that soldiers in the Rhine Army are confident of holding a Soviet attack. We also have the word of General Rogers, the supreme allied commander, that there is in any case no danger of a Soviet attack out of the blue.

Mr. Spicer: With no nuclear forces?

Mr. Healey: Yes, with no nuclear weapons. They were talking about the conventional capability. No British Army in Germany has ever carried out an exercise which involves the use of nuclear weapons because it has not the slightest idea how it would be possible to fight a war with nuclear weapons. Field Marshal Lord Carver and Lord Louis Mountbatten have said that it would be quite impossible ever to fight such a war.

Mr. Younger: In view of his usual marvellous array of name-dropping, which, according to my calculations, has now got to 11, and as the right hon. Gentleman has included *The Economist* of last August, would he care to look at this week's *The Economist* in which the main leading article is a devasting critique of everything that the Labour party stands for in defence?

Mr. Healey: I apologise for referring to Field Marshal Lord Bramall. I thought that, possibly, his name would impress the right hon. Gentleman, but the right hon. Gentleman is new to the job so I dare say that he has never even heard of him.

There is one thing that I should say about *The Economist*, however. The first six or seven pages are absolute tripe. The stuff that is good is the reporting which follows in the middle and latter part. I am sure that many Conservative Members share my view.

The third reason why the Prime Minister does not want an agreement on INF is that she knows that the next stage will be negotiations on strategic nuclear forces and that, in those negotiations, the Trident submarine programme is bound to be involved because there is not a cat in hell's chance of the United States providing Britain with Trident missiles if it has already agreed, as it is committed to try to do, to abolish all strategic ballistic missiles by 1995.

I should like to congratulate the Foreign Secretary and the Defence Secretary—this is the poisoned chalice that I told the right hon. Gentleman was coming—on trying once again to lead the Prime Minister back to reality. They have both had this problem ever since they have been in office. The Foreign Secretary had it only the other day with Hong Kong and Lord Carrington had it in spades with Rhodesia and many other issues.

The interesting thing about the Foreign Secretary's speech yesterday is that he went a little further and was a little franker than the Defence Secretary today. First, he utterly rejected the view of General Rogers, which was repeated by some Conservative Back Benchers a moment ago, that intermediate nuclear forces on the NATO side are a vital rung on the ladder of escalation. That was the

initial reason why the NATO military tried to persuade NATO to introduce these weapons. It was not because of the SS20s, but as a rung on the ladder of escalation.

Secondly, the Foreign Secretary, not perhaps fully understanding what he was doing, also rejected the strategy of flexible response which depends on the concept——

Mr. Wilkinson: No, he did not.

Mr. Healey: With great respect, I know a little about this because I introduced this strategy 20 years ago. I just want to quote what he said.

Mr. Wilkinson: Who?

Mr. Healey: The Foreign Secretary. He said yesterday that he does not believe that it is possible to have a number of steps on a ladder, but that he favours uncertainty. We now have the Howe uncertainty principle to join the Heizenberg uncertainty principle. He said that it would be all right because we have what he bizarrely called a carnival of nuclear options. There is a circus element in the Foreign Secretary's approach to these problems and it is different from the way in which the NATO military look at it.

Thirdly, the Foreign Secretary fully supported the American proposals at Geneva which the Secretary of State for Defence has or has not seen but is not telling us about — although the Warsaw pact and the Soviet Government know them off by heart by now and although they have been rejected by the Prime Minister. He appeared to be quite relaxed about NATO's conventional position. He could not easily take up a different stance because he expressed those views in an interesting lecture which he gave to the Royal United Services Institute for Defence Studies only two months ago. He said then that the SRINF that he wanted dealt with were the SS22s and SS23s in Czechoslovakia and the German Democratic Republic. Mr. Gorbachev has already undertaken to withdraw them with the destruction of the SS20s when the time comes.

Mr. Wilkinson: No, he has not.

Mr. Healey: Oh yes he has.

Mr. Wilkinson: The general secretary of the Communist party has made no undertaking to withdraw the SS22s and SS23s. He has suggested that if a zero option agreement is reached he would consider negotiating their future, which is quite different.

Mr. Healey: With great respect, I have the text here and I shall read it out to the House in a moment. Mr. Gorbachev repeated what the Warsaw pact as a whole said at its meeting last June—that those weapons were put forward only because of the Western deployment of cruise and Pershing and that they would be withdrawn the moment an INF agreement was reached. Beyond that, he agreed to freeze the 9:1 disparity on the rest.

It is not surprising that the position of the Foreign Secretary and the Secretary of State for Defence this afternoon may be somewhat disappointing to those whose imagination was inflamed by the Prime Minister's remarks during Question Time. However, the plain fact is that we all know perfectly well—and this has been said many times by the Foreign Secretary—that disarmament will be achieved only step by step. If we do not reach the first step, the others will not follow.

As the Prime Minister agreed with President Reagan at Camp David, the first step must be agreement on the INF. Then we can discuss the shorter-range intermediate nuclear forces, where the imbalance is nothing like 9:1. We can achieve that only by leaving many of the NATO nuclear weapons out of account. Taking the shorter range forces as a whole, from the lowest to the highest, once cruise and Pershing have gone the United States will have 4,650 warheads in Europe with another 1,900 promised in case of tension. That includes the F111 bombers in Britain, which can drop bombs on Moscow, and, of course, the 400 Poseidon.

Mr. Cash: They will not be there.

Mr. Healey: They will not be there if we get an agreement on SRINF, which is what we want, and on the 400 Poseidon missiles, which are still allocated to SACEUR after the decision on deployment of cruise and Pershing.

The aim in the SRINF negotiations should be to get nuclear weapons out of Europe and to have a zero option for SRINF, just as we hope to have one for the INF. If that can be achieved, substantial cuts in conventional forces will be needed to provide a much better conventional balance. The imbalance is nothing like as great as some propaganda suggests. It is close to 1.2:1 if we take account of the military capability of NATO and the Warsaw pact in armoured defence equipment. The man who has argued that most persuasively, ambassador John Dean, for eight years conducted the MBFR negotiations for the United States in Vienna.

When the impending talks take place we should act on the advice of Mr. Genscher, which is that both sides should aim to be capable of only defensive operations, and not take an offensive stance.

We stand on the verge of a historic opportunity. If we achieve the deal on the LRINF which is in our grasp—the American and Soviet negotiators clearly think the same—we can start a process that gives the world new hope for peace through co-operation. It is desperately urgent to start that process, otherwise the prospect of proliferation in other countries will become imminent. There is already a nuclear rivalry between India and Pakistan on the subcontinent, and nuclear competition between Israel and the Arabs will be close behind. I fear that in the process of producing a new basis for world peace and security, there is no chance of the British Government taking the lead. The leadership is now with the United States and West Germany, with Britain far behind. However, I hope, at least, that what the Secretary of State for Defence has said today, and what the Foreign Secretary said yesterday, will persuade the British Prime Minister to remove the new obstacles to agreement that she rolled out into the road last Thursday.

5.24 pm

Sir Anthony Kershaw (Stroud): It is a pity that the right hon. Member for Leeds, East (Mr. Healey) did not accept the invitation of my right hon. Friend the Secretary of State to talk about the policy of the Labour party. Rather than defend that policy, the right hon. Gentleman chose to defend the policy of Mr. Gorbachev. Apart from that, because of his usual knock-about, radio commentary style, I could not interpret what he was saying.

The subject of disarmament is extremely complicated. It has dragged on for years. It has attracted acronyms and

[Sir Anthony Kershaw]

nicknames galore and only a few people wish to thread their way through the debating minefield. As weapons change, and disarmament talks change, too, surely our present interests and objectives are fairly easy to identify. They are that we must not be left exposed to the much stronger conventional forces of the Eastern bloc. Some people say that we could and should rearm conventionally to the extent necessary to hold them off. In theory we could do that, but at the price of converting ourselves into an armed camp like Nazi Germany in the 1930s and Soviet Russia today.

Sir Antony Buck (Colchester, North): And by bringing back conscription.

Sir Anthony Kershaw: As my hon. and learned Friend says, we would have to bring back conscription.

I cannot think of a more dangerous situation. We are talking about two blocs armed to the teeth, both believing that, because the weapons are conventional, it might be possible to win a war. That part of the Labour party that believes in defence would bring about just such a position. We would return to the uncertainties of the 1930s, and the only certainty would be that sooner or later war would break out.

If everyone is sure that, because of the presence of nuclear weapons, no one can possibly win a war, there will be no war. To be more precise, our nuclear weapons must be of two particular types. First, we need battlefield nuclear weapons to counter conventional superiority; and, secondly, we need strategic nuclear weapons to ensure that Russia realises that her homeland would not escape. If we had those two types of weapons, there would be no war.

People may say that battlefield nuclear weapons are not meant to be used, and that if they were used war would escalate. So it would and, because the Russians also know that, they will not use them and will not start anything. If we have only strategic nuclear weapons and can only respond to a conventional defeat or impending defeat by self-destruction and blowing up the world, everyone knows that we would not do it. Such a weapon is incredible. It will not be used. One would need the inexorable logic of General de Gaulle to make that possible.

The intermediate weapons can go, provided that the other two types stay and that there are restraints on them, as suggested at Camp David after Reykjavik. Prior to the talks at Reykjavik, and immediately afterwards, I feared that the United States might press us too hard to come to some sort of agreement — and, even now, I have a sneaking feeling that the United States' President needs some kind of political prestige, and therefore might go a little too far for us. But I noted this morning that Mr. Max Kampelman, the negotiator for the United States, is reported to have said that he understands our need for short-range weapons.

There can be no doubt that the United States wants the agreement to succeed, and I believe that Mr. Gorbachev also wants it to succeed. Perhaps his principal reason for that is economic. The Soviet Union already lags far behind the United States and Europe economically, and it is falling further behind every day. In the year 2000 the gross national product of the Soviet Union will be half that of the United States and of Europe; and I do believe that the Communist system and technological age are even more remarkably inappropriate to bring economic welfare and prosperity to the USSR. Nevertheless, if it was not necessary for the Soviet Union to spend so much on armaments in the short term, that would obviously be some weight off the shoulders of the population.

Therefore, I hope that when the Prime Minister goes to Moscow, she will insist that the two sorts of nuclear weapons are necessary to us. I do not insist that they should match absolutely in numbers. We should have enough for our own purposes. If the others wish to keep more, that does not matter because they will not be used if we have them in sufficient quantity. We can do without the INF and the two superpowers could sharply reduce their strategic weapons without any loss of security to either. If chemical weapons could be thrown into the agreements as well, so much the better.

All those things depend on proper verification and negotiation. Those negotiations will take place because the Russians have seen that they will not get their way by our abandoning our weapons and being unwilling to defend ourselves.

If we get this preliminary step-by-step agreement about INF, that may create the climate of confidence upon which other negotiations and steps can be taken to secure the peace of our world.

5.31 pm

Mr. James Callaghan (Cardiff, South and Penarth): The hon. Member for Stroud (Sir A. Kershaw) and my right hon. Friend the Member for Leeds, East (Mr. Healey) referred to the importance and necessity of step-by-step negotiations. That seems to be the right approach in all these matters. The hon. Member for Stroud made many points with which I agree.

However, I should like to go back a little further. I want to support the agreement put forward by the hon. Gentleman, but there is no doubt that when we first approached this question in about 1977 or 1978, although there were other reasons for considering cruise and Pershing, there was no doubt that the impetus that led us to believe that it might be necessary to deploy them if we could not reach agreement was the deployment of the SS20s. Undoubtedly, that led us to consider the matter carefully. At the Guadelupe meeting, which I attended with other Heads of Government and state, we agreed that we would make a further effort with the Soviet Union to secure if we could the withdrawal of the SS20s that had already been deployed. At the time, there were relatively few, about 20 or 30. If we could do that, we would seriously consider, as a measure of confidence, not proceeding with cruise and Pershing.

It seems that, eight years later, that is exactly the position to which we have returned, except that there have been changes in the deployment of other weapons. We still have to decide whether the bargain is worthwhile. I asked Mr. Gromyko about that after I had ceased to be the leader of the Labour party. He was adamant in his refusal to withdraw the SS20s, under any circumstances or in any conditions. I warned him at the time that if he insisted on continuing with that deployment, despite the agitation and protest in this country and elsewhere, I had no doubt that NATO would then deploy cruise and Pershing. He replied, "If that is the case, we must go ahead." It was one of the gloomiest interviews that I have had, because once again we were ratcheting up nuclear arms.

However, I have no doubt that our expressed determination to go ahead and deploy the SS20s and Pershing brought him back to the negotiating table. That is a lesson for people to learn now. One does not have to use the rhetoric of the United States. The personal abuse and the level to which the American Administration descended in the earlier part of President Reagan's tenure of office was deplorable. There is no need to use that kind of language to be firm. For what it is worth, my experience is that the Russians will pocket any concession that is made and say "Thank you" but give nothing in return. One must negotiate at every level.

After the Prime Minister spoke last week, I detected that we were apparently unwilling to show any confidence in securing an agreement with the Soviet Union. That is disappearing in this debate and the Foreign Secretary yesterday and the Defence Secretary this afternoon have gone some way to dispelling that. However, if that were so, there would be no hope for our Western world. There has to be some measure of confidence between us. I summed that up many years ago by saying, "Compete where we must, and co-operate where we can", and provided that we can reach agreements with the Soviet Union that are worthwhile to both sides, that must be of value to our people.

The latest proposal is worthwhile and we should accept it, subject, as the hon. Member for Stroud said, to proper verification. The proposal that the Soviet Union's 100 SS20s might be put into one military base at Novasibirsk is a good idea because it would make for proper and easy verification, and inspire the confidence that is necessary if we are to proceed to the next step. Assuming that we can get this agreement, we cannot leave it there.

Indeed, as far as I can see, after the meeting of the political bureau of the Communist party of the Soviet Union Mr. Gorbachev did not want to leave it there. He said:

"As soon as an agreement on eliminating Soviet and United States medium-range missiles in Europe is signed, the Soviet Union will withdraw longer range theatre missiles from the German Democratic Republic and Czechoslovakia by agreement with the governments of those countries, the missiles which had been deployed there as measures in reply to the deployment of Pershing-II and cruise missiles in Western Europe."

That should be a subject of discussion between us and not solely between the Soviet Union and the countries of Eastern Europe. The question remains, what happens, where they go and how far.

Mr. Gorbachev continued by making a further proposal:

"As far as other theatre missiles are concerned, we are prepared to begin talks immediately with a view to reducing and fully eliminating them."

Both sides could reduce those theatre nuclear missiles. Whatever the disparity, there would be no disadvantage to us in doing so.

Above all, General Secretary Gorbachev stated:

"the Soviet Government still considers it highly important to reach agreement on substantial limitation and then elimination of strategic arms."

Elimination is a long way away but substantial limitation is possible.

I hope that when the Prime Minister goes to Moscow she will take the following line with General Secretary Gorbachev. If we get this agreement on intermediate-range nuclear missiles, which would be of great value in beginning to build an element of confidence in the relationship between the two sides, she should say, "We in the West would be willing to reduce our strategic missiles if you would do the same by at least 50 per cent." If both sides cut 50 per cent. off the level of their strategic nuclear missiles, we would both still be hopelessly over-insured and paying far too big a premium.

Whatever the economic and financial consequences of doing that, the confidence that would begin to emerge in other directions would transform the position of the West and the East. A 50 per cent. reduction would be worthwhile. Obviously, our strategic nuclear weapons will be included in that. We should not resist including them in the calculation of both sides. I could never understand why the Soviet Union should be expected to exclude from the total calculation all the French and British strategic nuclear missiles, which was a line we took at one time. They must be included. They should not have been included in the nuclear intermediate range because they are outside that. If I were Mr. Gorbachev, I would insist on including in the calculation of strategic nuclear missiles ranged against me, not only American missiles, but French and British missiles. The total number of missiles must be counted. However, that does not mean that we must discard them. It may mean that there must be some reduction.

The question whether we go ahead with Trident is a moot point. Everyone who considers this matter must be concerned, as I am, about the level of our conventional forces. I am particularly worried about the naval element. We must review this constantly. I would not take a fixed view on Trident for ever and I would not abandon it now. The situation may change. If there is an important stragetic agreement between the United States and the Soviet Union, we may want to consider where we fit into the picture. Certainly we should not give up Trident up for nothing. We must negotiate our way out of this.

My view is well known and I do not intend to develop it further. I strongly applaud the Labour party's attitude to building conventional forces. The way in which it has focused on that has been of value to the country and I hope it will continue to do so. I hope that all hon. Members, wherever we may sit, will continue to review the changing circumstances in defence as events occur. The position today is certainly not the position of four years ago and it is even less the position when I left office. No one should adopt a fixed position for ever and allow considerations on defence weapons to be turned into ideology. That would be absurd.

I am glad about what the Secretary of State said this afternoon. I hope we shall support the approach that has been made in Geneva by the United States. If so, the world will have made a turning for the better.

5.42 pm

Mr. Michael McNair-Wilson (Newbury): The last words of the right hon. Member for Cardiff, South and Penarth (Mr. Callaghan) are of the greatest importance and I am sure that his support for the initiative in Geneva will add great weight to those considerations.

As the Member for Parliament for Greenham common, and as one who has INF missiles in his constituency, it is hardly surprising that I welcome Mr. Gorbachev's positive response to the Western position over the zero option and the withdrawal of intermediate range nuclear missiles. It is the fulfilment of the West's declared policy which began at the start of this decade that no cruise or Pershing II

[Mr. Michael McNair-Wilson]

missiles will be deployed in NATO if the Soviet Union dismantles its SS20 force. Clearly, although we have been forced to deploy cruise and Pershing II because of Soviet intransigence, now that it has seen the error of its ways, who can do other than applaud it?

From the speeches so far, there is a danger of us all being sure that in Mr. Gorbachev's statement about moving towards the dismantling of medium-range missiles his definition of those missiles is the same as it is in Western Europe. In his statement he used three different descriptions for nuclear missiles in Europe. He described medium-range missiles, enhanced-range operational-tactical missiles and operational-tactical missiles. The question of definition will play an important part in the considerations at Geneva. Clearly, it is vital that we and the Soviet Union think in exactly the same terms.

If to the Soviet Union the zero option simply means withdrawing SS20s in exchange for withdrawing cruise and Pershing IIs, but leaving SS12s, SS22s and SS23s in place — weapons which can strike deep into Western Europe as far as Great Britain—we must all think again about the possible benefits of the treaty that seem to be within our grasp.

Verification appears to be a thorny issue. Satellite reconnaissance can do so much, but only so much. Unless each side is willing to allow something more, I find it difficult to know how a treaty can be made to stick. It is possible to hide missiles out of sight of satellites, so something like on-the-spot verification will be crucial.

If I sound marginally sceptical, it is because I have my constituents in mind. They accepted cruise missiles, not because they wanted a new generation of missiles in their midst at Greenham common, but because the continued security of NATO seemed to demand the deployment of those weapons. They believed, as I believed, that multilateral disarmament was the only safe way to reduce the nuclear threat. The question to which we require an answer is whether the withdrawal of SS20s, cruise and Pershing IIs will leave Western Europe as secure in the future as it is at present, or whether other circumstances have been created which reduce the effect of the zero option.

One is bound to ask, what has happened to make the Soviets change their mind from their apparently intransigent stand at the beginning of this decade to their present position? Within that change of stance there is now a willingness to uncouple an arms agreement on INF weapons from a halt to the American strategic defence initiative to consider the zero option as a relevant proposition.

I do not rule out the obvious differences which Mr. Gorbachev has made to East-West relations, but the difference seems to lie in his perception of the cold war — something on which the right hon. Member for Leeds, East (Mr. Healey) touched. Clearly, Mr. Gorbachev does not believe that the peace movement, CND, the Greenham protesters, the Greens in West Germany or even the Opposition's policy are likely to have much effect on the West's policies for the defence of Western Europe. That suggests that he does not think that the Opposition will win the general election.

Mr. Gorbachev also knows that the present American Administration will not abandon the SDI. Therefore, he seems to have calculated that what is necessary for Soviet security is a reduction in the immediate interface between the nuclear forces of the United States of America and the USSR in Western Europe. Perhaps the limited flight time of Pershing IIs from West to East has created too great a threat in his mind for him to feel easy leaving those weapons in West Germany. Perhaps he is seeking to lower the nuclear threshold.

One of the inevitable results of the iron curtain since it fell across Europe 40 years ago has been to make Europe the most likely battlefield for world war three. Yet it would be a battlefield in which the inhabitants were not really the protagonists. The Warsaw pact without the Soviet Union poses no real threat to the Western European members of NATO, but once the Soviet Union and America are included in the groupings those countries become involved in a different way. While the Soviet Union dominates the Warsaw pact, who can think of any reduction in the American involvement in NATO, except with profound unease?

Perhaps Mr. Gorbachev believes that Europe would be more secure if the face-to-face confrontation of the superpowers was of a different order, or was of a kind which compelled the United States of America to retaliate with long-range missiles at a Soviet Union seeking to create a nuclear shield for itself. That is why I believe the Soviet unwillingness to bring its short-range nuclear missiles more into line with NATO's numbers—we have already heard that the disparity is about 9:1 in the Warsaw pact's advantage — is an acid test of Soviet good faith in negotiating over INF. Otherwise one will be tempted to believe that the INF proposal is an attempt to gain a different nuclear advantage for the Soviets which, taken with their advantage in conventional weapons, could give us all cause for renewed anxiety.

Those are my worries. They must sound like a half-hearted response to the most positive initiative of the superpowers that we have heard for at least a decade. When it comes to making a choice between peace and disarmament, I choose peace. The two are not necessarily synonymous.

The Geneva talks and the visit of my right hon. Friend the Prime Minister to Moscow at the end of the month are clearly crucial. A satisfactory outcome must be judged not just in terms of advantage to the superpowers but by reference to the peace and security of Europe. That is why I hope that our American allies will fully consult us— and, indeed, all members of NATO in Europe. I hope, too, that any agreement will not put the possibility of a conventional European war back on the agenda. Sometimes in our desire to be rid of nuclear weapons we lose sight of that possibility, but we must remember that the prospect of a winnable conventional war, far from allowing us to sleep more easily in our beds, would give us cause for the greatest concern.

We should be sceptical about all the proposals on the table. We must probe and define and we must be sure that the verification arrangements are such that the treaty, if it is signed, will last.

5.51 pm

Mr. Gavin Strang (Edinburgh, East): I am pleased to follow the hon. Member for Newbury (Mr. McNair-Wilson). Both he and I took part in some of the numerous debates before the arrival of cruise missiles at Greenham common. It is worth noting that, notwithstanding his caution and reticence, even he seems to accept in principle

the case for making an agreement a reality in the context of the Gorbachev initiative and the American counter-proposal on long-range intermediate nuclear force missiles in Europe.

My right hon. Friend the Member for Leeds, East (Mr. Healey), who opened the debate for the Opposition, spoke about the changes that are taking place in the Soviet Union. Any objective observer must believe that something potentially important is under way in the Soviet Union. It is too early to say how far that will develop, but an objective analysis of the attitudes of the United States and the Soviet Union over the past few years to the overriding issue of nuclear weapons cannot but lead many people in the West—including myself—to the view that the approach of the Soviet Union has been more positive and responsible than that of the United States.

I hope that we are moving into a phase in which both superpowers will be constructive and will make real progress towards cuts in their nuclear arsenals. I refer in particular to the historic proposals unveiled by Mr. Gorbachev on 15 January 1986. They involved three important stages in the removal of nuclear weapons, and included important concessions by the Soviet Union.

It was in that statement that Mr. Gorbachev first acknowledged that the Soviet Union was prepared to set on one side the existence of the French and British strategic nuclear weapons, provided that they were not expanded and that we did not replace Polaris with Trident. In Reykjavik, the Soviet Union was dropping any link between British and French nuclear weapons and INF. We are now discussing the removal from the Reykjavik package the proposal that involved the Soviet Union being allowed to keep 100 SS20 warheads in Asia and the Americans being allowed to keep 100 long-range INF missiles in the United States.

It is important to recognise that an agreement would not remove the threat of nuclear war overnight. However, it would be an important advance. I approach this subject from a standpoint very different from that of the Secretary of State. I want the removal of all nuclear weapons from Europe. I realise that that may take some time, and that the French nuclear weapons may be the last to go, but I am prepared to live with French weapons in Europe for an interim period. I believe that the world would be a safer place if nuclear weapons were confined to United States territory and Soviet territory—with China presumably keeping its weapons.

It is sad that the Government have not been prepared to take a positive approach in areas where we count and have influence. I refer especially to their failure to make real progress towards a comprehensive test ban treaty. That is a role that a British Government should play. They should remove all nuclear weapons and bases from British territory. They should campaign for the removal of nuclear weapons from Europe. Above all, they should use their influence throughout the world, and in the forums where they are still represented, to achieve real progress towards a comprehensive test ban treaty.

As my right hon. Friend the Member for Leeds, East said, the real danger in coming years is that there will be a nuclear exchange not in central Europe but in, for example, the middle east or in Pakistan, where a key figure has recently openly admitted that nuclear weapons have been developed.

Verification is a most important issue. One of the main arguments that we deployed against cruise missiles was that their numbers were exceedingly difficult to verify under an agreement. It is true that the location of bases in Europe is more or less common knowledge and that, therefore, it should not be too difficult to reassure the Soviet Union on the removal of Pershing II and cruise from Western Europe. Nevertheless, the challenge of verification may be one of great benefit to future agreements. As the hon. Member for Woolwich (Mr. Cartwright) said, we have to consider the wish of the Soviet Union to verify United States compliance with limitation of the deployment of the weapons on its own soil. I hope that the attitude of the British Government to verification in this area will be more convincing and more genuine than in their attitude to progress towards a comprehensive test ban treaty. Everyone accepts that an agreement on verification would have to include on-site inspection as well as satellite verification. But such an agreement will be important and may be of use in an agreement to cut the United States and USSR strategic arsenals by 50 per cent. I note that Mr. Shultz referred to that over the weekend.

Let us consider the issue of short-range INF weapons. As my right hon. Friend the Member for Cardiff, South and Penarth (Mr. Callaghan) said, the Soviet Union's position on that is very clear. It is the desire of Opposition Members that NATO—in this context, that means the United States—will not use that argument to prevent, or indeed sabotage, an agreement on intermediate-range nuclear weapons.

I suspect that the Secretary of State for Defence and the Foreign Secretary adopt a more reasonable, less war-like approach to these matters than the Prime Minister and that they genuinely wish an agreement to be reached. It must be remembered, too, that we are in the run-up to a general election. The chances are that the agreement will not be signed until next year. That seems to be common ground between the two sides, and that view has certainly been expressed by the United States Administration. However, it is to be hoped that talks will be under way and that real progress is made between the United States and the Soviet Union. It is their agreement; they are the parties directly involved. I hope that the Prime Minister—or any other European leader — will not manage to undermine progress, as some people fear. I hope that an important advance will be made, not because the removal of the missiles will suddenly transform Europe into a safer place, but because an agreement would help to build the world's confidence in the superpowers and, more important, confidence between East and West.

There are two ways to correct the conventional imbalance. One is for us to increase conventional forces in Western Europe. The other is to make real progress on mutual and balanced force reduction talks and negotiations on the conventional side. I have not conceded that there is the huge conventional imbalance about which Conservative Members like to speak. No matter how much confidence we have in the developments that may be taking place in the Soviet Union, it is common ground that we have to defend Western Europe. There is no suggestion that we should unilaterally reduce the defence of Western Europe against the Soviet Union. However, I approach these issues from a somewhat different stance. I want to see all nuclear weapons removed from Europe. If we can get an agreement, it will be a real step forward and I hope that the two superpowers will build on it in the future.

6 pm

Sir Geoffrey Johnson Smith (Wealden): I go a long way with what the hon. Member for Edinburgh, East (Mr. Strang) said, except that I do not think that a comprehensive test ban treaty is on the cards until we have made significant improvements in verification. When the hon. Gentleman talked about the reduction of weapon systems in Europe, I assumed that he meant those on a multilateral basis, and that he was speaking in his personal capacity and not reflecting the attitude officially taken by his party.

Both the hon. Gentleman and the right hon. Member for Cardiff, South and Penarth (Mr. Callaghan) raised a point that goes to the root of our problem. We talk about disarmament and arms control, but we all know that it is not just a question of that. We would achieve far more if there were more confidence. I regard these talks not just as a test to see how far we can make progress technologically in reducing weaponry, but as a way to improve the confidence on both sides. That will enable us to take some step, however small, which we hope will lead to bigger steps that will have even greater significance than those that we are contemplating.

The right hon. Member for Cardiff, South and Penarth made a speech which will be warmly welcomed not only on both sides of the House but by many outside.

Mr. James Callaghan: Do not make trouble.

Sir Geoffrey Johnson Smith: I do not want to make trouble. The right hon. Gentleman's speech will be welcomed by many.

There are strong reasons for our adopting a positive approach — political, economic and environmental. In this respect, a positive approach must also be practical, if it is not to run into the sand. I see no distinction between the attitudes of my right hon. Friend the Secretary of State for Defence and of the my right hon. Friend the Prime Minister, who has rightly emphasised that, although it is important to take a positive approach, we must not delude ourselves into thinking that the going will be easy. On the contrary, we in Western Europe will have to be courageous in telling our electorate about the real choices that have to be made. In doing so, we shall need to be extremely careful not to arouse expectations that are too high.

It needs to be emphasised that the reality is that a non-nuclear world is not feasible, and will not be so for many years to come. The Soviet Union knows that one reason why it is recognised as a world power is its parity with the United States in advanced nuclear missiles. To base nuclear deterrence on aeroplanes and cruise missiles would put it at a distinct disadvantage because it knows that the United States is well ahead in these weapons. There is no sign that Gorbachev would dare risk the Soviet Union taking such a step, at least for some time.

Secondly, there is no reason for us to suppose that it is in our interests to take a leap in the dark without adequate verification procedures. Thirdly, we all know that it would be folly for the United States to renounce nuclear ballistic missiles while China retains hers and there is probably a nuclear capability in Pakistan and Israel. The British and French will be bound to retain their nuclear forces until such time as substantial progress is made in these factors.

We cannot expect the Soviet Union or the United States unilaterally to do without nuclear ballistic missiles as long as other countries do not make progress. Equally, we shall not make progress in the negotiating ring until we have solid substantial proof that the progress made by the two superpowers is genuine, enduring and verifiable. In that respect, I am sure that the right hon. Member for Cardiff, South and Penarth will recognise that the Prime Minister has made it clear that if sufficient progress is made between the two superpowers, we in Britain will enter the negotiations and put Trident into the melting pot for future discussion.

Dr. Alan Glyn (Windsor and Maidenhead): Does my hon. Friend agree that one of the most substantial points is on-site verification, and that we cannot rely on satellite?

Sir Geoffrey Johnson Smith: Yes, I agree. In many instances, on-site verification will be the right step to take, but I am also aware that there have been considerable advances in electronic technology which may on some occasions make on-site verification not as necessary as once we thought. At the moment, they have to go together.

Another reason why we should not arouse expectations that are too high is that we all know that one of the side effects of relying less on a nuclear deterrent is that we have to build up conventional forces. I cannot see any electorate in Western Europe agreeing to huge expenditure on conventional forces at a time when disarmament and arms control talks are in the air and budgets are already large. There is a prospect of the United States expecting us to bear a heavier conventional burden in Western Europe, which in itself is bound to put additional financial strains on our budgets. Therefore, in terms both of cost and political timing, it would be unrealistic to suppose that we can, overnight, make up for the conventional imbalance between us and the Warsaw pact.

I am not talking about the central region, where there is more of a balance than one had hitherto recognised because of the improvements that we have made. Looking at the West's response to the Soviets, should there be a conventional attack, it is not the central region that we would have to consider. We would have to consider the northern flank as well as the Mediterranean. The danger is in thinking that somehow peace will break out and that we shall get defence on the cheap if we do without nuclear deterrents. These and other dangers were rightly emphasised by General Rogers in the aftermath of Reykjavik. Misgivings on military grounds were voiced when the zero option was first proposed in 1981. Those misgivings by military leaders were overcome by the political argument, which only goes to show how foolish it can be to subordinate defence imperatives to political theory.

The right hon. Member for Cardiff, South and Penarth and other Members have told us why the zero option was put forward. We knew that it would not be accepted by the Soviet Union, but we still hoped for better deployment of cruise missiles, while it would help European electors to accept the presence of cruise missiles on their soil.

Six years have gone by and the mistake at Reykjavik to commit the West to appear to accept a zero option with so few and ineffective conditions had to be addressed. That is why my right hon. Friend the Prime Minister was right. She spoke for all the European allies when at Camp David she insisted that a zero option on long-range INF must take into account constraints of short-range nuclear systems. I am not suggesting that it is a tidy, logical matter. It would be foolish to expect this or any other European

Government to go into such talks, or to persuade the Americans that it would be in our interest to surrender any of its INF and to expect us to defend ourselves. That would put us in the position of relying almost exclusively on theatre nuclear weapons systems, and conventional weapons, with the back-up of the strategic defence and nuclear defence forces of France. That is the wrong attitude, but it is one that many of the leaders have accepted, including the supreme allied commander.

Nevertheless, there are good reasons for seeking a way forward. A reduction or the elimination of a whole segment of nuclear missiles can enhance stability, provided that it is guided on the whole by the principle of parity.

I do not think that there is, yet, enough trust or confidence for either side to give away too much. The Russians suffer more than we do from mistrust and lack of confidence. They have had that lack of confidence since Tsarist days; it is one of their problems; it is why they have an iron curtain, and why they are so beastly to some of their people and have only recently begun to let a few more out.

We all want peace in the West and, increasingly, those in the Soviet Union who know the high cost of peace want peace and security at less cost. It must not be less security at less cost, because that is not the way to preserve peace but the way to encourage aggression. Many of us in this Chamber appreciate that because we belong to that generation but, increasingly, especially when it comes to the election, we shall be addressing a new generation—the post Vietnam generation, who do not remember that the second world war came about because we were so badly prepared. We gave the impression to totalitarian countries that we were not willing to stand up, not just for preserving the peace, but for the values that we held dear.

In the course of the coming election that will make the argument interesting and stimulating. That is why we have, yet again, to fight this intellectual battle for the retention of strong defence forces which are credible to preserve peace.

Many of us would like to see a shift from nuclear to conventional arms. That must take place under carefully controlled conditions. To suggest otherwise is not just to delude ourselves but to take us on the way to Armageddon.

6.12 pm

Mr. Cyril D. Townsend (Bexleyheath): I congratulate my hon. Friend the Member for Wealden (Sir G. Johnson Smith) on his excellent speech. I wish to second many of the points that he made. This has been an interesting debate and I thought that the speech of the right hon. Member for Cardiff, South and Penarth (Mr. Callaghan) was outstanding.

It is interesting that the alliance should have chosen this subject for debate. It certainly leads with its chin. In reality, the SDP would agree with the Conservative party and the Liberals would agree with the Labour party over this issue.

I attended the debate in the House on 24 January 1980 on nuclear weapons. On that occasion the Liberal party defence spokesman, the hon. Member for Isle of Wight (Mr. Ross), said:

> In my party, as well as in the Labour party . . . there is a substantial body of opinion that is totally opposed to the staging of cruise missiles in the United Kingdom. I must put that on record tonight." — [*Official Report*, 24 January 1980; Vol. 977, c. 756.]

I took the trouble of looking at the vote after the debate. I do not think that my hon. Friend's will be surprised by the result. Some Liberal Members were in one Lobby, some were in another and the majority abstained.

When I was still a schoolboy the House of Commons staged another major debate on nuclear weapons. On that occasion, the Prime Minister, Sir Winston Churchill, opened the debate with a phrase that has remained with me. He said:

> "What ought we to do? Which way shall we turn to save our lives and the future of the world? It does not matter so much to old people; they are going soon anyway, but I find it poignant to look at youth in all its activity and ardour and, most of all, to watch little children playing their merry games, and wonder what would lie before them if God wearied of mankind." — [*Official Report*, 1 March 1955; Vol. 537, c. 1895.]

All of us who took an interest in defence realised the immense threat that was posed to this country by the build-up of the SS20s in Eastern Europe. They were a way of getting round the arms control talks which were under way at that time. We were concerned by the challenge that they presented to our democracy and the democracies of the Atlantic Alliance. Could politicians make unpopular decisions to protect the long-term interests of that Alliance? Britain and NATO came out of that crisis extremely well. It is ghastly for a Secretary of State to have to decide which region should have cruise missiles; which hon. Member should have these obliterating weapons of the nuclear age in his constituency. Full marks should go to the people of Newbury, who have been so robust and sensible in the way that they took on board that particular horror.

While that was occurring, the Opposition were spurning decisions that they had taken in government and spurning the approach that the Labour party had adopted to nuclear weapons since 1945. At the same time, a wave of Soviet propaganda was washing over these shores. Some succumbed as soon as they got their feet wet. Others —I include the Liberal party—rushed down the beach and dived into the waves.

We are faced with a surprising decision by Mr. Gorbachev—a U-turn. But perhaps it is not hard to see now why he made that U-turn. It is too early to say whether the changes inside the Soviet Union are changes of substance or style but, as in the United States, Mr. Gorbachev has his military industrial complex to think about and is in need of a diplomatic success. He has to show his countrymen that his change of style can bring home some bacon for the Soviet Union. Above all, he has to cut back on the cost of his military defence so that he has more money available for consumer affairs inside the Soviet Union.

Mr. Beith: Does the hon. Gentleman think that it is in the West's interests that Mr. Gorbachev should win that argument internally or lose it?

Mr. Townsend: Obviously it is in the interests of Mr. Gorbachev and of the West that progress should be made, and this is the subject to which I wish to turn.

The House will look foolish if it starts putting forward detailed negotiating positions. There are two major obstacles, which have been well covered today — the problems of short-range missiles and of verification. How does one tackle the verification problem? Are satellites sufficient? Should there be on-site inspections? Do we have to go into factories as well as aircraft hangars? This is not

[Mr. Townsend]

the occasion to go into all that. The Government are right to put forward a tough negotiating stance at this stage; it is in Britain's interests that they should. I detect no difference between the Foreign Office, the Ministry of Defence and No. 10 on this issue. As in the United States, there seems to be a broad measure of agreement as to how to proceed. In Europe, individual politicians will state their different positions. I detect, in general across the Western world, the feeling that something has changed; a new moment has arrived. The tide has come and we must take that tide. Hon. Members may say in a few weeks that I was being vastly over-optimistic and foolish, but this is the moment to look above the molehills, to look to the high ground and see if we can make the breakthrough that our constituents and the people in these islands so desperately want.

I end with a quote that is frequently wrenched from its moorings. It comes from a speech which was made by Lord Mountbatten in Strasbourg in May 1979. He said:

"To begin with we are most likely to preserve the peace if there is a military balance of strength between East and West. The real need is for both sides to replace the attempts to maintain a balance through ever-increasing and even more costly nuclear armaments by a balance based on mutual restraint. Better still, by reduction of nuclear armaments I believe it should be possible to achieve greater security at a lower level of military confrontation."

Since the debate in which Sir Winston Churchill took part, there has been a gradual escalation of the arms race. Perhaps we now have a chance to reduce some of the nuclear weapons on both sides.

6.19 pm

Mr. Jim Spicer (Dorset, West): Like many of my hon. Friends, I am puzzled that the SDP should have chosen this subject to debate, particularly as for most of the afternoon the hon. Member for Greenwich (Mrs. Barnes) has been the only Member on the SDP Bench in support of her party's policy. I hope that she has listened attentively and learnt a lot, particularly from the speech of the right hon. Member for Cardiff, South and Penarth (Mr. Callaghan).

The Gorbachev proposals may have been seen as a heaven-sent gift to the Labour and Liberal parties in their headlong pursuit of votes, but I submit that it would be a sad misunderstanding of the situation if we moved too far too fast.

The right hon. Member for Leeds, East (Mr. Healey) seemed to be "praying in aid" a complete change of heart in the Soviet Union, of which country we are even hearing the words "emerging democracy", but I have no doubt that we must await implementation of the Helsinki final act before we can believe that there is a major change in the Soviet Union. We are a long way from that.

I agree with the right hon. Member for Cardiff, South and Penarth that if we have achieved this beginning, it is only because of the unity of the West and our determination to stand firm when it was necessary to do so. His Administration took the first decision that, in the face of the threat from the Soviet Union, we should respond by stationing cruise missiles in this country. The Soviet Union did not believe that we would respond, but we did, and we have now reached a beginning in genuine disarmament.

However, it is no good arriving at a starting point unless we can be sure that the West will be united when it goes into negotiations. My hon. Friend the Member for Stroud (Sir A. Kershaw) voiced the fear that the United States might be tempted to go for quick electoral gain, rushing into an agreement in the hope that the Goverment could regain some of the popularity that they have obviously lost. I do not believe that that will happen. On Friday and Saturday of last week I attended a meeting of the International Democratic Union in Munich, and the chairman of the United States Republican party made it clear that we would and should go forward in unity and that there would be full consultation all the way.

The Soviet Union clearly hopes to exploit divisions in the West, particularly in the United Kingdom. We do not need to waste time on the craven role in defence matters that has been chosen by so many people in the Labour party, but we need a clear and definitive statement on where the SDP and the Liberals stand on nuclear defence. The Liberal party conference went unilateralist last year, while the SDP supported a nuclear deterrent, provided that it did not involve the upgrading of Polaris to Trident. On television last week the leader of the SDP said that such an upgrading would represent a massive enhancement of our nuclear capacity, which he could not accept.

I was puzzled by that statement, because in the same interview the leader of the SDP said that he believed that there was a positive way forward in co-operation with the French. We all know that the French are upgrading their independent nuclear deterrent to achieve exactly what we shall achieve from Polaris and Trident. The French expect to complete their upgrading by 1990. It is an expensive operation and they would welcome support. There is, however, no question of the French giving up their nuclear deterrent. They will be the last ones to move. Does the leader of the SDP have the full-hearted support of the Liberal party and, in particular, the leader of that party for his French policy?

Where and when did detailed discussions about the joint venture take place? We know that there was a lunch and a dinner in Paris, but what further consultations have taken place? Has the cost been examined? I believe that it is a bogus cover-up by the Liberals in an attempt to paper over cracks to regain lost confidence and votes.

There is little division between the SDP and the Conservative party in defence matters, but none of us knows where the Liberals really stand. They were unilateralists in 1984, multilateralists in 1985 and unilateralists again in 1986.

Mr. Beith *rose*——

Mr. Spicer: I am not giving way, because of the shortage of time.

We are making just a beginning. The meeting of the International-Democratic Union in Munich last week was attended by Danes, Finns, Norwegians, Austrians, Americans, Japanese and others. They all agreed to send a letter of support to our Prime Minister, who is going to Moscow at the end of this month, not only with our best wishes, but with the best wishes of all those who truly hope for a just peace in the world. I delivered that letter, on their behalf, to No. 10 today.

6.26 pm

Mr. John Wilkinson (Ruislip-Northwood): The subject for the debate is all things to all men, in the typical alliance

tradition. We, however, must ask ourselves whether removal of long-range intermediate nuclear forces from both sides of the iron curtain under the zero-zero option would enhance our security. It surprises me that so few people have addressed themselves to this fundamental issue.

In General Secretary Gorbachev, the West is confronted by a leader who is far more formidable and infinitely more dangerous than Mr. Chernenko and Mr. Brezhnev were. He has great propaganda skills, intense determination and great orthodoxy in his personal commitment and loyalty to Communist ideology. Furthermore, he knows how to play on Western public opinion, how to exploit divisions within NATO and how to play on wishful thinking in the West.

The initial dual track decision in 1979 was taken two years after SS20s were first deployed in the western military districts of the Soviet Union. We hoped that our decision would induce the Soviets to dismantle their systems, so that we would not have to modernise our intermediate-range nuclear forces. Of course, that did not happen and the Soviets' SS20 build-up continued inexorably.

In 1981, we persisted with the zero-zero option and suggested again that if the Soviets dismantled their SS20s we would not modernise our INF by the deployment of cruise and Pershing II missiles. Once again, the SS20 build-up continued.

From December 1983 we had to put in place our own modernised systems of ground-launched cruise missiles and Pershing II missiles. This was achieved only with very great political difficulty. There were mass demonstrations and critical votes in national Parliaments. We are proud of the decision taken by this House. We and the Federal Republic of Germany, two key countries in the Alliance, were the first to deploy the systems. Since then NATO has begun to deploy them in Italy and Belgium, and ultimately it is hoped that they will be deployed in the Netherlands.

What has transpired since that deployment? The answer is that the Soviets have undertaken another inexorable build-up of short-range systems — SS12s, SS22s and SS23s. They are ballistic missile systems with short flight times and, in common with the SS20s, but perhaps more so, they are a direct threat to Western Europe. They represent a counter-force capability that could knock out our air bases and destroy NATO's command and control facilities. Since the Soviets have a preponderance of short-range systems — 9:1 in their favour — the position vis-a-vis intermediate nuclear systems does not matter so much to them. The Soviets are aware that their short-range systems ensure that they have a capability of launching a pre-emptive strike to knock us out on the ground. Of course, in the process there is the risk that there would be a strategic nuclear response. However, a strategic nuclear response launched by the United States on our behalf is more likely to occur if intermediate-range systems are located on the soil of Western Europe. That crucial linkage was the raison d'etre of our INF modernisation in the first place. Chancellor Schimdt, in his lecture to the International Institute for Strategic Studies, emphasised the point.

The right hon. Member for Leeds, East (Mr. Healey) and others have said that we have other options. We have dual-capable systems, such as the F111s. However, air-launched systems are vulnerable because their response time is slow. We also have quasi-strategic systems, such as the Poseidon boats. However, with regard to a submarine-launched strategic ballistic missile, one's adversary is not sure whether he is receiving a strategic response.

I believe that we should proceed with the negotiations, but we should seek a definite quid pro quo. It is crucial to emphasise to our American friends—as has been said by Mr. Giraud, the French Defence Minister and also by Mr. Wörner the German Defence Minister — that Western Europe should address the problem in its totality. That is, we must address it with regard to the conventional balance, the chemical balance and the imbalance with regard to short-range systems. If we are deliberately to pursue a policy that renders us vulnerable—by denying ourselves intermediate-range systems stationed on the soil of Western Europe — we must have a capability to defend Western Europe's retaliatory forces securely.

I have always argued that there is a need for strategic defence against short-range systems. The technology of strategic defence is more important than ever before. It is important for point defence—the protection of air bases and command and control centres. New technologies are emerging for this purpose. Furthermore, space-based systems are important because they would be able to intercept ballistic missiles even of a short-range nature, such as the SS22s and the SS23s, in the launch phase.

I am pleased that General Secretary Gorbachev has removed the linkage, imposed at Reykjavik, between the American development of SDI and INF arms control. Unless the West takes countervailing measures, it may be making itself more vulnerable militarily by pursuing the zero-zero option. However, I recognise the political benefits that may arise from such an agreement.

6.34 pm

Mr. Reg Freeson (Brent, East): I do not share the pride of the hon. Member for Ruislip-Northwood, (Mr. Wilkinson) at having cruise stationed in Europe. I do not share his hope that those countries that have not completed the stationing of such weapons will do so. There is neither reason for pride nor hope in such an argument, despite the fact that some may argue that there is necessity.

I wish to make some general comments as I do not normally participate in debates in the Chamber——

Mr. Richard Ottaway (Nottingham, North): Oh!

Mr. Freeson: I do not believe that my observation was humorous. I do not normally join in the debates in the Chamber because I find most of them are devoted to the detailed minutiae that overlook some of the central issues that have faced Britain and people on both sides of the iron curtain for far too long. Indeed, they have been left untackled for too long. The hon. Member for Nottingham, North (Mr. Ottaway), who sniggered, may not be aware, unlike his hon. Friend the Member for Ruislip-Northwood, that I am an active parliamentarian in the Western European Union parliamentary assembly. I have participated in its debates — agreeably or disagreeably, according to one's point of view.

It is conventional wisdom to point out that nuclear weapons have existed for 40 years during which time there has been no war in Europe—post hoc ergo propter hoc, this is taken as cause and effect. Thus both East and West justify their relentless stockpiling of nuclear weapons. The hon. Member for Ruislip-Northwood illustrated that in his speech. The Russians start storing certain types of

[Mr. Freeson]

equipment in Eastern Europe and so we start to stockpile other types of equipment. The Russians therefore start stockpiling further forms of equipment and we respond. This stupid, dangerous madness continues.

We are spending about $9·5 billion between the lot of us on building up all forms of offensive defence. We should start considering—that process can begin in the House — developing a non-offensive defence policy. [HON. MEMBERS: "No."] It is possible to have a non-offensive defensive policy. It is long overdue. It would require a fundamental reshaping of our attitude towards so-called nuclear defence.

Wars have continued despite the so-called deterrent. They have continued on a massive scale throughout the world, beyond Europe. Some tens of millions of people have been killed or wounded. In many cases wars have been waged in the Third world by the superpowers—by proxy. Far too often this country — under whatever Government — has given support to one side in such proxy wars. Millions of people have suffered at the hands of offensive high technology. We have often sold such technology to other countries.

Today there are an estimated 50,000 nuclear weapons, with an explosive power equal to 1 billion Hiroshimas. I often wonder, having listened to some of the speeches this evening, if people have thought of the implications of providing so-called defence by overkill — if I may use that hackneyed word.

Apart from nuclear weapons, the arms race in conventional weapons, far from stabilising or reducing, has accelerated apace. Far from preventing potential wars this arms race has induced wars in many parts of the world. Directly, if not indirectly, either politically or through our massive arms trade, we are contributing to the death of thousands of people in other parts of the world by the sale of British offensive equipment. Whatever we think of past cause and effect, to behave as we have for the past 40 years will not guarantee peace or provide security in future. We must move from a position of threatened mutual suicide to one of common security. There is no route to world security other than by the progressive reduction and eventual abolition of all offensive weaponry and the introduction of replacement defensive weaponry.

The fundamental duty of politicians is to build the stepping stones, military and political, to that end. Both NATO and the Warsaw pact have missiles in position with flight times of six minutes to centres of command and government. As a result, both sides are moving towards the establishment of fire-on-warning systems that would respond automatically to any assumed missile attack. The dangers of war by accident, including computer error, are thus greatly increased. We need a system of defensive deterrence that is not provocative to others. Such a system should provide an effective and militarily credible defence. It should also reduce the risk in a crisis of pre-emptive attack or war by miscalculation. Those who talk about SDI as such a system are overlooking all the potential for war in space going well beyond the systems that are now proposed for research.

Defence positions should reduce pressure on the East-West arms race by, for example, removing the present possibility of one side reacting to the other side's deployment of new or additional weapons by deploying more of its own. Our defence policy should improve the atmosphere for detente instead of generating distrust. It should be affordable and acceptable to the public at large.

It is often argued that a defence-only policy would be ineffective and could not win—whatever that may mean in the nuclear age. It is generally agreed, however, that defence is stronger than attack. With the coming of modern technology, it is estimated that an attacker needs to have a superiority over the forces available to the defender of four or five to one. The superior strength of defensive tactics and forces that has been evident throughout the history of warfare is now being strengthened by modern technology. The tank and the capital naval ship may become technically obsolete in modern war with the advent of accurate homing missiles. If the Exocets fired by Argentina had had better fuses, the history of the Falklands war might well have been different. It is difficult to imagine a successful invasion by sea with the intelligent use of homing missiles aimed at the attackers.

It is possible to order military forces so that they can be seen to be entirely defensive and non-provacative, even though each weapon could be used offensively. A country's entire defence posture — its weapons, the training of its forces, its doctrine and its operational manuals — can show clearly whether its forces are for defence only. No one considering the defence forces of Sweden, Austria and Yugoslavia, for example, could assume that they were for any purpose other than defence. These countries do not heighten international tension by provoking anxiety among their neighbours.

Effective defence need not overburden an economy. It is necessary only to consider the relative costs of defence and offensive weapons. A modern battlefield tank costs $3 million while an anti-tank guided missile costs $30,000. A combat aircraft such as the Tornado costs $30 million and a sophisticated missile capable of destroying it, such as the Patriot, costs $1 million, or just over 3 per cent. of the cost of a Tornado.

Along with military steps towards non-aggressive defence policies we need also to work politically towards constructive and peaceful co-existence. We must move away from confrontation politics. The relaxation of tension that would accompany a non-provocative defence position would allow discussions on detente to take place in a much easier atmosphere, and this is not the concern of the superpowers alone. There are forums at which many countries can participate in discussions, as we do in Britain and at international assemblies. It makes the greatest sense to identify politically the issues in which both sides have a common interest. These include a common test ban agreement and moves towards a reduction in nuclear defence weaponry that we have been discussing this evening. There are many other initiatives along those lines.

I find it extremely disturbing that, after several years of paying lip service to the zero option, many parts of Western Europe, including Britain, should start running scared at the first sign of serious negotiations in that direction, and should start erecting all sorts of obstacles to such a move. If we were sincere in what we have been advocating, or claiming to advocate, since the early 1980s, we would put our actions and words where our statements have been in the past. That includes making more progress towards the removal of as many nuclear weapons in Europe as we can, and as rapidly as possible.

6.47 pm

Mr. Ray Whitney (Wycombe): The right hon. Member for Brent, East (Mr. Freeson) has called for a non-offensive defence policy. He said that we must move from a position of threatened mutual suicide. I think that we would all agree with that. We would all read that as a good explanation of the need for a strategic defence initiative. As for the rest of his remarks, I refer him—I do not believe that he was in the Chamber at the time—to the important remarks of his colleague, the right hon. Member for Cardiff, South and Penarth (Mr. Callaghan), on the history of the past 40 years, which the right hon. Member for Brent, East seeks to write down as a great aberration. However, peace has been preserved for the past 40 years. I recommend the right hon. Gentleman to consider what the right hon. Member for Cardiff, South and Penarth, a former Prime Minister, had to say about Western determination having brought the Soviet Union back to the negotiating table. The right hon. Member for Cardiff, South and Penarth speaks with important and significant experience on that issue.

We are debating a subject that is too important for the making of easy party political points. However, the difference between the parties on the Opposition Benches must be stressed. These are differences that the British public must understand when the forthcoming general election takes place. Nothing could have demonstrated more clearly the position of the Labour party than the contrast between the speeches of the right hon. Members for Cardiff, South and Penarth and for Brent, East.

We all become used to the performances of the right hon. Member for Leeds, East (Mr. Healey), and I use "performances" advisedly. He is the living embodiment of that famous old cliché that if one is on a weak wicket, the best thing is to shout. In other words, the best form of defence is attack. According to the right hon. Gentleman, the leaders of the Western nations—I hope that I am not doing him an injustice by misquoting him — are running around like chickens with their heads chopped off. Anyone more like a headless chicken than the right hon. Gentleman, bearing in mind his principles and the things in which he has believed over decades, is hard to imagine. It would appear that his head has been chopped off and thrown into the wastepaper basket. That must be the position when he chooses to defend a policy that he knows is arrant nonsense. He made a ludicrous comparison. The right hon. Member for Leeds, East—I am sorry that he is not in his place now—knows that to be a fact.

We must consider the unfortunate position of the hon. Member for Woolwich (Mr. Cartwright).

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): I hope that the hon. Gentleman will think again about the way in which he attacked my right hon. Friend the Member for Leeds, East (Mr. Healey). It was unworthy of him. I hope that he will also note that, although my right hon. Friend is not present, neither is the Secretary of State for Defence. That is understandable because they both have other engagements. I hope that the hon. Gentleman will stop continuing to be a former diplomat and apologist for the Foreign and Commonwealth Office.

Mr. Whitney: I hope that the hon. Gentleman, who was not here when his right hon. Friend the Member for Leeds, East spoke, has the courtesy to read what his right hon. Friend said. He will then understand the point about the headless chicken, which was the right hon. Gentleman's term for the leaders of western European nations.

Mr. Foulkes: I have heard what my right hon. Friend has said on previous occasions on this matter. I know exactly what he said—[*Interruption.*] If the hon. Member for Lancaster (Mrs. Kellett-Bowman), screaming harridan that she is, will wait, I shall explain that I was not here precisely because I was representing my right hon. Friend the Member for Leeds, East and the Leader of the Opposition at the Commonwealth day service in Westminster Abbey.

Mr. Whitney: I am delighted to have an explanation, which I was not seeking, for the absence of the hon. Gentleman. However, I repeat that if he is making assertions about his right hon. Friend's statement, he had better read it first and then he will learn a little.

Before I deal with SDI, an introduction to which was happily given me by the right hon. Member for Brent, East, I should like to mention the opening bat of the hon. Member for Woolwich on what was for him an extremely sticky wicket, to continue the metaphor. It seemed unkind to give him such a task. He who knows such a lot about NATO defence and understands and is a loyal supporter of NATO was driven into the position, when he was seeking to explain the extraordinary riding of two horses going in widely diverging directions, which is now his unhappy lot of having to say, "I am fortunately not responsible for the Liberals." I share his views on that but I hope that the electors of Truro note that too.

Everyone who has spoken, from both sides of the House, welcomes Mr. Gorbachev's initiative. It is significant that the words of praise for Mr. Gorbachev's initiative, which was described as an act of statesmanship, were not used when President Reagan made precisely the same proposal in 1981. It was then condemned by Opposition Members as a public relations exercise. Now that it comes from Mr. Gorbachev it is a marvellous new initiative. However, I shall cavil not at that.

As my right hon. and hon. Friends have explained, we need to be extremely careful about the problems of verification. We have to take extreme care on the problems of the shorter-range and aircraft missile systems. We have to take account of the imbalance in conventional forces, whatever the arithmetical arguments of those differences are, and we have to take account of the differences in chemical weapons. I have to say to the hon. Member for Woolwich—I am glad that he has now rejoined the debate—that to say that there has been no significant change in the position on chemical weapons since 1979 is to show a serious misunderstanding of the massive development in capability that the Soviet Union has manifested in the past seven or eight years. Nevertheless, the welcome is there and, subject to all those caveats, which any responsible leader of any Western Government must take into account—certainly my right hon. Friend the Prime Minister will take them into account and I am confident that the American Government will take them into account—we must welcome the initiative and go forward.

The significant development is that the Gorbachev offer is no longer subject to the caveat about SDI. It was particularly significant that the offer came when it did. I shall quote *The Sunday Times*, not in terms of a particular

[Mr. Whitney]

attack on the newspaper, but because I take *The Sunday Times* editorial of 1 March as a typical example of a standard conventional view of the international negotiating relationship on nuclear weapons as it then obtained. It was unfortunate for the leader writer of *The Sunday Times* that the Gorbachev offer came just a few hours before his editorial was printed. Speaking of the Prime Minister's forthcoming visit to Moscow, he offered the view that

"she may be the one person who can persuade President Reagan to make the necessary compromise on star war testing, which is the one issue that stands in the way of the first-ever missile-cutting deal between the superpowers."

Clearly, *The Sunday Times* was wrong. The conventional views of what I would call the arms control establishment in London were wrong. That is not an objective and, therefore, we need to look again carefully at the relationship in terms of future arms control negotiations and the strategic defence initiative. I believe that the nation, the House and, indeed, my party too should step back and look again carefully.

The strategic defence initiative has been subjected to a linguistic propaganda war which is akin to what was suffered by the term "cold war" over a generation. The term "cold war" was picked up by the international Left so that anyone who pointed out any dangers or threats that came from the Soviet Union or Soviet policy was condemned as a cold war warrior. There is an unhappy correlation now between the glib phrase "star wars" and the strategic defence initiative. Of course, it is a defence initiative. It may or may not work but it is, to use the words of the right hon. Member for Brent, East, a non-offensive defence policy. It is a step back from what he described as a position of threatened mutual suicide.

One of the reasons why it became such an object of controversy was that it upset the Western arms control establishment. I speak as someone who was a co-founder of the Council for Arms Control and I am totally dedicated to arms control. However, I know also that there are people who have made a profession out of arms control—I make no complaint about that—but they are flat earthers. They are deeply unhappy about the concept that there is any possible alternative to what the right hon. Member for Brent, East suggested, mutually assured destruction, the all too sadly apposite acronym, MAD. MAD is precisely what President Reagan is seeking to get away from.

Another reason why SDI was such a fiercely attacked target was that it was linked with the general animosity which has been built up in so many quarters in the West against President Reagan. Of course, the concepts involved in SDI are 20 years and more old. For 20 years in the East and West there has been research and work on anti-satellite systems. The fact that in March 1983 it was gathered together by President Reagan and relaunched under the new umbrella of the strategic defence initiative was practically irrelevant. It was given a new thrust, but it was not anything new. It is research that the East and West have been in engaged in for two decades, in my view, quite rightly, too.

If there is a sensible and valid alternative to MAD, surely it must be right at least to explore the possibility. The arms control establishment, being, as I have said, inclined to flat earthism and conservatism, with an extremely small "c" said "No. This is destabilising. They will never do it. It will take too much money and it is technically impossible." I remind the House that just a few months before the atom bomb was dropped, well-known experts on the subject said that no atom bomb would ever be dropped, and a few months before a landing was made on the moon, well-known experts on the subject said that no landing would ever be made on the moon.

I do not know whether SDI will succeed. However, the arms control circles, which have strong influences on the Foreign and Commonwealth Office and the Ministry of Defence, have now been surprised by the technical progress that has been made. I do not believe that the Soviet Union has been surprised because it is engaged in the technology. The Soviets know the American capability and they believe that something can be achieved. That is the reason why they are so sensitive about it. But the next defence of the arms control establishment is that that cannot be an all-embracing, 100 per cent. technology. In fact, sadly, in March 1985 my right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs was moved to compare it to a Maginot line mentality. It would be dangerous if that were the concept, but it is not. Among serious strategic thinkers in the United States the concept is developing of a combined defence of defence on the one hand and offence on the other. The technical possibilities are opening up.

Therefore, I urge my right hon. Friends in the Government to ensure that they take an extremely open-minded, not to say positive, view of the possibilities that SDI may offer—not just for the West, but for the Soviet Union. That must be regarded as a serious possibility.

In line with that, I urge my right hon. Friends to take a careful look at their attitudes on the anti-ballistic missile treaty. I have been disturbed by some of the nervousness that they have displayed about the reading of that treaty. The treaty is the jewel in the crown of the arms control process. My right hon. Friends must understand that when they receive submissions from their Departments—from the Foreign and Commonwealth Office and the Ministry of Defence — they are talking about the Holy Grail, about the only coconut that has dropped off the tree so far——

Mr. Foulkes: Stop mixing your metaphors. Get on with it.

Mr. Whitney: I will mix my metaphors. If the hon. Gentleman will listen, he will learn something.

The ABM treaty was signed by the Soviet Union only when it was clear that, were it not signed, President Nixon was ready to deploy anti-ballistic missiles himself. That is what brought the Soviet Union to sign that treaty in 1972.

On the interpretation of the treaty, there is now a great debate on whether there should be a narrow or broad definition. As we are not signatories of the treaty, we do not have a locus to take a definitive view. However, I should like my hon. Friend the Minister to look at article 13 of that treaty, which establishes a consultative committee between the contracting parties and which meets twice a year. As I understand it, there has never been a single report of a Soviet complaint about the American interpretation of the treaty.

Therefore, the interpretation of the ABM treaty is linked to the attitude on SDI. With the Gorbachev initiative of a week last Saturday, those two areas give a new impetus, and we must look to that in a positive spirit.

I remind the House that the approach that we seek is not, in its own right, to sign a treaty for arms control. That is a laudable objective. What we really seek are sensible and sound relations between East and West. That must be the final objective, and that is where we start. Therefore, in any rush or enthusiasm, which is understandable, to sign a piece of paper that is labelled "arms control", let us not lose sight of that final objective. As Moscow knows well, the desire for peace in Britain and in the West as a whole is absolute. It has only to respond and then we can make progress.

Viscount Cranborne (Dorset, South): On a point of order, Mr. Deputy Speaker. I apologise for interrupting the debate, which is already running late. The House is well accustomed to the intemperance with which it is often addressed by the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes), but even by his own standards and lack of control over his tongue, is it parliamentary that he should refer to my hon. Friend the Member for Lancaster (Mrs. Kellett-Bowman)——

Mrs. Elaine Kellett-Bowman (Lancaster): Do not repeat it.

Viscount Cranborne: —in the way that he did while intervening in the speech by my hon. Friend the Member for Wycombe (Mr. Whitney)?

Mr. Deputy Speaker (Mr. Harold Walker): I am not sure that I heard the remark to which the hon. Gentleman refers. The hon. Lady is not complaining.

Mrs. Kellett-Bowman: I am not complaining because I do not regard the hon. Member as a gentleman.

Mr. Deputy Speaker: If something discourteous was said, the Chair did not hear it.

7.5 pm

Mr. A. J. Beith (Berwick-upon-Tweed): I hope that I shall be forgiven for intruding on those private exchanges.

The hon. Member for Wycombe (Mr. Whitney), whose sitting down has been greeted with some enthusiasm in some quarters, took us away from the main subject of the debate into the issue of the strategic defence initiative. Of course, the debate is not about SDI, because Mr. Gorbachev has accepted at last that he will not link intermediate nuclear forces with SDI. That is the opportunity that has arisen and it is the basis for the debate. As the hon. Gentleman referred to that matter, let me say that I do not share his view. He said that it may or may not work. If it does not work, far from being a defensive, non-provocative nuclear system, it is in fact one of the most offensive systems that could be created. If it could work on the basis of President Reagan's initial dream, as the total defence, the impenetrable shield, it would be non-provocative defence, but I have yet to find anybody in the United States who any longer believes that that is within the capacity of the technology——

Mr. Whitney: Will the hon. Gentleman give way?

Mr. Beith: No. The hon. Gentleman has just spoken.

I am sure that the Foreign Secretary does not share the hon. Gentleman's belief, because the most thorough analysis that I have seen of the SDI concept to which, to be fair, the hon. Gentleman referred is that made by the Foreign Secretary some time ago, which has 18 points of specific criticism of the SDI concept. I wish that the Government would refer to it more often.

My hon. Friend the Member for Woolwich (Mr. Cartwright) made it clear that, whatever changes have taken place in the arms control scene since 1979, none has invalidated the case for acceptance of the zero-zero deal which we sought then. By "we", I mean hon. Members in all parts of the House. Not many have questioned that during this extremely valuable debate. The general tenor of the debate has been strongly to encourage the Government to go ahead and seek a deal now that the obstacle of linkage with the SDI programme has been removed.

We heard several helpful speeches during the debate. The hon. Member for Stroud (Sir A. Kershaw) made a sensible speech. Comment has been made on both sides of the House about the speech by the right hon. Member for Cardiff, South and Penarth (Mr. Callaghan), who would not want to give up NATO weapons without obtaining greater security for Europe in the process by getting something in exchange. He made that clear in a speech that found acceptance in many quarters, if not entirely on his own Benches.

I appreciate the speech by the hon. Member for Newbury (Mr. McNair-Wilson), who lives and works so close to the problems presented by cruise deployment and whose constituents have had to put up not just with cruise deployment but with some of its domestic consequences. The hon. Member for Edinburgh, East (Mr. Strang) spoke from a committed unilateralist position, which I do not share, but he entered into the spirit of the debate, which was to encourage the Government to move forward.

The hon. Member for Wealden (Sir G. Johnson Smith) came closest in the debate to pouring cold water on the prospects for the INF discussions, but even he agreed, for example, that a stage had come when not only would the INF negotiations proceed but when we would put Trident into international arms negotiations. He finds himself in a similar position to that adopted by the alliance in being prepared to maintain a British nuclear capacity at its present level but with the intention of negotiating it away. There was an unhappy reference in the hon. Member for Wealden's phraseology to the "mistake" of Reykjavik, by which he was referring in particular to the zero option.

The hon. Member for Bexleyheath (Mr. Townsend), who represents that part of Bexley that the right hon. Member for Old Bexley and Sidcup (Mr. Heath) does not represent, spoke about attaining the high ground. That note must enter the discussions. The hon. Member for Dorset, West (Mr. Spicer) preferred to attack my right hon. and hon. Friends as out-and-out unilateralists. He has clearly not made the kind of detailed study of Liberal party conference resolutions which forms the unhappy lot of anyone who is the chairman of the policy committee in any political party. If he looks a little more closely, he will find amongst our recent conference resolutions that there are resolutions which freeze our existing cruise deployment, and resolutions which fully underscore our longstanding and unshaken commitment to maintain American nuclear bases on British soil as part of our commitment to the NATO deterrent. If the hon. Gentleman finds these things fascinating, he should devote more time to their study.

The hon. Member for Ruislip-Northwood (Mr. Wilkinson) rather worried me. He still wants cruise deployment in the Netherlands when we are open to the

[Mr. Beith]

prospect of removing those weapons entirely from Europe. He is Ruislip's answer to Richard Perle, yet even Richard Perle is ready to seek a move forward on INF negotiations.

Mr. Wilkinson: If we gratuitously forgo deployment in the Netherlands, as many in the peace movement would wish in that country, it may subsequently prove a precedent which will be difficult for NATO if NATO at a later date seeks to enhance its short-range capability. That was the implication of my point, and that is a serious matter.

Mr. Beith: The hon. Gentleman has refined his point. It is not for us to decide whether the Dutch Government can or will accept deployment within the Netherlands. However, it can now be rendered unnecessary by success in the negotiations.

The discussions at Reykjavik caught the public imagination in the East and the West, and notably in the West where there is so much more opportunity for public feeling to be assessed and estimated. There is no doubt at all that that process caught the public imagination and that there was a great deal of public disappointment that the process seemed to come to a sudden end. Getting the Reykjavik process moving again, in the form of Mr. Gorbachev's new willingness to unlink the INF discussions, will again capture the imagination of the Western public and create expectations that the Government must make a major effort to satisfy.

Therefore, in the early stages of the debate we looked for some sign of where the British Government stand. The Secretary of State for Defence has apologised to me for having to return to his discussions in France. Perhaps he is trying to get the French out of their Maginot line complex.

Mr. Paul Marland (Gloucestershire, West): Will the hon. Gentleman give way?

Mr. Beith: I intend to develop my argument. I gave way a moment ago; I will not give way now.

I hope that the Secretary of State will continue the process in which my hon. Friends and I engaged in trying to discuss with France the way in which their military capacity can be seen as part of a European defence and not as a solely French operation conceived on such narrow principles that it cannot provide a genuine defence for France——

Mr. Jim Spicer: Will the hon. Gentleman give way?

Mr. Beith: No, I will not give way to the hon. Gentleman because he flatly refused to give way to me.

In his opening remarks, the Secretary of State expressed surprise that there was no motion upon which the House could vote. He would not have been here for the vote in any case. However, the Order Papers are littered with motions that my right hon. and hon. Friends and I have tabled about the details of these matters. Is anyone seriously suggesting that we need a vote tonight so that some right hon. and hon. Members can go through the Division Lobby to oppose a deal on intermediate nuclear forces? This is one of the occasions when the House can surely express by common consent the need to see progress in this area.

The Secretary of State did not clarify whether there was a link in the Government's mind between intermediate and short-range nuclear forces. Instead, he devoted quite a lot of time to a partisan chronicling of events of the past few years. He tended to ignore those factors that led my right hon. and hon. Friends and I to criticise the absence of the dual key in cruise deployment and the fact that deployment took place while discussions in Geneva were still taking place. That was a matter of wide public concern at the time. Such feelings were strengthened by widespread British feelings that cruise was not sufficiently or at all under British control.

We wanted some sign from the Secretary of State during today's debate that there was no formal linkage between his legitimate concerns about short-range nuclear weapons and the prospects of an INF deal. Some of the phrases that the right hon. Gentleman used such as, "This is an essential condition of an INF agreement"—when talking about short-range nuclear forces — did not remove the doubt that the Government are trying to impose a linkage where neither the Americans nor the Soviet Union wish to impose any linkage at all upon these discussions.

The Secretary of State prayed in aid the draft treaty tabled by the United States at Geneva. However, the effect of the treaty is to freeze existing Soviet superiority in short-range nuclear forces. That is clearly an attempt to table and recognise the relevance of short-range nuclear forces for further progress and to the spirit in which an INF deal is struck. However, the treaty tabled by the United States does not remove that superiority. That is clearly a matter that we must consider after concluding an INF deal.

The right hon. Member for Leeds, East (Mr. Healey), in a characteristically entertaining and interesting speech, raised the important question of what is happening now in the Soviet Union. That is part of the background to these discussions. What is happening there and how should we respond to it?

Clearly fundamental changes are taking place in the Soviet Union giving rise to major pressures. We are in no position to rest at this moment on a judgment that the changes will continue in their present direction. That can only be a hope. Of course, the experience in China is a demonstration of how these things can go wrong and how there there can be major reversals. However, the right hon. Member for Leeds, East, the Lord President of the Council, myself and others visited Moscow last summer, observed the beginnings of some of these changes and pressed on issues such as human rights for different attitudes from those which have been characteristic of the Soviet Union in recent years.

It was apparent to all of us—and this would not be a subject of disagreement between the different parties in that delegation — that the economic situation was a major driving force, along with the desire for greater stability, in Mr. Gorbachev's attitude to disarmament. That was underlined by my perception that it was not cruise or Pershing that concerned Mr. Gorbachev most; nor was it French and British nuclear forces that most concerned him. Indeed, he made increasingly clear his readiness to put that issue to one side. The strategic defence initiative and the major commitment that would be involved in continuing the existing Soviet work in that area to match that initiative was Mr. Gorbachev's main concern. Removing the SDI linkage was an important decision for Mr. Gorbachev to make. I believe that that decision was dictated by his belief that the process must be got rolling and that some agreement must be secured

somewhere. Indeed, the hon. Member for Bexleyheath was right when he said that the Soviet leader must start to show results if he is to remain secure in his own political system.

In the course of our discussions in Moscow, I felt that the right hon. Member for Leeds, East appeared rather like an early and very genial Father Christmas, upending his sack on the Kremlin table so that everything tumbled out before Mr. Gorbachev could even get his note up the chimney. Almost anything that Mr. Gorbachev could have asked for was already on offer because the Labour party had already committed itself to having no NATO nuclear bases in the United Kingdom, no cruise deployment and no British nuclear forces.

There was no incentive to do more than produce decorative offers of re-targeting Soviet missiles and nominal reductions in their strength. I do not believe that that was a sensible strategy. Nor do I believe that Gorbachev was educated in the Santa Claus school of negotiation. He will drive a hard bargain or a hard series of bargains. He is prepared to drive bargains and he needs those bargains. It is in the interests of the West and of world peace to secure bargains which will enhance our security. We cannot do that in one single deal, as Gorbachev discovered when he went to Reykjavik.

The Minister of State, Foreign and Commonwealth Office, who is to reply to the debate, referring to short-range nuclear forces in 1985, said:

"Such systems are not at present the subject of arms control negotiations. Priority is rightly being given by the United States and Soviet Union to reaching agreements on the strategic and long-range intermediate categories." —[*Official Report*, 20 November 1985; Vol. 87, c. 209.]

The Minister stressed the distinctive nature of the various negotiations. We now have the opportunity to make progress on intermediate nuclear forces.

When the Prime Minister goes to Moscow, there are many issues that she can rightly raise. She can talk about short-range missiles and Soviet conventional forces. She can talk about human rights issues. All of those are important to the West and to the West's perception of Soviet intentions and to the West's assessment of Soviet good faith. But she must not stand in the way of a deal on intermediate nuclear forces by making it dependent on linkage with any or all of those issues.

We were prepared to bring this matter before the House. It would not otherwise have been debated before the Prime Minister's visit to the Soviet Union. It is entirely in line with our belief that we should maintain sound defence while actively promoting disarmament that we ask the Government to take what will be, in the view of millions of people, a small but very significant step forward for mankind if they enable the nations of the world to achieve the first major nuclear arms deal—that on intermediate nuclear forces. It is an opportunity that the Government must not throw away.

7.20 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Tim Renton): I agree with the last words of the hon. Member for Berwick-upon-Tweed (Mr. Beith). This is an important debate, and I am grateful to the alliance for arranging it, although they may come to regret it because of the inconsistencies that it has shown in their position. It is important because it concerns the first substantial reductions in modern weapons. The debate contained thoughtful speeches from my hon. Friends the Members for Stroud (Sir A. Kershaw), for Newbury (Mr. McNair-Wilson), for Bexleyheath (Mr. Townsend) and for Ruislip-Northwood (Mr. Wilkinson), among others, and from the hon. Member for Edinburgh, East (Mr. Strang).

The one thing that the debate lacked was the sound of Opposition or alliance leaders eating their words. That would have been appropriate. I know that humble pie is not the favourite diet of the right hon. Member for Leeds, East (Mr. Healey), who prefers an extravagance of loose verbiage, but it would have been good if, on this occasion, he had echoed the words of the right hon. Member for Cardiff, South and Penarth (Mr. Callaghan) and accepted that his constant opposition to the deployment of cruise in Britain had been wrong.

The right hon. Gentleman said, "It was our determination to deploy cruise and Pershing that brought the Soviets back to the negotiating table." How right he was, yet we heard not a word of that from the right hon. Member for Leeds, East, who once again resorted to using ridiculous phrases such as the one about the Prime Minister reviving the psychosis of the cold war— *[Interruption.]* We heard good grunting noises from the right hon. Gentleman, but he would do well to remember the article that he wrote in *The Observer* of 13 February 1983. It was entitled "The Case against Cruise" and it contained gems such as the following:

"If Cruise is once deployed it will make an arms agreement enormously more difficult. It is certain that if the West deploys Cruise and Pershing the Russians will reciprocate. The balance of power will then become much less stable than it is today. For all these reasons, NATO must now abandon its decision of December 1979. The Labour Party is determined that Britain shall not accept Cruise missiles on her soil."

Instead, today the right hon. Gentleman was like one of the ugly sisters suddenly deciding that Cinderella was her best friend after all. He is trying to jump on the bandwagon——

Mr. Healey *rose*——

Mr. Renton: The right hon. Gentleman has had his chance. I will give way in a second. His hypocrisy in the way in which he talked about INF and the possibility of a zero-zero option will remain with him for many years.

Mr. Healey: I am glad that the Minister has given way. Every quotation that he made has been justified in the event. The Soviets did reciprocate the deployment of cruise and Pershing by putting missiles in East Germany and Czechoslovakia. Four years passed before we could resume arms negotiations. The position has become less favourable than it was, as the Prime Minister said last week. Every statement that I made has been proved right in the event.

Mr. Renton: I regret that I gave way to the right hon. Gentleman. I am reminded of the old phrase, "Success has many fathers, but failure is an orphan." That is what we have heard today, and the same is true of the alliance spokesmen. It would be wrong to leave them out of the calculations altogether.

The hon. Member for Woolwich (Mr. Cartwright) tried to make it clear that it was logical and consistent for the alliance to have backed the dual track decision but to have voted against the deployment of cruise. That is precisely what they did. He said, "That is an absolutely clear position." To me, it is as clear as mud. As the right hon. Member for Cardiff, South and Penarth made abundantly

[Mr. Renton]

clear, because of the deployment of cruise and because of the courage and steadfastness of the NATO Alliance in deploying cruise and Pershing, we reached the position that we are in today. Without that, we would not have been here.

Mr. Foulkes: It is facile.

Mr. Renton: No, it is not facile. The question is how many SS20 systems would have remained facing Europe if we had followed Labour or alliance policies. Would it have been 900, 600 or 300? One can choose any number one likes except zero. Only with the deployment of cruise, contrary to the policies of the Liberal party, the alliance and the Labour party, have we reached the position——

Dr. David Owen (Plymouth, Devonport): The Minister knows full well that the policies of the alliance have been consistent throughout—*[Interruption.]* The right hon. Member for Leeds, East (Mr. Healey) can keep his policies, but the SDP line has been consistent, as has been the alliance line. The leader of the Liberal party went to his conference and had enough courage to challenge the delegates and reject their policy. The fact is that he did not accept the Liberal assembly decision. It is about time that it was accepted that there is some honour in this House. The right hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Steel) has consistently held the view that we should support the dual track decision. The policy of the alliance, as distinct from the policy of the Liberal party —*[Interruption.]*—has never shifted. It is the strength of the alliance that both parties have to agree to a policy before it becomes alliance policy. It is wrong to claim that that is not so.

Mr. Renton: The right hon. Gentleman has managed to bury the alliance defence policy once and for all. He has certainly buried any idea that there is unanimity or consistency in it. He said that the alliance had always supported the dual track position, yet in the House the alliance voted against the deployment of cruise. He did that, as did the leader of the Liberal party, and it is an intrinsic part of the dual track decision. Only that decision has brought us to the stage that we have reached today.

To get back to the main gist of the debate, the right hon. Member for Leeds, East suggested that the Government had been half-hearted in welcoming Mr. Gorbachev's suggestion. But my right hon. Friend the Prime Minister and my right hon. and learned Friend the Foreign Secretary emphatically welcomed the Soviet statement for three clear reasons. First, it accepted the idea of an INF agreement based on the zero option that the NATO Alliance first put forward in 1981. Secondly, the Soviet leadership has broken the link between an INF agreement and SDI which we and our NATO allies have repeatedly urged the Soviet Union to do. My hon. Friend the Member for Wycombe (Mr. Whitney) pointed out the importance of this. Thirdly, the Soviet statement made no reference to the British and French independent nuclear deterrent, a third good reason for supporting the statement, thus confirming our long insistence on the exclusion of the British and French deterrents from any INF negotiations.

The right hon. Member for Leeds, East will remember that in the SDI debate in February 1986 he said:

"The major obstacle to accepting the Soviet proposals for the zero option of intermediate nuclear forces is the British Government's determination to go ahead with the Trident programme."—[*Official Report*, 19 February 1986; Vol. 92, c. 33.]

However, last October Mr. Gorbachev said of the British and French independent deterrent forces, "Let them be increased and further improved." I ask the House and the right hon. Gentleman whose advice I should take, his or the general secretary's? Certainly, the general secretary's advice is a great deal more helpful and useful for the defence of this country than that of the right hon. Gentleman.

Like my right hon. Friend the Secretary of State for Defence, I am cautiously optimistic about the outcome of the negotiations. Those involved in arms control matters have by nature to be cautious and, as many of my hon. Friends have said in the debate, the going will not be easy. However, the events of the past week or so give one reason to think that real progress may be possible. The ground has already been covered in some detail in exchanges between the two parties, most notably during the Reykjavik meeting last October, and the Americans moved with promptness in tabling a draft treaty.

The right hon. Member for Leeds, East, the hon. Members for Woolwich (Mr. Cartwright), for Dunfermline, West (Mr. Douglas) and some of my hon. Friends asked about the position of SRINF in the current treaty negotiations. Part of the West's negotiating position since 1981 has been that an LRINF deal must contain constraints on SRINF. As my right hon. Friend the Secretary of State for Defence said earlier, the draft treaty contains articles constraining those shorter range weapons which might be used to bypass an LRINF agreement. NATO will require follow-on negotiations to address the Soviet imbalance in these and other shorter range systems.

At present we do not know precisely what the Soviet Union is prepared to offer on SRINF. The Soviets must address the imbalance, explain why they need these systems which have no direct equivalent on the NATO side, and say why they continue to deny the United States the right to match. Similarly, the question of conventional weapons was raised frequently in the debate. The Prime Minister agreed with President Reagan at Camp David that steps to eliminate conventional disparities would become more important as nuclear weapons were reduced.

My hon. Friend the Member for Stroud, in his thoughtful speech, and the right hon. Member for Cardiff, South and Penarth asked about on-site verification as well as the use of national technical means such as satellites and said that this will have to be looked at very carefully in arriving at a final treaty. I agree with those hon. Members, including, I think, the hon. Member for Edinburgh, East, who said that the verification arrangements made in this treaty could be a useful precedent. One will look to see how they are worked out and if they could be built on in other fora.

I realise how important this issue is to my hon. Friend the Member for Newbury because Greenham common is in his constituency and he has often spoken wisely on the subject in the House. He asked what had happened to make the Soviets change their minds. That point was also made by my hon. Friend the Member for Bexleyheath and by the hon. Member for Edinburgh, East. I suggest several possibilities such as economic questions in the Soviet Union; a wish among the Soviets not to invest huge sums of money in new defence technologies; a wish on the part of the new leadership to show members of its bureaucracy

and the party that it is making progress in these negotiations; and, above all, the resolution of NATO itself.

Over the years the Soviet Union has been shown that cruise and Pershing missiles were being deployed in Western Europe and that the only way to remove them was for the Soviets to remove the SS20s. That must be regarded as a great success for the steadfastness of NATO.

We should not be carried away too much by thoughts about a transformation in Soviet society. That point was made by my hon. Friend the Member for Dorset, West (Mr. Spicer). It is easy to be excited when we read in the newspapers about all that has happened. However, only in the last two weeks we have had two instances of the Soviets refusing entry visas to an all-party group of Members of Parliament and, at the end of last week, a group of parliamentary wives who wanted to go to the Soviet Union for tourism and to meet friends, including a number of Soviet Jews who have been denied exit visas for 10 or 15 years. It is inconceivable that in the Soviet Union, which is moving towards more openness and towards restructuring, such retrogressive steps should still be taken because they appear to be clearly contrary to the obligations that the Soviets entered into under the Helsinki final act.

Where does this leave us? Over the last few years the opposition parties would have had us scuttling off to Moscow at every new twist in the Soviet strategy for wearing down the West. The negotiating brief of the Opposition parties, and especially that of the right hon. Member for Leeds, East, would have been a deal at any price — cruise, Pershing, Trident, everything must go. Instead of that my right hon. Friend the Prime Minister will visit Moscow later this month and in her agenda will be discussions with the Soviet leader on genuine arms control. Those discussions will be on the basis of real and balanced cuts in nuclear arsenals which will not leave us defenceless in the face of a Soviet threat.

Recent developments have proved for all to see that we were right to go ahead with cruise deployment and right to resist the numerous offers for freezes or partial reductions which Moscow presented in the years before deployment and which Labour and Liberal parties found so attractive. They also prove that we were right to refuse to allow the British nuclear deterrent to be included in INF negotiations, and right to hold out for the genuine and balanced arms control agreements that we may now be in sight of achieving. The whole country will remember that at the next election.

Question put and negatived.

Regional Employment Opportunities

7.38 pm

Mr. Geraint Howells (Ceredigion and Pembroke, North): I beg to move,

That this House deplores the increasing disparity of opportunities among and within the constituent nations and regions of the United Kingdom, characterised by high unemployment rates, low job vacancy figures, and poor infrastructure and housing in the deprived areas, in contrast with lower unemployment, skill shortages, and congestion as well as high housing and living costs in the more advantaged areas; and calls for a strong regional policy spearheaded by regional development agencies aimed at making the United Kingdom a multi-centred society where every nation, region and travel-to-work area has an equal opportunity to invest in its own enterprise and provide training and job opportunities for its people.

Mr. Deputy Speaker (Mr. Harold Walker): I must tell the House that Mr. Speaker has selected the amendment standing in the name of the Prime Minister.

Mr. Howells: Under this Government, Britain is fast becoming a bitter and divided nation. Far from creating one nation, under their present leadership the Tories have achieved small islands of affluence in a huge sea of disadvantage. Never have the haves and have nots been more widely spread and never has one part of Britain—the south-east—been so much the major recipient of the limited benefit of a monetarist policy, while other regions suffer unemployment, scarcity of resources and a declining economy.

The economies of Britain's regions have undergone more change in the last 10 years than in the whole of the last 30. In some communities, the painful change caused by the decline in the traditional manufacturing industries — some 30 per cent. of the manufacturing jobs have been lost since 1979—has been offset by new jobs in the service sector, but for a great many others, that has not been the case.

A third of all travel-to-work areas are now experiencing unemployment rates of 15 per cent. or more. A recent EEC survey showed that nine of the 15 cities in the Community with the lowest income, highest unemployment and greatest isolation in terms of business and tourist contacts were in Britain. Palermo in Sicily is now far better off than Liverpool, Manchester or Sunderland.

By contrast with other European countries, power in the British economy has been increasingly concentrated in London. France and Germany have a number of centres which can compete with their capitals, but in Britain only Edinburgh has avoided satellite status. Birmingham, Leeds, Manchester, Liverpool, Newcastle and Bristol used to be major independent centres, with their own economic power and cultural influence. The recent southern increase in inequality precipitated by the Government follows a longer, slower misguided pressure to centralise — most notably in transport policy.

The Government have refused to face up to the scale of the regional disparity in rates of growth and economic prospects. Once the differences between the communities exist, it becomes very difficult to reverse them. Local employment and output decline and it becomes less attractive to start new businesses. Workers have less opportunity or incentive to develop skills and qualifications. Young people emigrate, and potential new employers face problems recruiting qualified manpower.

[Mr. Howells]

The local housing market follows employment into decline. The disparity in house prices creates its own problems. The average price for a pre-war semi-detached house in 1986 in was £75,000 in the south-east, compared with £29,000 in the north. Average house prices have increased by over 50 per cent. since 1983 in the south-east, compared with 26 per cent. in the north-west and 27 per cent. in Wales.

That difference prevents population mobility, because even home owners cannot afford to move to the south-east. But it also creates congestion in London and the south-east, because people are unwilling to take jobs elsewhere for fear of jeopardising their investment. High prices in the south-east also create homelessness in the region.

Turning to unemployment——

Mr. Tony Favell (Stockport): Indeed, higher house prices in the south-east may deter people from the the north and perhaps from Wales from moving to London, but what is wrong with moving jobs to Wales and the north-west, moving to that part of the world the sort of people who would create jobs — for example, the Civil Service? Surely the lower house prices there should attract people into the areas rather than lead to their leaving.

Mr. Howells: There is no point in trying to attract people from the south-east to Wales, Scotland or the north if they cannot find work. There is no work in those areas, as the figures that I will give later will show.

Other changes in the economy are likely to reinforce regional decline. Increases in service industry employment and a continuing shift to the south-east combine with an estimated further decline in manufacturing industry. Warwick university forecasts that 500,000 more jobs will be lost by 1990.

The problem of regional disparity is often seen as one of the north versus the south, but in reality that is extremely misleading, since many of the worst problems are located in the south-west, which has lower per capita GDP than some areas in the north. Even in the prosperous south-east there are some black spots, notably in Greater London—such as Newham, Lambeth and Bermondsey.

A glance at the unemployment rates in the 10 worst hit travel-to-work areas reveals that the worst is Newquay in Cornwall, with 27·8 per cent., and the eighth is Penzance and St. Ives, with 23·7 per cent. The best areas, and still rising, are Winchester and Eastleigh, with 5 per cent.; Cleethorpes, 5 per cent.; Clitheroe, 5 per cent.; Aylesbury and Wycombe, 5·9 per cent.; Cambridge, 6 per cent.; Tunbridge Wells, 6 per cent.; Slough, 6·5 per cent.; and Newbury, 6·6 per cent. But on the other side of the table, as I said, the worst of the lot and still rising is Newquay in Cornwall with 27·8 per cent. Cumnock and Sanquhar, in Scotland, has 26·9 per cent. Cardigan — in my constituency — has 26·1 per cent. South Tyneside has 25·7 per cent.; Skye and Western Ross, 25·3 per cent.; Skegness, 25 per cent.; Lampeter and Aberaeron—also in my constituency—24·8 per cent.; Penzance and St. Ives, 23·7 per cent.

There are also disparities within regions. For example, the south-west saw an increase in unemployment of only 2 per cent. between June 1979 and June 1986, but that concealed a total economic collapse in some areas within the region. The situation in Newquay may be contrasted with that in Exeter, where unemployment is under 9 per cent.

May I mention Cornwall, two days before the by-election? The main problem with regional development in Cornwall is that assisted area status was removed from Truro and St. Austell in 1984. That presents difficulities when trying to attract business to the region. Why go to Truro when Camborne down the road has assisted area status? The largest employer in Truro — Furniss, which makes biscuits — is in the process of leaving the city because it is not an assisted area.

The alliance would create a regional development agency based in the area to combat this problem.

Mr. William Cash (Stafford): May I refer the hon. Gentleman to the most recent research notes on unemployment rates by constituency, a copy of which is in the Library? That shows that the unemployment rate in Truro is 14·1 per cent, which seems somewhat adrift from the figure that he gave for Newquay.

Mr. Howells: There are a few miles between Truro and Newquay, but I am grateful to the hon. Gentleman for his intervention.

Cornwall has a housing problem because it has the highest new dwelling prices in the country outside London and the south-east. House prices have been forced up by the second dwelling and holiday home market. The alliance wants to establish regional development agencies on the Scottish and Welsh models to help relieve the problems of the English regions. It is well known that many Conservative Members opposed the establishment of the Welsh Development Agency, the Development Board for Rural Wales, the Scottish Development Agency and the Highlands and Islands Development Board.

My constituency is in mid-Wales, and I recognise that the Development Board for Rural Wales has done excellent work to stem depopulation. The WDA is also doing excellent work in north and south Wales. I hope that the Government, in their wisdom, if they decide to use it, create similar agencies for the various parts of England.

We believe that people in the regions are best placed to understand and solve their problems.

Mr. Favell: Is the hon. Gentleman proposing the establishment of a regional development agency for every English region outside the south-east? If not, which regions would be excluded?

Mr. Howells: I want the Government to accept the principle, just as we do. After consultations with local authorities, we might decide to have agencies for the north-east, the north-west, central England, the south-east and the south-west. There is nothing wrong with such a proposal.

The agencies' role would be to attract companies from outside Britain, but their main objective would be to enable new industries to develop and existing ones to diversify. They would help indigenous industries and local enterprise rather than footloose large companies.

Whitehall-directed regional policy has clearly failed. It has also been costly. Each manufacturing job has cost £40,000 to create and sustain. The alliance work search project has demonstrated the low cost of creating jobs through local enterprise boards and agencies such as Lancashire Enterprise Ltd. which creates and sustains jobs

for just £2,400 each. These local agencies would work in partnership with regional development agencies and help Britain to become a multi-centred society with prosperous regions again.

Mr. Gordon Brown (Dunfermline, East): Will the hon. Gentleman explain the Liberal or Social Democratic party policy for a decentralised incomes policy? Does it set pay rates according to local conditions and does the local labour market affect the public sector as well as the private sector?

Mr. Howells: The hon. Gentleman is straying a little and getting worried about the effect that our policies would have on the nation. I am sure that the people will decide when the general election is called.

We also want a programme of investment in human resources among school leavers and young adults to raise skills and training. Universities and polytechnics should develop major new roles in the education and training of young adults so that we can compete with other countries in Europe which place skill training at a higher premium than this misguided Government.

The Employment Institute's report of last week says that unemployment in the north has increased from 10·4 per cent. to 18·9 per cent. during the 1980s. It insists that the Government should increase regional development grants to improve productive capacity. It also calls for more inter-agency co-ordination between Europe, the Government and development agencies.

The report joins the chorus of bodies which are demanding regional development agencies for depressed areas. It says:

"They should have wide-ranging powers to stimulate investment and employment along the lines of those already existing in Scotland and Wales.

The allocation of funds between regions would have to be carefully controlled in order to provide the greatest stimulus to those regions with the most severe problems."

Turning to farming, the sudden introduction of milk quotas in 1984 demolished confidence among farmers overnight. Confidence is now at a low ebb. Farmers have lost faith in the Tories and will not forgive them for their uncaring attitude during the past year.

Mrs. Elaine Kellett-Bowman (Lancaster): Does the hon. Gentleman believe that the policy of two-tier pricing, which is said to be that of the Liberal party, will be advantageous to British farmers, bearing in mind the fact that farms in Europe are infinitely smaller?

Mr. Howells: I am sure that the hon. Lady has read the farming press during the past few weeks. It is very gratifying that leading agriculturists now suggest that the National Farmers Union, other organisations and the Minister should consider the possibility of a two-tier system. If the hon. Lady has a better alternative, I am quite willing to listen.

Mrs. Kellett-Bowman: The hon. Gentleman must know that the system would apply throughout Europe and that a small farm in Britain is considered relatively large in Europe, so we would catch the worst cold and the rest of Europe would benefit.

Mr. Howells: With respect, I am afraid that the hon. Lady has got it wrong again. Bearing in mind her background, I am sure that she agrees that the local farmer is important to the community. It is our duty and that of the Government to look after small and intermediate farmers, not just the cereal barons. That is the only way to ensure that small farmers survive into the 1990s.

We should consider having a Minister of State for Agriculture for Scotland and for Wales. Both countries have been neglected over the years. The Secretaries of State for Scotland and for Wales have not been to Brussels for many years. They are duty-bound to go.

The Parliamentary Under-Secretary of State for Scotland (Mr. John MacKay): On occasion, especially on fisheries matters, I accompany the Ministers responsible for these matters to Brussels, and when important agriculture issues are dealt with in Brussels, my right hon. and learned Friend the Secretary of State accompanies the Minister.

Mr. Howells: I am grateful to the Minister for that intervention. I am sure that he is aware that the Secretary of State for Wales has not been there once during the past six years. I take the Minister at his word, but there are many Scottish farmers who are interested in beef and sheep farming—as well as fishing.

Mr. Keith Best (Ynys Môn): Like me, the hon. Gentleman is concerned about farmers in Wales. From his profound interest in and knowledge of these matters, he will know that Wales is three times self-sufficient in sheep, beef and dairy products. It is often argued on behalf of British farmers that we should not take cuts because the United Kingdom as a whole is not self-sufficient whereas other countries are more than self-sufficient. How does the hon. Gentleman think agriculture in Wales would fare if he had his way and we had a separate Minister arguing for Wales?

Mr. Howells: It would do a power of good for farmers in Wales. We need somebody to represent us in Brussels. I am sure that the hon. Gentleman agrees that many farmers have criticised the Secretary of State for Wales for not going to Brussels and speaking and standing up on behalf of the farmers of Wales. The Government should persuade our friends in Europe to have a beef scheme similar to our sheepmeat regime.

I turn now to the cheap credit facilities that now prevail in Europe. There is a great deal of unfair competition in the Community because farmers in France and Germany get cheap credit rates. We should introduce an optional scheme for our farmers. At present, there are capital grant schemes for farmers here whereas in France there is a cheap credit scheme. That should be made optional, and it would help many farmers who are in financial difficulties at the present time.

We must improve our marketing within the Community. I blame the many Europeans who are in charge of marketing our surpluses. Something is radically wrong with a system of storing butter in intervention for four years. I am delighted that at last the Community is moving to rid itself of surpluses.

Mr. Churchill (Davyhulme): A moment ago, did not the hon. Gentleman complain about the cut back in milk subsidies, yet now he is saying how marvellous it is that the butter mountain is being dealt with?

Mr. Howells: I never mentioned milk surpluses. With respect, the hon. Gentleman has got it wrong again. I do not know what has come over Conservative Members tonight.

[Mr. Howells]

This is a short but important debate. Finally, I turn to decentralisation. It is the only way in which the regions of England will survive. The nations of Wales and Scotland want their own Government and regional assemblies in England to make sure that the voice of our peoples are heard at local level and not only at this central level, which has proved misguided. Unfortunately, the people of Wales and Scotland and of various regions in England have not been properly governed during the past few years.

8.2 pm

The Paymaster General and Minister for Employment (Mr. Kenneth Clarke): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

'notes that the United Kingdom has benefited from six years of uninterrupted growth; that over the last six months United Kingdom unemployment has fallen by 100,000; that employment has increased substantially since 1983; and that vacancies are at their highest level this decade; commends the efforts of the Government to develop a modern economy which is offering new types of opportunity; recognises in particular its work in launching the most extensive training programme in the country's history, and welcomes its commitment to the regions, underlined by carefully targeted investment and assistance; and further calls on the Government to continue with its present policy of seeking to spread throughout the country the economic conditions that bring prosperity and jobs.'.

When I considered the selection of this debate, I was reminded that there is nothing like the onset of a Budget or by-election to provoke the Opposition parties, including the alliance, into trying to make clear again their employment and regional policies, no doubt on this occasion with half an eye to Truro and half to the forthcoming Budget. Given the Opposition parties have redefined their regional and employment policies on several occasions, it is always interesting to see what version will be forthcoming from the spokesman of those parties.

The motion on the Order Paper seemed to have the especially endearing quality that sometimes comes from the alliance, especially the part that was carried away on the question of regional policy and decentralisation, on which the hon. Member for Ceredigion and Pembroke, North (Mr. Howells) has commented. The motion ends with the words

"calls for a strong regional policy spearheaded by regional development agencies aimed at making the United Kingdom a multi-centred society where every nation, region and travel-to-work area has an equal opportunity to invest in its own enterprise and provide training and job opportunities for its people."

I have never heard that degree of local autonomy in investment and employment policy advocated before. As there are 334 travel-to-work areas, what is being advocated is a degree of Government decentralisation which has not hit England since the time of the Norman conquest. It seems incredible that that has been put forward by the alliance now.

The hon. Member for Ceredigion and Pembroke, North did not touch in quite so much detail on the employment policies with which the alliance parties would tackle the problems that he described. I realise that he is holding some of his party's fire for tomorrow morning's press conference, at which his hon. Friend the Member for Gordon (Mr. Bruce) and his colleagues will unveil an alliance plan for jobs and poverty. I refer to the press release that will be put out tomorrow by the alliance, because it is only there that one can find exactly what they advocate to tackle the problems that the hon. Gentleman has just described. The press release states

"The alliance package shows that unemployment can be reduced substantially without increasing inflation by means of a sustained incomes policy which reduces incomes growth by an average of one per cent. per year.

It proposes a prudent and targeted rise in public spending in line with growth in the economy. In the first year gross public spending would be increased by £4·9 billion and the PSBR by £2·1 billion."

The hon. Gentleman does not seem to have been let in to the secrets of the incomes policy, to which the alliance keep referring, because he was unable to answer a question about it fired at him from the Labour Benches.

So far as the second part of the alliance release is concerned, the increased public spending and increased PSBR are just the policies that led John Horam to leave the alliance recently because it has a mere pale shadow of the policies on public spending, taxation and borrowing that are so frequently put forward by the Labour party.

Opposition parties may try to redefine their policies, but there are some aspects of the motion upon which we can all agree. Nobody has ever denied that there is "disparity of opportunity" in different parts of the country. All parties share concern about what are regional differences or what are, as the hon. Gentleman has said, more localised differences in the levels of unemployment, investment and economic growth in this country. However, I do not agree that they are new or that they are increasing. There have been similar debates about regional disparities in the country at various times in this century, and similar things have been said. However, during this Government's period of office, the proportion of unemployment in the north as a proportion of the whole has fallen slightly and there has been a proportionate increase in total unemployment in the south.

However, I agree with the hon. Gentleman that depressed towns and inner city areas are to be found across the country and that the analysis that is often put forward turns all that into a crude north-south divide and is thoroughly misleading. One can find pockets of prosperity and poverty all over the country. I have no doubt that the onset of the Truro by-election is causing everybody suddenly to discover that those problems are not entirely confined to the north of England, as a few had complained only a few weeks ago.

Given that these disparities exist, we must tackle them realistically and practically. My first proposition on the Government's behalf is to assert that now that the national economy is performing so much better, the total level of employment in the economy is steadily growing and the level of unemployment is declining, the Government are obviously creating the conditions within which it is easier to tackle the problems of disparity than it has been for a long time. When one considers how those problems might be tackled, I have to say to the Opposition parties, having heard a speech from a Liberal Member and looking forward to a speech from a Labour Member in a few moments, that I suspect that their approach to the problem, which is not new, is that they go back to the old regional policies of the past few decades.

My limited experience of politics has made me steadily ever more sceptical of the old type of broad-brush regional policy and the prospects of it ever producing the result that

we want. Years ago, in my reckless youth, I was the principal author of a Bow Group pamphlet entitled "New Hope for the Regions" in which I advocated regional government of the type that the hon. Member for Ceredigion and Pembroke, North has propounded. However, all my experiences since then of the growing expense and difficulty of the various tiers of local government that we have had have completely converted me. I do not believe that any of the regions would benefit from expensive new tiers of government, interposed in the present difficult relationships between national and local government. If regional development agencies are really being advocated by the Liberal party for each and every part of the United Kingdom, that would be self-defeating, especially when it comes to attracting inward investment from overseas, when no doubt the regions would act in competition with each other for overseas visitors.

Mrs. Kellett-Bowman: In the book that my right hon. and learned Friend and I wrote together — [HON. MEMBERS: "Oh."] We were co-authors of it — we advocated beefing up small firms — now a successful policy under this Government.

Mr. Clarke: We authors remember all our accounts. I was referring to an earlier essay — [*Laughter.*] Neither my hon. Friend nor I advocated regional government in the pamphlet that we both produced on regional policy in Europe shortly before the general election. Surprisingly, there are a few unsold copies of it on the book stalls and I commend it to all hon. Members. We advocated a policy aimed at encouraging small businesses in particular and we rejected the broad-brush policies which have not worked in the past.

I agree with one feature in a booklet put out by Mr. Nicholas Bosanquet on behalf of the alliance and its work search theories. It is called, "Turning the Tide of Decline in the Regions" and was published in March 1987. Indeed, the hon. Member for Ceredigion and Pembroke, North quoted it extensively without attribution, but he was quoting an ally. Mr. Bosanquet comes to the conclusion that regional aid on the old pattern has failed. That is where we should start from, as my hon. Friend the Member for Lancaster (Mrs. Kellett-Bowman) and I did, when criticising the regional policies of the Labour Government.

Since then new ideas on regional policy and local employment have come from the present Government. It will be a pity if our entire discussion about regional employment turns on the simple issue of the level of regional grants and where the map is drawn, giving various areas assisted area status. We had a touch of it in the hon. Gentleman's speech. [*Interruption.*] The hon. Gentleman touched on that in his comments about Truro and Camborne. Too often that point is made by north country Labour Members who reduce the whole matter to an argument about broad-brush grants which largely do not work.

I return to the position from which I started in the pamphlet to which I have referred. The policy to rectify local differences in employment opportunities must be based on the need to help people in the regions to make their towns and cities more attractive to investment and jobs of the type that emerge in a modern economy. The Government's policies have concentrated on helping people in the regions to help themselves. We believe that that is best achieved by producing a partnership of effort between the public and private sectors, involving the Government, private industry, private developers and local government, where local government is prepared to participate. However, as we all know, the experience of the Government and the private sector is that in many inner-city areas Left-wing local authorities go more out of their way to drive away investment, work experience and training than to encourage them.

Hon. Members must appreciate that when that partnership gets under way the employment that we shall seek to attract will be different from that which many areas experienced in the past. The growth in employment will not be in the old, traditional industries with large factories producing traditional goods and owned by paternalistic employers. Obviously, we protect them where we can: the multi-fibre arrangement protects the textile industry, which is now becoming successful; and the Government stepped in to protect Rio Tinto-Zinc and its subsidiary in Cornwall to help the tin mines during a period when the market was unstable. We are looking for growth in new start-ups, small businesses that will expand and in service industries, as well as in manufacturing industries. We are also looking to encourage self-employment so that we can support people who work on their own. I am glad to say that that has happened to a considerable extent during the Government's period of office.

It is interesting to visit a town such as Sunderland. Most people there are aware that the flagship of redevelopment is to be found in Washington new town where Nissan has opened a large new car plant which it proposes to expand. What is often not appreciated by the local people is that, although the Nissan investment is welcome and has created many new jobs, twice as many new jobs have been created locally by the Government's enterprise allowance scheme, subsidising previously unemployed people who go into business on their own account. Self-employment has been expanding everywhere, but it has been expanding most rapidly in Yorkshire and Humberside which has experienced the greatest percentage increase in self-employment since 1979. Self-employment has increased there by no less than 78 per cent. That is only a whisker ahead of the south-west where the number of self-employed has increased hugely—by 77 per cent. between 1979 and now. Obviously, we must build on that and speed it up.

Some areas are still not sufficiently attractive to the new types of investment and employment that we need to draw in. Our answer, working on the local partnership principle that I described, is to continue to make them more attractive so that new investment and new jobs can be spread more evenly. Obviously, it is difficult. At present some areas are naturally more attractive than others. To use a rather fanciful illustration, at present it is easier to attract new investment and jobs to Bracknell than to Gateshead. The answer to that is not simply to complain about it; it is not unrealistic to see what can be done in Gateshead, not to make it identical to Bracknell—that is many years ahead—but to make it acquire more of the attractions that are drawing enterprise, investment and jobs to Bracknell. It involves changing Gateshead so that it will receive more investment.

Mr. Geraint Howells: If the Minister believes that the Government policy for England at present is the best, has he any plans to abolish the Welsh and Scottish Development Agencies?

Mr. Clarke: I did not say that. I was pointing out that the creation of English development agencies to cover practically the whole of England, which the hon. Gentleman proposed, would greatly diminish the value of the Welsh and Scottish Development Agencies to Wales and Scotland. It would produce a confusion of agencies, using public funds to compete with each other for investment and that would cause confusion to the people whom we are trying to attract from abroad.

Mr. Gordon Brown: If the problem is the absence of sufficient spending on the infrastructure and inadequate levels of investment in the north and other areas, what sense does it make to cut rate support grant and regional development grant? If the Minister will not support a development agency for the whole of England, which is certainly not Labour party policy, but wants to give local people the chance to help themselves, why has he resisted the demands from the north for a northern development agency?

Mr. Clarke: I did not say that the problem was a problem of infrastructure generally. The road map of England is bluest around Merseyside and the north-east where motorways abound, but in themselves they do not bring new investment to those areas. The idea that more public funds through rate support grant should support the high spending activities of Left-wing councils will not lead to the regeneration of their areas. We are tackling the physical problems that exist in many areas directly and more selectively, for example by creating urban development corporations. At present we have two—one in the docklands of London, which I recommend any hon. Member to visit as it is a spectacular example of the transformation of a derelict area into a thriving, prosperous centre of activity——

Mr. Gordon Brown: Will the Minister give way?

Mr. Clarke: No, I will not give way. The Liberal spokesman took 25 minutes moving his motion, which he was entitled to do. If both the hon. Gentleman and I take half an hour each, we shall move to the replies without any Back-Bench speeches.

I was commending the London Docklands Development Corporation. The South Liverpool Urban Development Corporation is equally successful. My right hon. Friend the Secretary of State for the Environment has announced urban development corporations for Trafford Park, Teesside, the Black Country and Tyne and Wear. Their purpose is to speed up decision making, to attract private investment into derelict areas which with grant can be made usable, and to target infrastructure spending as is required. It is not true that broad-brush infrastructure spending everywhere necessarily attracts new jobs.

My right hon. Friend the Secretary of State for the Environment also has the system of urban development grant, developed by this Government. A 75 per cent. grant goes to those local authorities that will work with private developers to secure investment in inner-city sites. Since 1983, 228 projects have been approved, at a cost of £106 million to the taxpayer. That money has levered £440 million of private investment in factories, shops, offices and houses in inner-city areas. My right hon. Friend is now preparing his proposals for urban regeneration grant to take that further.

In those and other ways, we are tackling the physical problems of deprived areas. However, in many locations, the main problem is raising the skills, employability and motivation of people who live either in towns that are deprived because of declining traditional industry or in the inner-city areas of a thriving city, where the prosperity does not reflect on unfavoured districts.

The main agent for Government policy is the Manpower Services Commission, which, as every hon. Member knows, is engaged on the huge task of delivering the Government's jobs and training programmes, in which we continue to innovate in a whole number of exciting ways. This is not the debate for me to continue to describe to the House what we are achieving under the restart programme, calling for advice about people who have been unemployed for more than six months, and steering them towards a job. Other initiatives include the many schemes in the Action for Jobs package, and the innovation of the two-year YTS, which guarantees two years good quality training to every 16 and 17-year-old who is unemployed after Easter this year. There is the new job training scheme which we are introducing and which I announced to this House recently.

However, it is relevant to point out that we are concentrating the whole package of employment and training programmes heavily on those regions where they are needed most. We are putting a strong regional emphasis into the work of the MSC. To illustrate that, I shall quote the figures spent on the MSC's programmes in the financial year 1986-87. In the south-east of England, the MSC spent £59 per head of the total work force; in the south-west, £121 per head—more than twice the south-eastern figure—in Scotland, as much as £143 per head; in Wales £161 per head; and in the northern region £179 per head on our employment and training measures. That last figure is three times as much per head of the labour force compared to what is spent in the south-east. People do not appreciate how much the extremely ambitious programme of employment and training measures that we have announced is targeted on the more disadvantaged regions.

All over the country, not just in the regions, we are giving high priority to the inner-city areas. The centre of Bristol, which is a prosperous city, the centre of London, which is a wealthy city, the centre of Birmingham, and other inner-city areas pose a whole range of social, employment and other problems. Inner-city areas have been made priority areas for our employment and training programme places. In the inner-city partnership areas alone, my Department and the MSC expect to spend £175 million in 1986-87 on employment and training measures.

In the same inner-city partnership areas, the enterprise allowance scheme, which supports self-employment, is expected to attract 4,500 people in 1986-87. We are still working at improving the delivery of training programmes for inner-city residents. We have discussed this problem with the MSC from time to time, and the chairman agrees with me that we should try to target the MSC's efforts increasingly on inner-city unemployed people.

In particular, we try to target more of the best employer-based YTS schemes on inner-city youngsters and ethnic minority youngsters. We are also seeking to tackle the higher rates of refusal to join YTS and early

leaving, which are sometimes experienced in inner-city areas. We must tackle that now that we can guarantee a two-year YTS for all young people.

We are planning to have a drive to generate good quality work placements that will improve the motivation of youngsters in inner-city areas over the next year. We shall probably open more drop-in centres for YTS entrants, and we shall make sure that the best quality of the Government's employment training schemes are delivered in the inner-city areas as well as elsewhere.

We are concentrating all the efforts of the Government in an innovative way, particularly in the eight task force areas designated under the inner-city initiative. These areas are pockets of deprivation, and we concentrate all the efforts of Government through the urban aid programme, the MSC programmes and the work of the Departments of Trade and Industry and of Education and Science and of the Home Office to see what can be done by bringing them together more closely and targeting them on the gravest problems in those eight areas. On top of that, we are spending a small sum of money, £8 million, to forward particular projects in line with the Government's overall policies. We are beginning to tackle, in a much more forceful way than has been attempted for many years, the problem of the imbalance of opportunities within our cities and regions.

We are also tackling the problems of those places where large numbers of people have been displaced from the older traditional industries as a result of change. It is obviously necessary to target effort and money on those. Our policy is not to pretend that the coal mines will reopen, that the steel industry will employ thousands more people or shipbuilding will again be a massive employer. We seek to provide training for the redundant and support the new business that is being attracted to areas most affected.

For example, we have backed British Steel Industry, which had £50 million until it became self-supporting. In the past six months alone, it has assisted in 4,600 job opportunites. British Shipbuilders Enterprise Ltd. was set up with £6·3 million-worth of public moneys, and I am told that, as of 23 January 1982, of the 2,412 people made redundant when the company was set up, some 710 people have found new jobs, 522 have applied for training courses — 254 of those are training — 16 have opened new businesses, 165 more applications have been received by the company for assistance to start up new businesses, and 240 people have opted to retire.

British Coal Enterprise Ltd. had had £40 million of public money by July 1986. Some £20·8 million had been committed by the end of December 1986, and that stimulated £106 million of investment from other sources. The job opportunities involved so far amount to 13,077.

Recently, we made a contribution to the Northern Development Company, set up to stimulate inward investment in the north. A total of more than £1 million has been put into that very encouraging example of co-operation between private business and local government, including contributions from the City Action team.

I hope that I have shown that the Government are producing more new ideas on the problem that the debate addresses than we have seen for many years. It has been successful. Over the country as a whole, unemployment is down by over 100,000 in the past six months, which is the biggest six-monthly fall since 1973. Over the past 12 months, unemployment has fallen fastest in the northern region of England, in the north-west, in the west midlands and in Wales. The growth in total employment since March 1983 has taken place in every region of England.

The Government accept the reality of the problem, and are putting forward the most practical and realistic ways to tackle it. I contrast that with the attempts of all the Opposition parties to produce a credible policy of their own. Every time that they return to employment policies, all that happens is another attempt to produce new Mickey Mouse figures to which a veneer of policy is attached to try to make them appear credible.

8.29 pm

Mr. Gordon Brown (Dunfermline, East): The purpose of the debate is not merely to illustrate the problems of the regions and the inner cities, but to demonstrate how a solution to the problems of the regions and the inner cities is in the interests of the shires, the suburbs and the south-east. Further, it is to make the case for regional policy, not as a response to the social problems of the north, but as a response to the economic problems of the whole country. It makes no sense to any hon. Member representing any constituency that we have, in parts of the south, the shires and the suburbs, congestion, overheating, escalating house prices, skill shortages and pressures on the green belt, yet in the north we have wasted infrastructure, unused resources, record unemployment, urban deprivation, forced migration and depopulation in many areas.

It cannot be right that unemployment affects 1,500 men and women in some of the constituencies of the shires and suburbs—that is bad enough—but 15,000 in some areas in the industrial regions. It cannot be right that unemployment is 3 to 4 per cent. in some of the constituencies that Conservative Members represent, but over 30 per cent. in some of the constituencies that Opposition Members represent. It cannot be right that house prices are now twice as high in the south-east as they are in many parts of the north, that the population of the northern region will fall below 3 million by the year 2000, Scotland's population will fall below 5 million soon after that, and yet there are enormous problems with population congestion in the south.

Therefore, we advocate policies for investment in training—not the old-style regional policies to which the Minister was referring. They are not just policies for the provision of grants, sites, investment in education and training in the inner cities and regions; they are policies for locating research and development in some of the hardest-hit areas of the country and for investment in infrastructure—not just the physical infrastructure, but the technological infrastructure of the regions. We are saying that our policies for the north will not be at the expense of the south. Our policy is for balanced industrial development in the interests of the north and south.

Mr. Favell *rose*——

Mr. Michael Fallon (Darlington) *rose*——

Mr. Brown: I shall give way in a moment.

We heard from the Liberal spokesman for Wales, the hon. Member for Ceredigion and Pembroke, North (Mr. Howells), about the Liberal party's commitment to Scotland, Wales, the north, the south-west, the rural areas and just about every other part of the country. The Liberal party regrets the drift from north to south.

The commitment of the SDP to the north might be taken a bit more seriously if we had not seen so many of

[Mr. Brown]

its leading figures desert the north for the south. The president of the SDP, Mrs. Shirley Williams, has deserted Crosby in the north to stand for Cambridge in the south. The party's vice president, Mr. Bill Rodgers, who was a stalwart at one time in Stockton-on-Tees, is now after a seat in Milton Keynes, which he hopes to win.

Mr. Malcolm Bruce (Gordon): What about Willie Hamilton?

Mr. Brown: My hon. Friend the Member for Fife, Central (Mr. Hamilton) is putting up a valiant fight and will be given all our support, but I would have advised him to stay next door to me in Fife, Central.

One of the SDP's founding members, Mr. Mike Thomas, is making the trip from Newcastle, East down to Exeter. The man who has travelled furthest of all, Mr. John Horam, the former hon. Member for Gateshead, has moved straight from the alliance to the Conservative party and, I understand, is looking for a safe seat in the south of England with the Conservative party.

I used to think that the initials "SDP" stood for "Still Divided on Polaris", and perhaps that is true, but I am reliably informed that it now means the "Southwardly-Drifting Party", and that is how it looks to many of us in the north.

We welcome the alliance's new-found enthusiasm for addressing the problems of the region. Although we are delighted to have it as a convert to our cause, I think that I should direct the attention of the House — *[Interruption.]* I think that the hon. Member for Gordon (Mr. Bruce) may be silent in a minute. I think that I should draw the attention of the House to two policy statements that have been issued by the SDP and Liberal party over the last few months. The first was issued in July 1986, entitled "Partnership for Progress," and the second document was issued in January 1987, which was also called "Partnership for Progress" but with a new title that was bought from the advertising men, "The Time Has Come." The first policy document mentioned policies for the 1990s. It said:

> "Much of what the alliance wants to achieve in the field of social reform and public provision depends critically on our success in turning the course of the British economy. We are facing two formidable challenges. The first is how to put the unemployed back to work. The second is how to improve the long-term performance of the economy."

That was in July 1986.

In the meantime, we have had the publication of the Government's submission to the European regional development fund. We have had some controversy over the north-south divide. We have had the publication of the census of employment figures, and what do we find in the document "Partnership for Progress", which was published in January and is almost exactly the same document as the previous one, but with one major change? The first sentence about policies for the 1990s is the same, but instead of "facing two formidable challenges," it is now three formidable challenges. The alliance policy document says:

> "The third challenge is to reverse the economic polarisation of our nation."

Whilst I welcome the conversion of the alliance to a commitment to do something about the problems of the regions, it is tragic that such a commitment was underplayed and barely mentioned in the policy document of last July. It is typical of a party that reacts to every twitch of the electoral swingometer.

Mr. Favell: A little earlier the hon. Gentleman was bemoaning the difference in house prices between the north and south. He said that in the south-east house prices were twice as much as in the north. They are probably three or four times higher than in my constituency. However, should not the hon. Gentleman be encouraging trade unions to take advantage of the lower house prices and cost of living in the north to negotiate on a local basis so that wage rates reflect those lower house prices and cost of living and to attract investment in those areas of high unemployment?

Mr. Brown: I do not know whether the Government or the hon. Gentleman want to deal with the consequences of the Government's policy—rising house prices in one area and declining house prices or stable house prices in another—or whether he wants to deal with the causes of the problem, to which I shall come in a minute. The hon. Gentleman has a common cause with the alliance on this matter.

The Paymaster General made a fairly controversial speech a few days ago, which he followed on Friday with an explanation or elaboration of what he said a few days before.

The hon. Member for Ceredigion and Pembroke, North was reticent when I asked him about the alliance's policy on regional wage differentials. In this excellently printed alliance policy document—not excellent in what it says—we are told:

> "We support an independent pay and review board for all the public sector which would, amongst other things, take into account conditions in local labour markets."

I wonder whether that means that the alliance is committed to a policy of regional wage differentials in the public sector, or whether it wants it in the public and private sector. I am reminded that the Liberal conference, in September 1985, came to exactly the same conclusion, except that it proposed an arbitrator when dealing with regional pay differentials. The arbitrators, it says,

> "would be free to approve higher settlements in the south of England than Scotland provided they were not inflationary and were likely to generate jobs."

That alliance policy suggests that there should be regional wage differentials imposed under an incomes strategy. We know that regional wage differentials exist at the moment, and I shall come to that when I talk about the Minister's policy, but the alliance is saying that wage rates should be set under its centralised incomes strategy with a view to achieving differentials and settlements between different parts of the country. The alliance will have to tell the voters in Scotland, the north, Wales and other parts of the country precisely what the difference will be in the wages that people can expect to earn under this decentralised incomes policy.

The Paymaster General has been sent in to bridge the regional divide. Unfortunately, his only solution seems to widen the regional divide by a policy of differential wage settlements which would certainly discriminate against the north. We had from the right hon. and learned Gentleman the familiar litany of statistics about employment, unemployment, grants and public spending, but he invariably concentrates on the silver lining and ignores the dark clouds on our economic horizon.

For example, the Paymaster General told us that employment was rising everywhere, and he gave us the impression that things were booming in Yorkshire and Humberside because of an increase in the number of self-employed people. He did not tell us that the only verifiable estimates of the number of self-employed people come from the 1981 census and that he will not be able to give us another absolutely accurate figure before the 1991 census. His figures are based on a sample of less than 1 per cent. of the labour force survey. If the self-employed people to whom the Minister referred actually exist, they are so enterprising that they appear to be unknown either to the Inland Revenue or the Department of Health and Social Security which should be collecting national insurance from them. We must examine carefully and question the figures produced by the Minister.

If the Paymaster General looked at the more reliable figures for the increase in the number of employees since 1983, and even if I discounted, for the purpose of the argument, the number of people in second jobs, and the fact that there is an element of statistical projection in the figures, which allows the Minister to forecast the number of employees six and 12 months from now, and if we ignored the fact that many new jobs have been created by splitting existing jobs into two, the right hon. and learned Gentleman would find that 80 per cent. of the additional employees since the last general election are in the south-east, the south-west and East Anglia. There is a clear regional divide.

Mr. Kenneth Clarke: If we read carefully through all the qualifying phrases upon qualifying phrases that the hon. Gentleman used before coming to his amazing conclusion, we find that he left out the self-employed and is apparently denying any assertions of an increase in the number of self-employed people. That enables him to come to his ridiculous conclusion.

Does the hon. Gentleman accept that we are expecting about 300,000 people to take part in the enterprise allowance scheme and to receive advice and support in their new ventures as they go into business on their own? Does he think that they do not count? Does he join some of his hon. Friends in dismissing those people as being on a skivvy scheme? Does he accept that 300,000 people are being helped by the Government, in addition to the reliable estimates to which I referred earlier?

Mr. Brown: No one denies the existence of the enterprise allowance scheme, but I suggest that the Minister's overall figures for the number of self-employed people are based on a form of statistical projection and on a sample from the labour force survey that is so small that nobody could take it seriously.

If the Minister looks at the figures for the number of employees—the figures in the *Employment Gazette*—he will find that more than 80 per cent. of the additional number since June 1983 come from the three regions of the south, and that in Yorkshire and Humberside, in the north-west and in Scotland and Wales the numbers of employees have fallen since June 1983.

Mr. Kenneth Clarke: If the hon. Gentleman rejects the evidence drawn by professional, independent statisticians from the labour force survey, what evidence does he have for his assertion that there has been no increase in the number of self-employed people over the past few years? Is there any evidence to support that extraordinary proposition?

Mr. Brown: I am questioning the Minister's figures. He and Lord Young spend a great deal of time on television telling us that more than 1 million jobs have been created since June 1983. They do not give us the qualifications that ought to be made about, for example, second jobs. Many people are counted twice in the statistics, and the Minister never mentions that fact. If we were given all the qualifications, the country could see clearly whether the Government's policies are working.

If the Minister holds to his view that there is a recovery, will he look at manufacturing output and investment figures, because the fate of our industrial regions and of many of our inner cities depends on those figures?

Mr. Don Dixon (Jarrow): Is my hon. Friend aware that between 1979, when the Government came to power, and 1984 investment in manufacturing industry in the northern region fell by 42 per cent.?

Mr. Brown: I am grateful to my hon. Friend for that intervention. I hope that the Minister will explain why no other manufacturing country has seen such a huge fall in manufacturing investment since 1979. Will he explain why in the five years after 1979 for which figures are available manufacturing investment fell by about 17 per cent. in Great Britain as a whole, but by 30 to 40 per cent. in Scotland, the north, Wales and the north-west?

If the Minister looks at the real economy instead of at the economy that he has invented for us, he will find that manufacturing output has risen in every other industrial country in Europe and in every other industrial country of a comparable size to Britain, but manufacturing output here is still below the 1979 level. Manufacturing output is down by 4 or 5 per cent. in Britain as a whole, but by 10 or 12 per cent. in some of our most important industrial regions.

Mr. Tony Marlow (Northampton, North): On a point of order, Mr. Deputy Speaker. The debate has been running for one hour and eight minutes and we have another one hour and 14 minutes, of which I understand 25 minutes will be taken for the wind-up. Not a single Back Bencher has yet spoken. Could you use your good offices to ensure that there is adequate Back-Bench time in the debate?

Mr. Deputy Speaker (Sir Paul Dean): I am afraid that I have no power to do that, but I appeal to the House, and particularly to Front-Bench speakers, to remember that this is a very short debate and many hon. Members are hoping to take part.

Mr. Brown: You will find, Mr. Deputy Speaker, that while the Government and the alliance parties will seek to make two Front-Bench speeches each, the official Opposition will make only one Front Bench speech.

I want to examine the problem of infrastructure and investment in the regions and inner cities. If the Minister is right when he says that there is a recovery, why is investment so low? Why is output still below the 1979 level?

Mr. Cash: Does the hon. Gentleman accept that productivity has grown enormously recently and has

[Mr. Cash]

grown 6 per cent. more in this country than in the other European countries to which he referred? It will continue to grow at about 6 per cent. over the next year.

Mr. Brown: I think that the hon. Gentleman misunderstands the problem that I have been outlining. When manufacturing output is declining, as it has declined throughout the past seven years, increases in productivity mean only that less is being produced by a lot fewer people. They do not mean that manufacturing output is rising or that the economy is doing a great deal better and, as we have seen from the figures, they certainly do not mean that manufacturing investment is encouraged to rise.

The Minister talked about a number of infrastructure problems in various parts of the country, but, when asked about them, he gave the impression that there were excellent roads in the north-west—as if there were no other problems to be faced. Has he looked at the Government's submission to the European regional development fund and at what was said in the name of Ministers? Does he realise that in that submission the Government said about Greater Manchester that roads, sewers, the water supply, railways and building stock were "in a state of decay, resulting in a serious situation in which some aspects of the infrastructure are in a state of collapse."? The submission also mentions frequent sewer collapses and dangers from pollution. The volume for Greater Merseyside deals with infrastructure problems and says that

"the scale of dereliction will increase and serve to reduce yet further the potential for regeneration."

With regard to the west midlands, it says that

"the cumulative effect of under investment in apprenticeships and in modern plant machinery will affect the ability of the region to take advantage of any increase in demand."

That is the position in the regions. I could give the Minister quotations from the reports referring to the inner cities.

The hon. Member for Ceredigion and Pembroke, North mentioned the problems of the south-west. He should know that in the submission to the European regional development fund it was stated that 50,000 jobs must be created in the south-west. It also said:

"Vital improvements in water supply, sewerage and sewage treatment infrastructure in Devon and Cornwall are essential if new industries are to be encouraged and tourist facilities improved."

The report also mentioned the lack of serviced industrial land.

The reports were written not by me, the Labour party or the parties of the alliance. If the reports are correct—we believe that they are—what are the Government doing about the problems of under-investment and infrastructure? They must be dealt with before our inner cities and industrial regions are regenerated.

If the Minister will not listen to me, will he at least listen to some of his colleagues who have made similar points and who have urged the right hon. and learned Gentleman to act? He should listen to his right hon. Friend the Member for Henley (Mr. Heseltine) whose book was published today. He clearly states:

"We must not allow present inaction to continue. A look around our major cities and town centres should be enough to convince us that this Government can no longer stand by on the other side."

The right hon. Gentleman describes the danger of

"a physical and social collapse"

in Britain. He continues:

"There is no case to justify underprivileged parts of England sliding into further despair apparently supposed to fight their corner unarmed against the forces of industrial decline."

If the Minister refuses to listen to the right hon. Member for Henley, perhaps he will listen to the right hon. Gentleman's arch rival the right hon. and learned Member for Richmond, Yorks (Mr. Brittan). He has made a plea similar to that made by the right hon. Member for Henley:

"The gulf between the different parts of the country is unjust and divisive. I believe that we can and that the Government should do more to help."

The right hon. and learned Gentleman calls for a comprehensive review of regional policy and for the creation of development agencies in important areas of the country.

Perhaps the Minister will be more influenced by the Tory Reform Group. I notice that the Minister remains a patron of the group. Despite what the Minister has said this evening, in its statement on the Budget, published only a few days ago, the group states:

"The job census recently published by the Department of Employment demonstrates afresh how wide is the difference between the prosperous areas of the country and the rest—a deepening north-south divide with unpredictable electoral consequences."

Does the Minister agree with that? If so, will he support the proposal that it put to him and to members of the Cabinet that, if they have £5 billion to spend—we know that they have—that money should be invested in housing, infrastructure, the urban programme, proper training and a decent regional policy?

We have enormous and rising unemployment in Scotland and huge unemployment problems in the rest of the country and in Wales. What sense does it make for the Government to halve regional aid and regional development grants since 1979? Indeed, they propose to halve them again.

In the past few months the Government have given us an exercise in blame shifting. The Chancellor of the Duchy of Lancaster has suggested that the problems of the north are self-inflicted. The Parliamentary Under-Secretary of State for Health and Social Security has said that the problems in the north are caused by ignorance, not poverty. That claim was made just at the time when a submission had been made to Europe stating that the Health Service in the north was grossly underfunded and that that was causing many of the health problems in the region. The Secretary of State for the Environment has suggested that the problems are due to Labour councils.

Mr. Marlow *rose*—

Mr. Brown: The hon. Gentleman will get his chance, and I think that he should listen to what has been said by some of his Ministers.

Mr. Marlow: The hon. Gentleman has had 26 minutes.

Mr. Brown: The Minister spoke for as long as that. If the hon. Gentleman will bear with me, I will finish my remarks in just a few moments.

Over the past seven years the Government's solution to the north-south divide has been to allow it to widen and then to deny that it exists. When figures have been produced from a whole series of reports, the Government's response has been to blame the inhabitants. That has been illustrated clearly by the Paymaster General's attempt to blame the workers in the north for the problems of industry in that region. He has suggested that, in some

way, wages must be reduced. Which employers and which companies have told him that if wages were reduced in the north they would move there?

Previous Tory Governments have at least been concerned about the regional problem. Some Conservative Prime Ministers have sought to do something about it. Until this Government, no Government have sought to deny the existence of the regional problem and to respond to that problem by cutting available aid and trying to blame the inhabitants.

The country knows that there can be no true prosperity if 4 million people are paid to produce absolutely nothing in the regions and inner cities of this country. The country is also aware that there can be no proper recovery for the entire country unless there is a recovery in traditional industrial regions and the inner cities. It is upon that issue that the Labour party will win the next election.

8.55 pm

Mr. Churchill (Davyhulme): I must protest most vigorously at the grotesque abuse practised by the Front Benches in this short debate. They have hogged no less than 1 hour 40 minutes and have left just 40 minutes for all the Back Benchers to participate.

The hon. Member for Dunfermline, East (Mr. Brown) has been fulsome in discussing the alliance and Government policies for regional development but, understandably, was most reticent about letting us have sight of Socialist policies. Much has been made about the north-south divide. It is a reality. It must be addressed, but it must not be exaggerated. Speaking from experience, I must say that I have never known any Government to tackle the problems of the north-west of England with more vigour or more success than the present Government. It is easy to dwell on difficulties but I prefer to address the positive side, and there are many.

In relation to the north-west, present trends are moving firmly in the right direction. By September last year 32,000 more jobs—over and above everything that had been lost—had been created since June 1983. As my right hon. and learned Friend the Paymaster General has said, unemployment is falling faster in the north than in the south.

I have had the privilege of representing a large part of Trafford Park, which remains the greatest industrial complex in the United Kingdom, for the past 17 years. Throughout those 17 years we have never had a Government who have done so much or acted so effectively to regenerate Trafford Park and to assure its future as the one who are now in office. We do not need lectures from Socialists on regional policy. Their policies were an unmitigated disaster for the area that I have the honour to represent and for all the established industrial areas of the north. Their policies encouraged industry to move to greenfield sites and to abandon the traditional industrial areas. This represented a flagrant waste of resources and had the effect of blighting established industrial areas. It was the epitome of a counter-productive regional policy.

Under the first Wilson Government, more than 15,000 jobs were lost in Trafford Park, including 8,000 at GEC alone. Under the second Wilson Government, that trend continued. A further 5,000 jobs were lost just across the Manchester ship canal at the Irlam steelworks when that plant closed, but the then Labour Government, supported and kept in office by the Liberal party, pursued a policy of unremitting hostility towards Trafford Park and Manchester. This was carried out with the ruthless gerrymandering of industrial development certificates by Ministers.

I shall cite only one instance. Kelloggg, in my constituency, wanted to expand its production facilities in Trafford Park. It was told by the Socialist Government that it could not do so in Trafford Park, even though there were vast areas that were devastated in which jobs had been lost on a colossal scale. Kellog asked "Where should we go?" The Government replied, "Why don't you go to a place called Huyton?" I wonder whose constituency that was.

The Socialist Government, and the Liberals who propped them up in office, have done nowt for Trafford Park or the people of Manchester over any of the years that I have been in this place. On the other hand, the present Government have granted the area assisted area status. Secondly, they have established an enterprise zone, which has attracted many hundreds of jobs into the area. Thirdly, they have designated Trafford Park, the Salford docks and Irlam to be an urban development corporation, an area of about 3,000 acres. It is estimated that the £160 million that the Government are earmarking for the regeneration of the area could lead to the creation of 15,000 new jobs. I should like to thank my right hon. and hon. Friends and the Government as a whole for what they are doing to regenerate a crucial part of Britain's industrial heartland.

It is not only Trafford Park that has benefited. Whereas Socialists operated a restrictive policy towards Manchester International airport, the Conservative Government have been liberal. They have encouraged the expansion of the airport, which is now the fastest-growing major airport anywhere in Western Europe. Last year it handled 7·6 million passengers, an increase over the previous year of no less than 24 per cent. Manchester is now served by scheduled airlines to twice as many destinations as two years ago, since when El Al now flies to Tel-Aviv, Singapore Airlines to the far east, American Airlines to Chicago, Air Canada to Toronto and British Airways to Hong Kong and a host of European destinations. No fewer than 20 new scheduled destinations were added last year alone.

There is a need to sustain the momentum of expansion and we need Government assistance to do so. My right hon. and learned Friend the Paymaster General can relax because what I am about to ask for does not require any additional money. Under the Bermuda II agreement, which was negotiated by the Lib-Lab Government in 1977, Manchester was excluded as a United Kingdom gateway airport while Heathrow, Gatwick and Prestwick were so designated. Thus a United States airline wishing to route through Manchester is discouraged by the United States authorities from even applying for the route because they have been led to believe that the British Department of Transport will demand reciprocity of concession from the United States. I understand that two major airlines—Pan American and North-west Orient—have expressed firm intent to come to Manchester, but unless the Government take a positive and enlightened attitude, as they have in previous months, towards the expansion of Manchester International airport in line with the Government's 1985 airports policy White Paper, the discussions will come to nothing and an important opportunity will be lost. I recognise that it might not be

[Mr. Churchill]

the responsibility of my right hon. and learned Friend, but I hope that he will convey the message to my right hon. Friend the Secretary of State for Transport.

The success of Manchester International airport is a key factor in the success of the north-west generally. The development areas of Barrow, Runcorn, Warrington and Trafford Park — all points of expansion in the north-west — make great play in their publicity material in attracting overseas developers by drawing attention to the excellent air services that are provided by the airport. I have no doubt that those services represent a key factor in the situation whereby at present no fewer than seven major new hotels are being built or are in the pipeline in Manchester.

British Aerospace at Woodford only last week secured important new orders for the 146 airliner, safeguarding 3,000 jobs at Woodford, a further 3,000 at Chadderton and creating 200 new jobs at the Woodford facility.

All is not gloom and doom in the north-west and those who suggest that it is do no service to the region they represent. Today in the north-west we are seeing tangible signs of progress towards a brighter future.

9.5 pm

Mr. Richard Wainwright (Colne Valley): To assess the full damage that the Government have done and continue to do to our country it is necessary for the House to consider each of the two nations that the Government have deliberately created and that are persisting. The first of the two nations is suffering from desperate congestion, appalling pressure on its public services, vast waiting lists for urgent hospital treatment, bad transport services due to the congestion, and all the other symptoms of overheating. The other nation is suffering, as the House knows so well, from unemployment, which is not falling by anything like the extent the Government claim and which last month increased. It is also suffering from deprivation, low earnings and all the symptoms of a decadent economy.

The result of those two nations is to present those who are trying to preside over the economy of the country with an appalling problem, which is simply a recurrence of the problem that Labour Governments equally failed to face, namely, measures that would revive and expand industry in the deprived areas seriously overheat parts of the south-east of England and those areas where there is virtually full employment.

We have heard nothing from the Government tonight, in spite of the invitation we gave them in our motion, to suggest how they are to deal with the intractable problem of two separate nations drifting further and further apart. The problem is not tackled at all by the Paymaster General, the number two Minister at the Department of Employment, coming to the House to flagellate himself for his juvenile indiscretions and to talk about the errors of previous Governments in their absurd broad-brush treatment, as if the alliance had been in government recently. Some of us have been condemning broad-brush treatment of the regions since first coming to the House. The reason why we insist that the regions and the local areas must have more say in measures to regenerate themselves is the poor record under both Governments of the twin parties of centralist power.

In Labour's case one shocking waste of resources was the appalling white elephant, the Humber bridge, which goes from nowhere to nowhere. It is our contention that if the project had been debated in a Yorkshire and Humberside assembly, the sensible people of that region would have said, "No Humber bridge at this stage. Let us have instead a dozen new hospitals or 50 new schools." The Tories were the begetters of another of northern England's greatest white elephants, the Kielder dam. It was constructed at enormous public expense and the devastation of beautiful countryside, and what is it worth now? The water is not needed for any part of this country and the latest ploy to try to make some use of that Tory white elephant is to start selling water to Hamburg. That is a manifest symbol of an economy which is mismanaged and which is, in some respects, out of control.

The Paymaster General performed as an identikit Minister. No one would have known which of the twin parties he belongs to. He stood there trying to justify the whole thing by explaining at great length how much money the Government are throwing at the problems of deprivation, as if the mere spending of money is any advance in dealing with the problems. He had the cheek to do that although the Audit Commission has just condemned the profligate way in which the Manpower Services Commission has been spending some of the taxpayers' money, in the great propaganda exercise of merely throwing millions of pounds at problems without solving them.

The hon. Member for Dunfermline, East (Mr. Brown) was careful to say virtually nothing about the Labour party's approach to these problems. The alliance is bitterly disappointed at Labour's approach to the problem of mass unemployment, especially long-term unemployment, which is manifest. An all-party Select Committee, in two reports, unanimously said that to deal with long-term unemployment it is essential that the measures should be specifically targeted on the long-term unemployed. The Labour party shrinks from doing that. We can only speculate about the reasons for that—the pressures on it from outside the House. But it is a fact that when a draft Bill was carefully prepared to give effect to the recommendation of the Select Committee on Employment that measures should be specifically targeted on the long-term unemployed to give each a guarantee of 12 months' work, the Labour Front Bench attitude was distinctly cool and negative.

The alliance wholly supports, and has done in the House over recent months, the suggestion by the all-party Select Committee on Employment that every person who has been unemployed continuously for a long time should be offered a guarantee of a 12-month job or a serious training place. We regard with contempt the fact that the Paymaster General and his master the Secretary of State in the other place provide only one in five of the long-term unemployed with a place on all their highly expensive special schemes. How can that be justified when we have this appalling army of so many hundreds of thousands of people who have been continuously out of work, losing morale, skill, health and often hope?

Mr. Kenneth Clarke: The hon. Gentleman keeps pouring scorn on the expense of our programme. How can he equate that with the proposals that will be presented tomorrow by the alliance, that

"We will make sure that public spending creates jobs through exports and investment"?

That is not the method that the hon. Gentleman described. The alliance proposes that

"In the first year gross public spending would be increased by £4·9 billion".

What is that but throwing money at the problem?

Mr. Wainwright: Not at all. We are careful to point out that the net cost of our proposals would be relatively small because we would put people back into genuine jobs, where they would earn full wages. They would pay income tax and more VAT because their households would be able to purchase more, so they would begin to make a contribution to the economy.

I should like the Paymaster General to face up to the example of Sweden, where long-term unemployment virtually ceases to exist because anybody who is continuously out of work for more than 300 days is immediately offered either a job or a serious place on a long-term training scheme. I cannot for the life of me discover why the Government neglect to learn from countries that have found a better solution to the problems than they have.

One of the consequences of the two-nation approach is that there are neglected opportunities in the regions where unemployment is so high. As a contrast, let us consider people waiting for urgent hospital treatment—I stress urgent treatment; not elective surgery, but a condition in which the GP has said that the patient must have treatment as a matter of urgency. The congestion that the Government have created in the south-east is such that health authorities such as West Surrey and North-East Hampshire, Riverside in the North West Thames area, and West Lambeth all have a very high percentage of people needing urgent treatment who have been kept waiting more than one month. Indeed, nearly 90 per cent of those waiting for urgent treatment in those areas have been waiting for more than one month. However, in the areas of neglected opportunities, the areas in which the Government do so very little, beds are standing empty and there are easy opportunities for receiving immediate treatment. Early treatment for an urgent condition can be found in such places as Scarborough, the Wirral, Durham and Bolton.

If I may switch from health to transport, the Paymaster General was eloquent about the superb installation of motorways spurring off the M62. That is fine, but there are so few goods vehicles using those motorways. *[Interruption.]* I can assure the House that I am a frequent user of those motorways and I deplore the fact that they run through a desert at the moment, due to the recession.

It is the alliance plea that the splendid infrastructure which was provided by wiser Governments than this should be put to use, and proper use should be made of what the taxpayer has provided in the past.

I want briefly to consider the effect on earnings. Nowhere is the problem of the two nations more clearly demonstrated than in the stark contrast between the level of earnings in some parts of London, especially the City, and the depressed earnings only a mile or two away in what the London chamber of commerce has aptly described as the "huge crescent of deprivation" in parts of north, east and south London.

We cannot expect to have a united country if such disparities in income persist and grow worse by the week within a very few miles of each other. That is a recipe for dividing the country which would make wiser past leaders of the Conservative party pale with horror at seeing the country which they had worked so hard to unite being deliberately divided by misguided economic policies.

I believe that the alliance motion tonight is more than fully justified. I am sorry that it has been treated so flippantly by the Paymaster General. I hope at least that the Minister of State, Department of Trade and Industry will have some constructive comments to make on our proposals when he replies.

9.17 pm

Mr. Tony Favell (Stockport): We have heard a great deal about the divided nation, in particular the north-south divide, this evening and for many months. For someone like me, who before 1983 rarely ventured south of Derby, there are clearly divisions. In much of the south there is a bustle that is sadly missing from parts of the north—although not all of the north. There is a gap which must be closed. The question is how.

The Labour party has suggested that that gap can be closed through more Government spending, more town hall spending, more council houses, more strategic planning—in fact, a great deal more interference and a lot more Socialism. The alliance suggests more Government spending, more town hall spending, more infrastructure—the alliance does not like to talk about council houses any more—more regional planning as opposed to strategic planning; in fact a great deal more interference and, it would appear to Conservative Members, a great deal more Socialism as well.

Let us consider what made the north great in the first place; how northern Britain became the industrial workshop of the world. That was not planned from Westminster and we did not rely on Brighton, Bournemouth or Bristol.

Liverpool achieved greatness through the entrepreneurial spirit of the Liverpudlians; Manchester achieved greatness through the business acumen of the Mancunians; and Glasgow achieved it through the industry of Glaswegians. That greatness certainly did not come from municipal socialism—that had not been heard of in those days—and it did not occur through state charity. Throwing money at that problem is not the answer. Surely we have learnt the lesson of Liverpool, where more aid has been spent per head of population than anywhere else in the country. State charity is not the answer.

The north needs a return to the industrial ethos upon which its greatness was founded. First, we must ban all talk of the post-industrial society. Those words should be forgotten. No matter how smart the City of London is or how great the attractions of Britain are to the overseas tourist, we shall always depend on industry to pay for the things that we want and need. The Opposition, who glory in gloom, would have the world believe that the north is industrial dereliction. Far from it. Of course, areas which put all their eggs in one basket, such as shipbuilding, need Government support to set out their stall to attract new enterprise. But many areas have diversified and look forward to the future with confidence.

Stockport is a northern industrial town where unemployment is not just less than the regional average; it is less than the national average. We have many successful industrial firms. We have Ferranti Computers, supplying fine computers and radar systems, which was recently awarded a large contract by the Ministry of

[Mr. Tony Favell]

Defence. Williams Fairey Engineering does important work for the nuclear power industry and, incidentally, was this year's national brass band champions. United Biscuits is a large employer exporting favourites such as digestive biscuits, Penguins and jaffa cakes not only throughout Europe but the world. Simon is an engineering group employing 16,000 people worldwide whose shareholders recently followed the example of the shareholders of Pilkington and rejected an unwelcome takeover bid from a City consortium. As my hon. Friend the Member for Davyhulme (Mr. Churchill) said earlier, at British Aerospace in Woodford—also in Stockport—200 jobs have been created to produce the HS146. I remind the House that that company delivered the Nimrod AEW airframes on time. The failure of the south-east led to the cancellation of the Nimrod programme.

Let us have no more talk of the northern industrial spirit being extinguished.

Mr. Piers Merchant (Newcastle upon Tyne, Central): Is my hon. Friend aware of a report, published today, entitled, "It is not really like that", commissioned—perhaps surprisingly—by the BBC and written by a quasi-academic called Fred Robinson, which contrasts with the worthy remarks that my hon. Friend has just made and is a diatribe in despair and an exercise in uncontrollable pessimism without a single constructive suggestion? Does he agree that such a catalogue of gloom is exactly what we do not need if we are to attract investment, industry and jobs to the north and the other deprived regions? Instead, we should sell all the good points of those regions.

Mr. Favell: I can only think that this man is a Socialist. The Socialists of the north have done nothing but whinge and whine for the past 10 years and have repeatedly sold the north short.

We need a few things from the Government, and here is my shopping list. First, we need cheap energy. The Government have done much for coal, but they must not flinch from ensuring that we have our share of nuclear energy. Apart from anything else, British Nuclear Fuels Ltd. employs 16,000 people in the north, and last year the nuclear industry placed contracts worth £300 million with companies in the north-west.

Secondly, people must be made aware that if—God forbid—we had another Labour Government, trade union militancy would reawaken. Thanks to the Prime Minister, much has been done to restore industrial peace, but it could easily be lost. We have all seen what the militant trade unions did to the Liverpool docks, but things are much better now, even in Liverpool. Recently, I visited Ford's Halewood plant in Liverpool with the Stockport chamber of commerce. The plant manager told us that, five years ago, we would have had a hostile reception from the labour force, but now the reverse is the case. People came up to us and told us how much better industrial relations were and how proud they were of their product and of what was being achieved. At Halewood the workers are making a fine product at a keen price with a reputation for reliability. No wonder Ford is now our largest home car producer.

While we are on the subject of trade unions, could my right hon. and learned Friend please sort out the Civil Service unions? They are hogging the secretarial and clerical work in the south. Where is the justice, let alone the sense, in paying more for poorly-qualified typists in London when there are lots of lasses in the north who could do the job twice as well at greatly reduced cost? What has happened to the programme that was introduced in the 1970s to disperse the Civil Service to the regions? By now we should have 16,000 Civil Service jobs relocated to the regions but so far I think that we have no more than 6,000 dispersed.

Will the Government continue to put down the argument that there is something demeaning in training or retraining? To persuade an unskilled youngster to go on the dole rather than to train is irresponsible, if not wicked. Two years on, what chance has that young person at an interview if he is up against another youngster who has completed a two-year YTS?

Finally, and most important of all, will the Government take an axe to the crackpot councils of the Left? We cannot afford to leave it to chance or, for that matter, to the Leader of the Opposition. Nothing does more harm to the north than such councils in those Victorian town halls which were once monuments to hard work and success but are now citadels of Socialism and despair. That axe is the master key to the north-south divide.

Mr. Robert Maclennan (Caithness and Sutherland): Does the hon. Gentleman accept that the speediest way to resolve the problem to which he has rightly drawn attention is to introduce proportional representation in local government? That would ensure that extremism of the type that he mentions is wiped from the face of the map.

Mr. Favell: I shall give the answer in a moment, but it is certainly not proportional representation. Local government in these northern strongholds is no longer under the control of those who pay for it. That is the problem. Over half the house owners in Manchester receive housing benefit. What interest do they have in controlling town hall spending? Making people pay at least 20 per cent. of their rates will help, but that is not enough. We need people to pay 100 per cent. of their rates, and then we must adjust welfare benefits to reflect the national average of the cost of local government.

There is no point in local government knowing that its voters will be reimbursed for the whole of local government overspending. It would bring the Militant chickens home to roost if they were answerable to the whole of their electorate and not just to a part of it. Some local authorities would not then spend money on equal opportunity officers for lesbians, guides for children on how to deal with the police, and the setting up of nuclear-free zones, as is happening in Manchester. What sort of image of that once proud city does that present to the world? Who will rush to invest in a place that indulges in nonsense like that?

The good, sound sense of the northerners has not deserted them, but they need help to rid themselves of Left-wing extremists who, with their high-rating policy, have done so much to knock the stuffing out of industry, and who paint such a poor picture of what for me is the best place in the world. My constituency is the neighbour of Manchester but is free of Marxist domination. In my constituency young couples can buy a two-bedroom terrace house in a nice district for £17,000 or £18,000, yet

their rates are two thirds of the rates charged in neighbouring Manchester, where it takes twice as many people to empty the dustbins.

Mr. Gordon Brown: Before the hon. Gentleman finishes his speech, will he comment on the speech made by the president of Manchester chamber of commerce who said about local government, "We in the business community are making a far better job of partnership with local government than Westminster seems to be able to do"?

Mr. Favell: The president of Manchester chamber of commerce should be ashamed of himself. I agree entirely with the Chancellor of the Duchy of Lancaster and the Prime Minister who gave the president of that chamber a real trouncing following that speech—which was what he deserved.

Every Friday I cannot wait to get back to the north, with its friendly people, its humour, its sport, its open countryside, its great musical tradition and, of course, its beer. With a little help to rid ourselves of the Marxists, the militants and the Trotskyists, once again we will be the envy of the overcrowded, overwrought, over-priced south.

9.30 pm

Mr. Tony Marlow (Northampton, North): I am pleased to follow my hon. Friend the Member for Stockport (Mr. Favell).

Traditionally, this debate is about the north-south divide. I wonder how many people realise that the gross domestic product for a person in Cheshire is higher than it is for someone in Kent or Hampshire; that unemployment in our northernmost English constituency —Berwick—is lower than the national average; that it is lower in Halifax than it is in Hastings; that in northern industrial Barrow-in-Furness it is lower than in soft and privileged Brighton; and that in Northampton itself, unemployment is lower than it is in Southampton. More sophisticated attenders to this debate say that it is now an east-west divide, but if they look across at the growing prosperity in south Wales they will feel that that is wrong also.

On closer analysis, the problems of poverty, the material, economic and social problems in this country, are worse where Socialism is strongest. The paradox is that, where there are Socialist councils, there are higher levels of local expenditure and that where there are higher levels of local expenditure there are higher levels of unemployment and higher levels of crime.

There is a simple connection between Socialism and deprivation. Where Socialism is rampant, business confidence is low. I understand that the Leader of the Opposition is trying to do something about the loony Left. Why does he not do something about it where his own home is and there the council intends to raise his rates by £21 a week? In those three London boroughs that changed hands at the last local elections, business ratepayers face an increase in business rates of about 60 per cent. How are they supposed to provide jobs in those circumstances?

Behind this motion are implications that we should have a regional policy, more regional expenditure. The implications are that the problems are in the distant provinces — but that is not the case at all. We need analysis before we can come to a solution.

The major economic problems are in London, in our capital city. Six of the 14 constituencies with the highest levels of unemployment are in London—Bethnal Green, Hackney, South and North, Peckham, Bermondsey and Vauxhall. The average in those constituencies is that a third of the men are unemployed and drawing benefit. [AN HON. MEMBER: "Scandalous."] Yes, and I will tell the hon. Gentleman why it is scandalous. I draw his attention to the definitive Audit Commission report on London and the problems of Socialism. It sets out eight rotten boroughs in London controlled by the new Left, the shock troops of Socialism, the pioneers of perverted politics, run by the clones of those who, after the next election, will form the majority of the parliamentary Labour party, small though it may be in this House.

That report compares those eight rotten boroughs with eight similar boroughs controlled by less lunatic Socialists and leavened with three Conservative councils with similar profiles and problems. Within London, compared with the control boroughs, those rotten boroughs spend 50 per cent. more per head of the population—£7 per week per household. They employ 35 per cent. more staff. Between 1980 and 1986, their central staff increased by 18 per cent., while others went down by 14 per cent. Staff vacancies —a measure of an efficient, well-run organisation—are three times as great in the rotten boroughs. All this and inferior services—Socialism in action.

Comparing the rotten boroughs with the metropolitan authorities, the cost per child in care is over twice as great. The cost of local authority services is three times as great. The management cost per dwelling is twice as great. The arrears of rent are three times as great. One in five rents are not paid in those inner London areas. They are concerned about homelessness, yet it takes them twice as long to relet their houses as it takes anybody else. Those are shocking statistics.

In Brent in the last three years, over three quarters of the senior staff have left their posts. Eight pounds in every £100 of inner London rates is uncollected. While the real costs of local government over the last three years have decreased, in the rotten boroughs they have risen by 20 per cent. London is prosperous, yet in these Socialist areas there are massive problems.

As for unemployment, after massive expenditure on education, ILEA spends almost twice the national average, yet side by side with wealth and job opportunities. Why? In some part, the devastation is caused by the effects of Socialism on business and commerce, but that is not the whole story. If one sows the seeds of Socialism, if one heavily fertilises the ground with public money, if one waters it with publicly financed propaganda, a crop will grow—a crop of grudge and dependence.

If we set up a race relations industry and make people feel that they are discriminated against, they will feel racially discriminated against. If we set up anti-police committees to tell people that the police are against them, they will be anti-police and crime will rise. If people are told that they are entitled to certain standards whatever their own efforts, endeavours and abilities, we will bring dissatisfaction and grudge.

We all recognise in our constituencies the neighbouring households as we go canvassing. One is spruce and immaculate and another dingy and in disrepair. The one is welcoming and the other disgruntled. As often as not, the second household has been infected by Socialism.

There is a musical in London called "Les Miserables", a line of which runs:

"At the end of the day you get nothing for nothing."

[Mr. Tony Marlow]

The tragedy is that Socialism preaches that one can have paradise without effort and that if one is not provided for, it is someone else's fault. Socialism breeds dependence. It tells people to sit on their backsides and complain. The tragedy is that we do not have a north-south divide. Many of our people's lives are destroyed because, in this Conservative country, they are living under the yoke of Socialism. I tell my hon. Friends, with the local elections coming up, they should get that message across loud and clear because our people depend on us.

9.36 pm

Mr. Malcolm Bruce (Gordon): The speech of the hon. Member for Northampton, North (Mr. Marlow) was another rendition of Marlow's theorem of the correlation between Socialism and deprivation, but I suggest that Conservatism and neglect also go hand in hand. The hon. Gentleman has not contributed to the debate.

No Conservative Member has said what should be done about the problem. The Paymaster General, probably wisely, did not refer to the Government amendment. He probably felt embarrassed reading out

"that the United Kingdom has benefited from six years of uninterrupted growth"

as his introduction to a debate on deprivation. He would not want us to draw attention to the fact that manufacturing output is 4 per cent. below what it was when the Government came to power.

We hear from Conservative Members a repetition of selective statistics which ignore the problem. The Paymaster General, I suspect deliberately, misunderstood the alliance stance. He suggested that we want to return to old-style regional policy. We want nothing of the kind. We believe that there is a need to recognise the problems. That is our first obstacle with the Government — they refuse to acknowledge the seriousness of the problem.

I shall not quote the unemployment figures, as we all know them, but I should like to pick out a few other statistics which demonstrate the scale of the problem. In the south-east, there have been 20 manufacturing job redundancies per thousand. The equivalent figures for the north and Scotland are 69 and 58 respectively. For all sectors, there have been eight jobs per thousand lost in the south-east, 28 in the north and 21 in Scotland. That is a serious discrepancy.

My hon. Friends the Members for Colne Valley (Mr. Wainwright) and for Ceredigion and Pembroke, North (Mr. Howells) mentioned house prices. The average house price in Yorkshire and Humberside, at £25,989, should be compared with the average in Greater London of £57,816. That too shows a serious discrepancy.

Since 1976, defaults and arrears among private home buyers have increased eight times and the number of homeless people has gone up to more than 100,000. That is an indictment of the Government, but they do not acknowledge the deprivation.

The Cambridge university department of land economy has estimated that, out of the 900,000 jobs that are likely to be created in the private sector during the next 10 years, at least 420,000 will be in the south-east of England. The hon. Member for Dunfermline, East (Mr. Brown) referred to the fact that the forecast population in Scotland will drop below 5 million by the end of the century, while the population of the southern half of England will increase by 1·5 million.

The Government's remedy, as articulated by the Paymaster General, is that people should move out and accept lower pay. The first problem with that is that the Paymaster General is talking nonsense about the disparity in wage rates. Anybody who considers the figures knows that the reality is that average earnings in the regions and provinces are lower than in the south-east. In Greater London, for example, average earnings for men are £255 a week, compared with £191 in the east midlands and £193 in the south-west.

The differences in house prices, land costs and wages exist, but all that has happened is that London is still sucking in the talent, while the regions are failing to cope with the problem. The selective statistics given by various hon. Members representing constituencies in the north of England do not disprove that point.

We also acknowledge that, within the broad division between London and the south-east and the rest of the country, there are divisions within each region. We can all list areas of low unemployment in the north and of high unemployment in the south. In London there is a clearly identified crescent of deprivation. Within walking distance of the Bank of England, for example, are the boroughs of Tower Hamlets, Islington and Southwark, including Bermondsey, which have between 25 and 30 per cent. unemployment.

The analysis of those real problems shows that London and the south-east are creating jobs and sucking the brightest and best talents out of Scotland, Wales and the regions, but that they are failing to provide the jobs that the local people of London need. The Government are totally failing and refusing to address that problem.

The United Kingdom needs to get away from its one-centre economy and the black hole down which the city of London sucks everything, because of which other parts of the country simply cannot get the backing and the resources that they need to focus on their own enterprise.

Why can companies such as NCR, formerly National Cash Register, operate its worldwide headquarters from Dayton, Ohio, Wang computers from Lowell, Massachusetts, and cities such as Houston and Dallas, and Alburquerque in New Mexico experience the growth of corporate headquarters, whereas in this country the idea of establishing corporate headquarters in Aberdeen, Newcastle, Cardiff or Manchester is regarded as being off the map and out of touch? That is the sort of attitude that we must get away from. The attitude of our American competitors is the one that we need.

The Government simply sit back and say that they are prepared to let the market operate in the way in which it does and that if they were re-elected and continued their policies, the problem would somehow resolve itself. The answer is that it most certainly will not. The Paymaster General and, to the extent that he spoke about policy, the hon. Member for Dunfermline, East seemed to imply that central direction was the right answer. The Paymaster General stated that central Government would decide what was good for people in the regions and for investment outside, or indeed inside, London. The excuse given by Conservative Members was a catalogue of attack on Left-wing Socialist authorities. I agree with Conservative Members that Left-wing Socialist local authorities drive out enterprise and cannot face up to the

problems. However, we in the alliance are prepared to do something about it and to reform the system so that those people cannot get control.

Mr. Favell *rose*——

Mr. Bruce: No, I shall not give way. I do not have the time.

The Paymaster General and the Government are not prepared to introduce the necessary reforms — *[Interruption.]*

Mr. Speaker: Order.

Mr. Bruce: I am sorry that I cannot give way to the hon. Member for Stockport (Mr. Favell), but I have very little time.

We in the alliance are prepared to face up to those problems because we believe in the people of this country; we believe that the people of Newcastle, Manchester and Bristol, as well as of the rural areas, are capable of making their own decisions and that they better know what they can do in their own areas, if they are given the backing, resources and freedom to make their own decisions. That is something that the big brothers in the Labour and Conservative parties will not allow them to do.

We propose the establishment of regional development agencies to make the decisions that are at present being made by central Government. [AN HON. MEMBER: "In the south-east?"] Certainly in the south-east. All regions should have an opportunity to focus their enterprise and to back their decisions, rather than have Whitehall telling them what is good for them. I find it extraordinary that Conservative Members say that the system is unworkable. It has helped other countries to be more successful. We are not talking simply about moving jobs and wealth, but saying that if we adopt this system, we shall help to stimulate more growth, enterprise and jobs — the sum total will be greater for the whole of the United Kingdom. There is plenty of evidence to show that that can be the case.

Recently, the *Financial Times* carried a review of regional development and venture capital. It pointed out that, too often, enterprises in the regions did not receive backing because no one in the City has enough local knowledge to give them backing. If we had people on the ground with that knowledge who could draw the funds and back the enterprises, we could get a great deal more for the United Kingdom. There is evidence to support that in the operation of enterprise agencies and regional development corporations. More should be done to back such enterprises and to ensure the development of new opportunities in the regions.

We agree with the Government that small businesses and the self-employed have been an important source of new employment; although the figures are not clear, we believe that they will be important in future. However, we question whether the enterprise allowance scheme is the best way of ensuring that. There is no check on how many schemes survive and on the extent to which they draw from others. We need agencies to follow those matters through. We notice that the lion's share of the BES is going to the south-east. Clearly, regions do not receive their share of the finance available.

When the Government choose to attack the alliance, they would do well to consider that, after seven years, the Government have reached a plateau of 3 million unemployed plus 1 million people on the type of schemes that they greatly disparaged at the start of their period in office. There is no sign that they have any strategy for reducing that total figure or for ensuring that deprived areas have resources and backing to deal with their problems.

Tonight we heard precious little from the Labour party, despite the 28-minute speech from the hon. Member for Dunfermline, East. One and a half minutes of that one speech from the Labour party related to Labour's policy, but that was probably one and a half minutes too long. Neither of the hon. Members who are apparently co-ordinating the policy has yet managed to agree on what it is and we are not sure whether there will be a strategy. Clearly, the argument within the Labour party is about which state sector should provide the jobs.

We in the alliance are prepared to back enterprise and we recognise that development corporations and enterprise agencies have a significant role to play. However, we are also prepared to recognise the discrepancy that exists, not just between different regions and nations, but within them. That is why we propose, first, to give a job guarantee to the long-term unemployed; and, secondly, to provide a selective cut in employers' national insurance charge for unemployment black spots and travel-to-work areas and to provide in those same areas incentives for recruitment of the long-term unemployed. Those specific measures would help to tackle the imbalance and we commend them to the Government.

The Government will live to rue the day when they decided not to trust people on the ground in their communities to make decisions which affect their enterprise. The Government have chosen to pull power to the centre and to set up central Government agencies to determine centrally who should get what.

I should have thought that the right hon. Member for Henley (Mr. Heseltine) might have been present. In our last debate on this issue, he made an extraordinary proposal, which boiled down to the establishment of a series of regional district commissioners on the old Indian imperial model, who were to be appointed by central Government. Though his book sales may be great, he is not prepared to get to grips with the problem, any more than any other member of the Conservative party.

I commend the alliance motion to the House. The other two parties have shown themselves shamefully out of touch with the problems of the regions in terms not only of their analysis but of their solution. The people know that they have to look elsewhere for a solution. They cannot trust the Labour party, and the Government have said that they have no policy.

9.50 pm

The Minister of State, Department of Trade and Industry (Mr. Giles Shaw): I hope that the alliance has enjoyed the second of the two debates that it has elected to have today. It is appropriate that it should be discussing an issue which, as we have seen it unfold over the past couple of hours, has shown the great fragmentation in the alliance. It is appropriate for a fissiparous group such as the alliance that it should have selected this debate. No discussion about regional policy is free from the claims for special attention for this or that region or problem, for this or that reason. In most speeches there was an understandable special pleading.

[Mr. Giles Shaw]

The hon. Member for Ceredigion and Pembroke, North (Mr. Howells) drew attention to the important disparities between affluence and unemployment, between major cities and decline, and so on. His proposals and the motion show that the alliance would like to see development agencies set up in each of the regions. The hon. Member for Gordon (Mr. Bruce) also referred to that. Development agencies are one of the points that have been widely debated.

Hon. Members on both sides of the House would be wise to contemplate what a development agency is. It is not, as suggested by the hon. Member for Gordon, a coming together of individuals in the region concerned to try to preside over a development policy of their own. A development agency is set up under an Act and has central Government power, taking away much of the development arrangements in the regions. It meets entirely on its own, without any particular regional element. It is an agent of Government and operates in that way in the Scottish Office under the aegis of my right hon. and learned Friend the Secretary of State for Scotland, and in the Welsh Office under the aegis of my right hon. Friend the Secretary of State for Wales. That is what gives development agencies their power and prestige abroad. To suggest that all 334 travel-to-work areas or other regions should operate on a statutorily based system is a recipe for chaos and confusion, and the alliance must recongise that before it does anything else.

The hon. Member for Dunfermline, East (Mr. Brown), in his substantial address to relatively few shareholders, spoke about what the Labour party would like to do. Clearly, he was convinced that the main problem was dealing with manufacturing investment. He made special reference to the ERDF proposals in Brussels, in which he is well versed. He has read the 17 volumes and knows all about them. He will recognise that, with his remarks about Merseyside and Manchester, he was quoting the words of the Labour councillors for Manchester and the Labour, or not-so-Labour, councillors of Liverpool. That provides him with a reasonable opportunity to say that the Government are talking with forked tongue. He knows that the Government have to assemble, collate and present, or none of the proposals would be allowed to get ERDF funds.

Mr. Gordon Brown *rose*——

Mr. Shaw: I shall not give way. The hon. Gentleman spoke for 28 minutes.

The important feature of our debate since then was the eloquent testimony of my hon. Friend the Member for Davyhulme (Mr. Churchill), who rightly showed what can be done when a region gets assistance through urban development corporations and structures to enable the regeneration of industrial activity. My hon. Friend the Member for Stockport (Mr. Favell), in his brief speech, rightly called for something positive, such as cheap energy supply, and he will no doubt be delighted with the CEGB's recent reduction by 6 per cent. of its tariff to bulk users. My hon. Friend the Member for Northampton, North (Mr. Marlow) correctly put the whole problem into perspective. Where Socialism has been rampant, one will not find much chance of industrial energy and development or enterprise. *[Interruption.]* If that is the case, the hon. Gentleman probably has a cure for the ills of regional disparity.

The hon. Member for Colne Valley (Mr. Wainwright) surprised me. He was clearly confused about the values of infrastructure. On the one hand, he took to task the Humber bridge. I can understand that, because I well remember Mrs. Barbara Castle making a rash promise in the midst of a by-election at Kingston upon Hull, North, and the Humber bridge duly appeared. The hon. Gentleman took to task the Kielder dam which, as he should have known, was primarily developed to secure opportunities for industrial development in Teeside and Tyneside, admittedly at a time when the oil price had not collapsed and when the plastics and chemical industries were at a high degree of employment. The concept was right—to serve the regional dependence on high water-using industry.

The hon. Member for Colne Valley was worried about motorways. Clearly he has not been on the M62 recently. Perhaps, since he is retiring at the next election, he does not use the M62 very much, and need not worry about the lorries. However, those of us who do are a bit choked up by what we find on the M62.

The central issue, turning back to manufacturing investment—which the hon. Member for Dunfermline, East raised—is the economic activity of the country. If the Government pursue policies which create economic activity and which believe in growth and enterprise, the consequences will steadily improve. Following the traumatic years of decline, after 1973 we had structural decline and rampant inflation. The lack of competitiveness of British industry and its products was pricing them out of markets worldwide and there was a substantial area of structural decline.

That has changed since 1983. Manufacturing investment has risen in real terms on average by more than 20 per cent. In the regions manufacturing investment has risen by 28 per cent. in the north—that includes the north-east, north-west, Yorkshire and Humberside—in Wales by 28 per cent., the west midlands by 35 per cent., the east midlands by 18 per cent. and by 22 per cent in Scotland. Since 1983, we have seen a substantial increase in manufacturing investment. That has happened as a result of the Government's determination to ensure that the economy is receptive to industrial growth and development. Manufacturers and investors are looking for a stable economic policy and a Conservative Government who will provide policies that are conducive to industrial development and growth, and to see that the policies of previous Labour Governments have been swept away with all the central intervention, controls, restraints on capital and, above all, diktat by trade unions, which determined, more or less, what wage rates would be in the light of the threat of major industrial disruption.

The investment climate today is infinitely better for regions to benefit from the economy. I accept that it is slow and that there has not been a sufficient replacement of structural industries—shipbuilding, steel, coal or many of the other aspects of heavy engineering which have been centred in some of our regions. The Government are determined to speed up that process. It is because we have restricted development areas and assisted areas of the regions in the greatest need, and because the percentage of

the work force being covered in the north is now 70 per cent. of people who live in assisted areas, that regional policy is beginning to work.

We have, by changing the policy from capital-based to job-based, made a significant difference to its effectiveness. That is the way in which we must ensure that regional policy develops. It will be slow, but it will be steady. Ultimately, that depends on having an economy which responds to the needs of industry and provides a stable context in which there can be growth without inflation, encouragement to develop, wages which are determined by market rates and consumer satisfaction based on the quality and competitiveness of British products.

If we are able to achieve that—we shall do that by a third term in government—we will have demonstrated beyond doubt that the only thing that stands between regional disadvantage and the nation is a Conservative Government who are dedicated to making Britain great again.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 33, Noes 176.

Division No. 113] **[10 pm**

AYES

Barnes, Mrs Rosemary
Beith, A. J.
Bruce, Malcolm
Buchan, Norman
Callaghan, Jim *(Heyw'd & M)*
Carlile, Alexander *(Monty'y)*
Clarke, Thomas
Dixon, Donald
Dunwoody, Hon Mrs G.
Eastham, Ken
Fisher, Mark
Fraud, Clement
Godman, Dr Norman
Haynes, Frank
Howarth, George *(Knowsley, N)*
Howells, Geraint
Hughes, Simon *(Southwark)*
Jenkins, Rt Hon Roy *(Hillh'd)*
Johnston, Sir Russell
Kennedy, Charles
Kirkwood, Archy
Lamond, James
McKay, Allen *(Pentstone)*
Maclennan, Robert
Meadowcroft, Michael
Owen, Rt Hon Dr David
Pike, Peter
Powell, Raymond *(Ogmore)*
Rose, Stephen *(Isle of Wight)*
Skinner, Dennis
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Wainwright, R.

Tellers for the Ayes:
Mr. James Wallace and
Mr. John Cartwright.

NOES

Aitken, Jonathan
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Beaumont-Dark, Anthony
Benyon, William
Best, Keith
Bitten, Rt Hon John
Bigge-Davison, Sir John
Blackburn, John
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Brandon-Bravo, Martin
Brinton, Tim
Brown, M. *(Brigg & C'Ftyes)*
Brunvels, Peter
Buck, Sir Antony
Burt, Alistair
Butcher, John
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carlisle, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Cockeram, Eric
Coombs, Simon
Cope, John
Cormack, Patrick
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dunn, Robert
Durant, Tony
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Favell, Anthony
Fenner, Dame Peggy
Finsberg, Sir Geoffrey
Fletcher, Sir Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Franks, Cecil
Fraser, Peter *(Angus East)*
Galley, Roy
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Goodhart, Sir Philip
Gorst, John
Gow, Ian
Gower, Sir Raymond
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Hanley, Jeremy
Hargreaves, Kenneth
Harvey, Robert
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayward, Robert
Heathcoat-Amory, David
Hickmet, Richard
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Howarth, Alan *(Strat'd-on-A)*
Howarth, Gerald *(Cannock)*
Hubbard-Miles, Peter
Hunt, David *(Wirral W)*
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'field)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lester, Jim
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Nicholas
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
Maclean, David John
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
McQuarrie, Albert
Major, John
Malins, Humfrey
Malone, Gerald
Marland, Paul
Marlow, Antony
Mates, Michael
Mather, Sir Carol
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Montgomery, Sir Fergus
Morrison, Hon C. *(Devizes)*
Mudd, David
Murphy, Christopher
Neubert, Michael
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Pawsey, James
Pollock, Alexander
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Rafan, Keith
Rathbone, Tim
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Roe, Mrs Marion
Ryder, Richard
Sainsbury, Hon Timothy
Shaw, Giles *(Pudsey)*
Shersby, Michael
Stanbrook, Ivor
Stern, Michael
Stewart, Andrew *(Sherwood)*
Thompson, Donald *(Calder V)*
Thorne, Neil *(Ilford S)*
Townsend, Cyril D. *(B'heath)*
Twinn, Dr Ian
Warren, Kenneth
Wheeler, John
Whitfield, John
Wiggin, Jerry
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Mark Lennox-Boyd, and
Mr. David Lightbown.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith pursuant to Standing Order No. 30 (Question on amendments), and agreed to.*

MR. SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House notes that the United Kingdom has benefited from six years of uninterrupted growth; that over the last six months United Kingdom unemployment has fallen by 100,000; that employment has increased substantially since 1983; and that vacancies are at their highest level this decade; commends the efforts of the Government to develop a modern economy which is offering new types of opportunity; recognises in particular its work in launching the most extensive training programme in the country's history, and

welcomes its commitment to the regions, underlined by carefully targeted investment and assistance; and further calls on the Government to continue with its present policy of seeking to spread throughout the country the economic conditions that bring prosperity and jobs.

Representation of the People

10.11 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Douglas Hogg): I beg to move,

That the draft Parliamentary Constituencies (England) (Miscellaneous Changes) Order 1987, which was laid before this House on 23rd February, be approved.

This draft Order in Council gives effect to the final recommendations of the Parliamentary Boundary Commission for England following an interim review of 40 parliamentary constituencies in England. If the draft is approved by both Houses, it will be submitted to Her Majesty in Council for promulgation.

I turn to the form of the order. Articles 2 to 12 substitute the constituencies in the schedule for the constituencies that presently exist. Article 1(3) provides for the order to come into force 14 days after it is made. The changes to the constituencies will take effect at the next general election. Any by-elections in the meantime will be held on the existing boundaries.

The review which gave rise to the draft order was the third interim review to be conducted by the Parliamentary Boundary Commission for England since it completed its general review of constituencies in 1983. Since that general review there have been a number of changes to local government boundaries which have resulted in the county, district or ward boundaries following a different line from the constituency boundary. The commission decided therefore to conduct a number of interim reviews to remove these anomalies.

Though the House is considering 40 constituencies, the commission reviewed 42. When the proposals were published in September 1986 there were objections to the proposals for the constituencies of Reading, East and Wokingham. These have been the subject of an inquiry and will feature in a separate report. With two other exceptions the remaining proposals did not attract any opposition. The exceptions were two objections to the proposals for Warrington, South and Halton, which were subsequently withdrawn. The commission therefore decided to confirm its draft proposals as its final proposals, and these are given effect in the order. In all instances the changes proposed are the minimum necessary to realign the constituency boundary with the altered local government boundary.

One measure of the extent of the changes effected by the proposals is the number of electors involved. The largest number of electors affected is nearly 4,000, who will move from Horsham to Crawley. Other relatively large-scale changes are the transfer of about 1,300 voters from Arundel to Shoreham, and around 1,900 voters from Warrington, South to Halton. The remaining changes affect between one and 400 electors. In some instances, including my own constituency of Grantham, no elector is affected directly. I hope that the House will approve the order.

10.15 pm

Mr. Robin Corbett (Birmingham, Erdington): I thank the Minister for the brisk and informative way in which he dealt with the substance of the order. Perhaps the House would permit me to say that I have a special interest in the order because it includes the Hertfordshire, West constituency. When I had the honour to become the first Labour Member of Parliament for the former Hemel Hempstead constituency, which is part of the Hertfordshire, West constituency, I wrote on occasion to the boundary commissioners urging upon them the sense of changing the name of the constituency to Hertfordshire, West. It was not until I came second, which is not as much fun as coming first, that the boundaries were altered and the commissioners saw the good sense of the proposal. I am sure that it was right because it was quite wrong, even in those days, to impose the name of the new town of Hemel Hempstead upon the small towns and villages which helped to make up part of the constituency.

I could, but I will not, wax lyrical about my fond memories of Aldbury and Wigginton, Ashridge and Cupid Green — there is many a story or poem in that — as wards of the Hertfordshire, West constituency. However, I shall content myself by agreeing with the Minister that the changes that the Boundary Commission has come up with, as far as I am aware, make sense because, as best as the commission is able, it is right that the boundaries of the local authority should be contiguous with the boundaries of the parliamentary constituency.

10.17 pm

Mr. W. Benyon (Milton Keynes): I should like to direct my remarks to part IX of the order, particularly to the constituencies of Mid-Bedfordshire and South-West Bedfordshire. These two constituencies border my constituency of Milton Keynes, and my constituents are unanimous in their admiration of the way in which the Members of Parliament for those two constituencies conduct themselves in dealing with the interests of their constituents. They are also impressed by the speed with which the Boundary Commission has dealt with the particular changes.

My constituency is the fastest growing in the United Kingdom. In the 1983 election it had just over 70,000 electors and it now has 98,000, an increase per annum of 5,000. I remind my hon. Friend that when the last division of the constituencies took place the base year was 1976, and the final answer was brought in in 1982. If those circumstances continue in the future I shall be representing 150,000 constituents before the next division takes place. I do not worry about that but my constituents ask me whether there is something wrong with the procedure that we adopt in revising constituencies, or whether Members of Parliament should be paid proportionate to the amount of people they represent. There would be no increase in Government expenditure because it would be an average, some of us would get more and some less.

10.19 pm

Mr. Robert B. Jones (Hertfordshire, West): I simply want to welcome the order because it brings local government boundaries and the parliamentary constituencies into line. In the case of the boundary between Hertfordshire, West and Hertfordshire, South West, the electors in the portion due to be transferred have, for the past two years, been transferred for local authority reasons but not for parliamentary reasons. It has been thoroughly confusing to them at election time and when writing to their councillor or Member of Parliament.

Although the delays have been brief in some ways, despite the comments made by my hon. Friend the Member for Milton Keynes (Mr. Benyon), it seems

[Mr. Robert B. Jones]

curious that the changes can come into effect for local government purposes in April 1985 but two years later for parliamentary purposes. I wonder whether the Minister can look into that to see whether there is any way in which procedures can be speeded up. I welcome the nearly 200 extra constituents who will come into Hertfordshire, West because they will enjoy, in common with the other people of that area represented in the past by the hon. Member for Birmingham, Erdington (Mr. Corbett), a sense of community and of pride in the area's achievements, economic and cultural.

I realise that my hon. Friend the Member for Milton Keynes was a sympathiser for proportional representation, but I always thought that that was to do with the way that people vote. Now that I know that it is to do with the way that Members of Parliament should be paid, I am sure that there will be a rising tide in favour of proportional representation in the future.

10.21 pm

Mr. Peter Pike (Burnley): I support the principle of the order because it is right that, wherever possible, when there is a minimal change in a district or borough boundary, the parliamentary constituency boundaries should be changed so that they are conterminous with that boundary.

Like the hon. Member for Hertfordshire, West (Mr. Jones), I am concerned about the delays in the changes that sometimes occur. I have a vested interest in changes that do not come under this order. I hope that the Minister will say what other orders will come before us, which will take similar action to deal with similar situations. For example, there are some changes in the county of Lancashire, and my borough is affected. I hope that that order will be put before the House before the general election. If not, during the next Parliament I would represent a small number of people living in a different borough from the other 99 per cent. It is easier for the people if they know that the boundary is the same for the parliamentary constituency as for the borough. Thus confusion can be avoided.

While I support the proposal, I hope that the Minister will give us an idea of when the expects to lay further orders before the House.

10.22 pm

Mr. Simon Coombs (Swindon): I lend my support to that of other hon. Members who have spoken in this short debate for the proposal that is before the House, but I should like to follow what was said by my hon. Friend the Member for Milton Keynes (Mr. Benyon) and invite the Home Office Minister to respond to what he said and what I should like to add.

A report from the Select Committee on Home Affairs on the redistribution of seats has been laid before the House. It would be for the benefit of all of us if, instead of debating late at night these small and straightforward orders, we had the opportunity to discuss the much more important issues of how to overcome the problems of great inconsistencies between the sizes of constituencies. Like my hon. Friend the Member for Milton Keynes, I have a constituency that is growing extremely rapidly. While none of my constituents has, as yet, offered me the option of extra pay to deal with the extra problems—nor would I want to accept it—they are being under-represented in the county of Wiltshire, and other counties such as Hampshire are similarly affected.

The Select Committee came forward with some thoughts but no recommendations. If it were given the opportunity, the House would like to follow those thoughts and perhaps add some recommendations of its own. I therefore ask my hon. Friend the Minister to respond to that point.

Mr. Deputy Speaker (Mr. Harold Walker): Not tonight.

10.24 pm

Mr. Douglas Hogg: I want to thank the hon. Member for Burnley (Mr. Pike) and my hon. Friends for the support that they have given to the draft order. With regard to delays, the review into the boundary recommendations that we are considering tonight was announced in February 1986. As you will see Mr. Deputy Speaker, it has taken about a year to get to this final stage.

The hon. Member for Burnley asked what other reviews are being undertaken. On 23 December last year the Boundary Commission for England gave notice of its intention to review 55 parliamentary constituencies and the Welsh commission gave notice of its intention to review 21 constituencies in February 1986. A number of inquiries are currently being undertaken.

You, Mr. Deputy Speaker, said that it would not be right for me to comment on a possible response to the Select Committee on Home Affairs report. However, might I say that it was a very valuable report and my right hon. Friend the Home Secretary would wish to make a response in the near future.

Question put and agreed to.

Resolved,

That the draft Parliamentary Constituencies (England) (Miscellaneous Changes) Order 1987, which was laid before the House on 23rd February, be approved.

ESTIMATES

Resolved,

That this House agrees with the Report [3rd March] of the Liaison Committee.—*[Mr. Garel-Jones.]*

PRIVATE BILL PROCEDURE

Ordered,

That Mr. Terry Davis be discharged from the Joint Committee on Private Bill Procedure and Mr. Ken Weetch be added to the Committee.—*[Mr. Garel-Jones.]*

Grammar Schools (Warwickshire)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Garel-Jones.]*

10.26 pm

Mr. J. F. Pawsey (Rugby and Kenilworth): It might be helpful if I mention that my hon. Friend the Member for Stratford-on-Avon (Mr. Howarth) will be using some of my time to make a contribution to this debate. I have previously advised my hon. Friend the Minister, who is to reply, of that fact.

I am concerned about the future of grammar schools in Warwickshire, and specifically in Rugby. It will help my hon. Friend the Minister if I tell him that the Labour and alliance-controlled Warwickshire county council has set up a working party to examine secondary education in the eastern and southern areas of Warwickshire. My hon. Friend will recall that it is now official Opposition and alliance policy to phase out grammar schools and it is certainly the intention of the Labour party to phase out grammar schools within two years.

I put it to my hon. Friend that that does not augur well for a fair decision in Warwickshire based on an impartial assessment of the facts presented to the working party. My hon. Friend will recall that Mrs. Shirley Williams, in the days when she was known as "Shirl the pearl," was responsible for the infamous Education Act 1976 which sought to destroy the grammar schools. That lady has now moved to another party, but it is significant that she has taken her philosophy with her and that the Labour party and the alliance remain committed to the destruction of the grammar schools. I find it most disappointing that those two parties are now hell-bent on destroying part of Britain's heritage.

You will know, Mr. Deputy Speaker, that there are about 150 grammar schools in England and Wales. They cater for about 100,000 pupils. The quality of education in those schools is frequently not equalled elsewhere. It is particularly interesting to reflect on the fact that in philosophies as divergent as China and Germany, in France and the United States, selective education has been retained.

I want now to turn to Warwickshire and specifically Rugby. In the mid-1970s, the then area education officer in Rugby surveyed parents, seeking their opinion on the desirability of change. About 65 per cent. of parents then expressed the view that the present system of grammar and high schools should be maintained. I am unaware of any major change in public opinion since that survey was carried out. The only change of which I am aware is in the political control of Shire hall at Warwick.

The driving force, therefore, for change in Rugby's secondary schools is not educational; it is blatently political, and that is a poor reason for destroying proven schools.

In that connection, my hon. Friend will have noticed an early-day motion which states:

"That this House calls upon Her Majesty's Government to take fully into account the strength of local support for grammar schools when any proposals for their abolition are submitted; recognises their influence on educational standards; and recalls that the much praised education system in Germany consists of the equivalent of grammar, technical and secondary modern schools."

So far, more than 60 hon. Members have signed that early-day motion.

In a speech in his constituency on 7 December 1985, my hon. Friend the Minister—the speech makes excellent reading—said:

"In an article by Professor Anthony Flew, New Society, 17th November 1983, we can see quite clearly that, measured in terms of university entrants, working class children are actually worse off under the comprehensive system than they were under the old selective system, and worse off even than they were in the 1920s."

Again, I quote from the same excellent speech:

"The National Council for Education Standards concludes from their study of the 1981 and 1982 results that better examination results are associated with the selective system of schools, whether it be a fully selective system of grammar and secondary moderns, or a mixture of selective and comprehensive schools . . . The proportion of school leavers achieving 5 or more 'O' levels and one or more 'A' levels in England rose during the 1950s and the 1960s, but then levelled off and only in the last few years has risen slowly again. But if I look more closely still, I find that it is the results of the independent schools that brought about that rising pattern."

The Minister's comments and the NCES findings are borne out by the figures from the Warwickshire county council. It is significant, if we compare the percentage of pupils obtaining five higher grade results at O-level in each of the four education areas of Warwickshire from 1979 to 1985, that the eastern and southern areas come out best. Those are the areas which have maintained selective education. That is not a coincidence. I must stress that those are overall figures which include all secondary education in each of the areas. The inescapable conclusion is that, using examination results as a bench-mark, the present system benefits more pupils than does a single comprehensive system.

It has been suggested that the difference in examination results between Rugby and, for example, the central area of Warwickshire is caused by the fact that more pupils in Rugby are entered for examinations. If that is the case, it suggests that children in Rugby, with its combination of high schools and grammar schools, have better education and examination opportunities than those in the neighbouring comprehensive system.

That is not an argument for change. The majority of parents have confidence in the present schools. Parents know that grammar schools provide a ladder of opportunity for those from less well-off backgrounds. In addition, in the high schools of the eastern area, there is a safety net that ensures that pupils can transfer at the age of 16 to grammar schools or to the college of further education to take their A-levels. A clear safety net exists which enables pupils to leave the high schools and to take A-levels.

It is extraordinary that, at a time of some financial constraint, Warwickshire county council can contemplate such a major change for so little reason. If funding is available, it should be used to improve existing schools for the benefit of our children.

It is sometimes argued that there are good social engineering reasons for introducing comprehensive education. Social engineering does not rate highly on the lists or agendas of most parents, and in any case the social mix which occurs within a grammar school is one of the keys to its success. That must be contrasted with the situation in many areas where parents vote with their feet and decide to move to make sure that their children are within the catchment area of a comprehensive school considered to be better than its neighbours. That seems to be a social engineering at its worst.

[Mr. J. F. Pawsey]

The *Coventry Evening Telegraph* is one of our excellent local newspapers. In this evening's issue there is a report of a visit by my hon. Friend the Minister for Local Government to Stratford-on-Avon. The report says:

"Dr. Boyson said people from many backgrounds had gone through grammar schools.

Not only is the grammar school serving them but it's also serving the community.

People had the opportunity to come through to the highest standards".

That is the opinion of my hon. Friend and I certainly subscribe to that view. I suspect that my hon. Friends the Members for Stratford-on-Avon and for Uxbridge (Mr. Shersby) also subscribe to that opinion. It is important, and I am sure that my hon. Friend the Minister will give clear weight to it when he replies to the debate.

I should now like to draw attention to a significant local publication. The fact that it came out only once should not reduce its importance. The publication, "Rugby Labour Herald", is dated January 1983. I suspect that this is both a first and last edition. There might be some significance in its date, because at that time the Labour party was in opposition on Warwickshire county council. Now it is in an unholy alliance with the SDP and the Liberals and is in control. The headline in that publication is "Education —what a mess!", and it reads:

"Proposals to phase out the grammar stream provision at Dunsmore and to close Fareham will not only mop up the surplus places, but will lower standards and cut options."

It seems that at least in 1983 the Labour party was equating the phasing out of a grammar stream with a lowering of standards. Clearly, that is different from the dogma that is currently being preached, not just in Warwickshire but in the rest of the country.

I should now like to quote from the National Education Association newsletter. Under the heading, "Views of a young member," it says:

"For the past three years I have been an active member of the Labour Party (and the Socialist Education Association). While my interest in education has increased over this period, so has my disillusion with the Labour party's attitude to the subject. This year I have not rejoined, partly as a result of the local Party's education policy, which you may find interesting. I am not opposed to all the comprehensives and 6th Form colleges—we already have comprehensives and a non-advanced further education college on the Wirral which cater for particular needs, and appear to do so adequately. But I am strongly opposed (like a majority of people in the affected area) to the abolition of all school sixth forms, coupled with an end to selection in an area where (i) people want it (ii) it works well, proved not least by examination results. Furthermore, as an active member at all levels in the Labour Party, it is clear to me that the decisions have been reached on purely political grounds, with little consideration for standards. The local Labour Party is experimenting with the futures of children for the sake of ideology!"

One cannot help but believe that that young Socialist member speaks with the voice of experience, and I cannot help but agree with what he says. Change for the sake of change should be rejected.

I speak principally as a consumer of education. I have six sons, five of whom were educated at one of our grammar schools. I am familiar with both the excellence and the quality of education at Lawrence Sheriff school. I am anxious that other boys should benefit from that school, as mine have, and I oppose the wilful destruction of proven schools for doctrinaire reasons. I maintain that change for no other reason than political dogma is wrong.

10.40 pm

Mr. Alan Howarth (Stratford-on-Avon): My hon. Friend the Member for Rugby and Kenilworth (Mr. Pawsey) has a passionate concern for education standards which is as well known in Warwickshire as it is in the House. We should be grateful to him for introducing tonight's debate.

As my hon. Friend said, the threat to the future of grammar schools in Warwickshire is the product of ideological prejudice on the part of the Labour, Liberal and SDP parties in Warwickshire. My hon. Friend demonstrated that ideological attitude of the Labour party. But the Liberal party is also in this up to the eyeballs. The commitment to abolish selective education was in its manifesto for the last county council elections. Since then the Liberals have held the balance of power in Warwickshire. The schemes are being advanced against that political background. The Liberal spokesman is on record in last week's edition of the *Evesham Journal* as saying that the alliance is set to support the comprehensive scheme. That is of a piece with its faddish and ideologically prejudiced approach to education which can be seen in a range of ways.

We have witnessed the introduction of peace studies, the appointment of racism awareness advisers and now the movement towards the abolition of selective education in Warwickshire. This makes no sense. It certainly cannot be justified by an argument about falling school rolls. School rolls are falling in Warwickshire and all who are concerned about the education of children in Warwickshire recognise that there must be a constructive response. However, the comprehensive scheme proposed by the Labour/alliance coalition would result in comprehensive schools which are so small that, by reference to their own theory, the protagonists of the comprehensive system must find them inadequate. The argument about falling school roles certainly cannot apply in Stratford-upon-Avon where the population is growing.

If the Labour and alliance parties have their way, we shall have a botched-up scheme. Existing buildings will be adapted to unsuitable purposes, split-site schools will be introduced and schools will be split by arbitrary choice in terms of age range. It is not clear whether we shall have 11 to 16 federations with a separate sixth form, or whether we shall have a middle school where children who arrive at the age of 11 years, having established themselves, are expected to move to other premises at 13 years of age.

Whatever the variety of botch, it is certain that the cost will be massive. The ratepayers of Warwickshire are well disposed to paying to improve existing schools. They favour spending money to get rid of temporary classrooms and to ensure that there are enough books and equipment. There are some valid objects for expenditure in Warwickshire, but the ratepayers are not in the least interested in subsidising the ideological fantasies of local politicians.

We do not know the cost of the scheme, because no figures have been produced. The options paper was circulated a year ago—in April 1986—yet the detailed costings have not yet been produced.

Those of us who are inclined to be of a suspicious turn of mind are becoming increasingly convinced that the figures will not add up. Every time the figures are due to be vouchsafed, the meeting is deferred. We were led to expect that the figures would be produced in December,

and then again in January. Now we are told that there will be a meeting at the end of April, at which all will be revealed.

The costs are uncertain, but what is certain is that the proponents of comprehensivisation in Warwickshire are ignoring the excellence of the schools that they intend to abolish.

More that 75 per cent. of girls at Shottery girls grammar school, in Stratford, go on to higher education. Last year, the record of A-level passes was 89 per cent. and of O-level passes 88 per cent.

The school has an outstanding reputation and record of achievement in mathematics and physics. In mathematics, at O-level last year, of 64 candidates, 63 passed. There were 24 A grades and 30 B grades. Now, in the first year sixth, 25 girls are embarking on A-level mathematics courses and a significant number of them are interested in becoming engineers. In physics, at O-level, of the 64 girls who took O-levels last year, 59 opted for physics and 52 passed, 16 with an A grade and 20 with a B grade. This impressive record is not a flash in the pan.

Britain is not so well endowed with competent mathematicians and physicists that we can afford to jettison a school such as Shottery, which is a centre of excellence that recruits girls from all over Warwickshire. Yet the proposal being put forward by the education committee of the county council is that the school should become part of a split-site comprehensive where 11 to 12 year-olds should be catered for.

King Edward VI school in Stratford has an impressive record of achievement. More than 75 per cent. of the boys go on to higher education and the A-level pass rate is 89 per cent. The average pass at A-level is in 3·5 subjects and at O-level in eight subjects. Last year, five boys, and the year before, seven boys, went on to Oxbridge.

The school has recently raised £350,000 to build a new technology block. It has been achieved on the basis of strong local support and benefactions from old boys. It has been at no cost to the local authority. The school is voluntary aided and it has the option, if the comprehensivisation scheme is persisted with, to go into the private sector, but the governors and all concerned would be deeply reluctant to do that. It would be an act of educational vandalism on the part of the education authority to pitch out of the state sector a school with such resources, standards and traditions.

My hon. Friend mentioned the element of tradition to which we should have regard. King Edward VI school was the school at which Shakespeare was educated. It should be preserved as part of our heritage, and certainly not treated as the plaything of wanton, arrogant latter-day educational ideologues.

I am sorry to have to say that there is a third grammar school in my constituency which is under threat. It is the Alcester grammar school, which dates from 1600 and which continues to attract boys and girls from a wide area. In 1980, there were only 95 pupils in the sixth form. There are now 164, which is testimony to the popularity of the school. Once again, there are examination pass rates of 80 to 85 per cent. at O and A-level, and some 80 per cent. of the sixth form go on to degree courses at university or polytechnic. It is being proposed to destroy the school to create a split-site school, with all the teacher stress and administrative difficulty that that would involve.

The proposals that are being hatched by the education committee of Warwickshire county council ignore the wishes of parents, pupils, teachers and governors. The consultation process that has been proceeding fitfully is widely regarded as a charade and it has been the source of considerable bitterness. The councillors in question are ignoring the preferences of families.

Those who send children to Shottery and King Edward VI happen to be prefer single-sex schools. Those families happen to prefer smaller schools for their children, because they see the merits of a school in which the children are known and they see that in smaller schools discipline can be easier to maintain. Those families prefer an arrangement whereby the sixth form is contained within the school. They see that the older children benefit from the continuity of teaching, benefit socially from the opportunity to take a degree of personal responsibility for the younger children in the school and benefit from a more formal structure than a sixth form college would allow.

Those parents are not putting forward arguments for the preservation of their cherished grammar schools, without any regard for other children in the county. I hear no defence of the 11-plus as such. I believe that the schools in question would welcome a different system of assessment and more flexible transfer arrangements. Those schools have an honourable record of being willing to help others, especially in terms of sixth-form provision.

Although the parents, whose children are threatened by the proposed development have full consideration for the educational prospects of less able children in the county, they are absolutely rightly concerned for the future of their children. They believe that bright children equally have educational needs that should be considered. They happen to believe that the future of their children is best secured in a selective system, which provides a certain concentration of ability and the stimulus of the peer group, enabling the children to move on and achieve their potential.

The education committee in Warwickshire is in danger of destroying good schools that parents want, in the name of a theory experience of which in our country provides, to say the least, no evidence that it is in the pupils' best interests.

In conclusion, I cannot do better than to refer to comments made to me by Mrs. Janet Purves, chairman of the King Edward VI support group. As she put it, Warwickshire county council cannot solve the problem of falling rolls in schools by abolishing schools of proven worth. The council should set out to improve standards in all schools and allow the grammar schools to continue to provide the education which the parents so obviously desire for their children.

10.52 pm

The Parliamentary Under-Secretary for Education and Science (Mr. Bob Dunn): I congratulate my hon. Friend the Member for Rugby and Kenilworth (Mr. Pawsey) on his success in obtaining this Adjournment debate on the future of grammar schools in Warwickshire. I congratulate both him and my hon. Friend the Member for Stratford-on-Avon (Mr. Howarth) on the way in which they presented their case this evening.

As my hon. Friends know, when a local education authority wishes to establish, discontinue or make a significant change in character or significant enlargement of the premises of a school, or to change the organisation or pattern of provision of its schools, it must first publish proposals under section 12 of the Education Act 1980,

[Mr. Bob Dunn]

explaining its intentions. There then follows a two-month period during which statutory objections to the proposals may be submitted to the authority. A statutory objection is defined as one made by any 10 or more local government electors for the area or the governors of any voluntary school affected by the proposals or by any other local education authority concerned.

The authority has a further month in which to submit the objections it has received to the Secretary of State, together with its comments on the objections. If such objections are made, or if the Secretary of State has given appropriate notice to the local education authority, or if the school concerned is a voluntary school, the proposals fall to be decided by the Secretary of State and may not be implemented without his approval. The Secretary of State may approve the proposals, with or without modification, or reject them.

When the Secretary of State is considering proposals that have fallen to him to decide, he must judge each proposal or set of proposals on its merits, taking into account both the case of those making the proposals and the views of those objecting to them.

My hon. Friends will, I am sure, appreciate that it is important for the Secretary of State to avoid prejudging the issues where such proposals are concerned. They will understand, therefore, that I am unable to say anything about the future of the schools which are the subject of this debate. I can, however, assure them that I have listened carefully to what has been said tonight, and that their points will be taken into account, along with any other representations which we may receive, before a decision is reached on any proposals which may come before my right hon. Friend the Secretary of State.

Finally—and again I have to say "without prejudice" to this case—I wish to assure my hon. Friends that the Government are determined to preserve quality in education wherever and whenever it is to be found. As they know, I have said that on numerous occasions before, and I gladly say it again.

Question put and agreed to.

Adjourned accordingly at five minutes to Eleven o'clock.

House of Commons

Tuesday 10 March 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

SOCIAL SERVICES

North Western Regional Health Authority

1. **Mr. Tony Lloyd** asked the Secretary of State for Social Services what representations he has received about funding and staff shortages in the North Western regional health authority.

The Minister for Health (Mr. Tony Newton): A number of hon. Members have made representations on financial and staffing resources in the region. I am glad to be able to announce today that we have agreed the region's proposed allocation of additional funds for 1987-88 from the special fund announced by my right hon. Friend last November. This will give an additional £435,000 to north Manchester, £290,000 to central Manchester, £73,000 to south Manchester, £246,000 to Salford and £11,000 to Tameside and Glossop. In that part of the north-west covered by Mersey health region, there will be £400,000 extra for Liverpool, £200,000 for St. Helens and Knowsley, and £200,000 for south Sefton.

Mr. Lloyd: Is the Minister aware that, at a recent meeting of the north-west regional community health councils, each body complained about under-funding and staff shortages? Will the Minister admit that, even with the moneys that he announced today, central Manchester region is still talking about cutting one ward out of existence and that south Manchester still has a nursing shortage that has been described as dangerous? Will the Minister come clean with the House and say that not enough money is going into the Health Service in the north-west region and that we need more money, or will he admit that the Government's priorities are tax cuts and not ill people?

Mr. Newton: One of the Government's priorities has been to ensure the fairer distribution of NHS resources around the country. The north-west region and, indeed, the Mersey region have significantly gained from the Government's policies. The additional money that I announced today has been designed to help and will help transitional problems.

Mr. Silvester: May I stress that not all hon. Members wish to carp at the Minister's announcement, but that some sincerely thank him for it? It is in addition to a substantial capital increase in the north-west, which is several percentage points above the level of the nation as a whole.

Mr. Newton: I am grateful to my hon. Friend. Within the last six months, since I have been Minister, I have laid the foundation stone for a £35 million development at the Manchester royal infirmary, and last week I announced a project costing nearly £20 million for a new North Manchester general hospital.

Mr. Andrew F. Bennett: Will the Minister explain how the money that he announced today — which is obviously welcome — will help Manchester children's hospital? A substantial number of children await bone marrow transplant operations, which they cannot have because of a lack of nursing staff. Will the extra money mean that nurses are available to ensure that such essential work can be carried out?

Mr. Newton: The hon. Gentleman is right to suggest that not all the problems are financial but that there is also a nursing shortage. We are examining that problem. We have looked at the problem in some parts of the north-west with a view to trying to determine appropriate action.

Mr. Hind: I congratulate my hon. Friend on providing treatment for an extra 22,000 patients in the north-west as a consequence of his announcement. May I impress upon him that my constituents in west Lancashire are grateful for the £118,000 that will provide 300 additional hip replacements in the next 12 months. It will tackle one of the major problems in our part of the world—that is, hip replacement surgery.

Mr. Newton: Yes, indeed. I emphasise that the allocations that I announced today are separate from the waiting list allocations, which will also do a great deal to help throughout the north-west.

Mr. Dobson: Will the Minister confirm that, by the criteria laid down by his predecessor in a parliamentary answer, compared with 1979-80 the north western region is now cumulatively £31 million short of what it should have received? Will he also confirm that the unpublished waiting list figures held by the north western region show an increase and that the Preston health authority now has the fourth longest waiting list in the country? Finally, will he confirm the rumour that at Stepping Hill hospital in Stockport on the evening of Tuesday of last week six emergency operations had to be delayed because no nurses were available to work in the theatre?

Mr. Newton: I can confirm that I am tired of hearing this kind of stuff from one of the hon. Members whose Government left the longest waiting lists in history.

Sir Fergus Montgomery: Will my hon. Friend confirm that spending on the National Health Service in the north-west is higher than it has ever been before? If it is cuts that people are interested in, will he point out to Opposition Members the figures for 1977, when the Labour Government inflicted the worst cuts known in the history of the National Health Service?

Mr. Newton: Yes, indeed, and I can certainly confirm that the steady increase in the money made available to the north-west makes the spending there the highest in history.

Severe Disability Premium

2. **Mr. Wainwright** asked the Secretary of State for Social Services what action he has recently taken concerning the severe disability premium; and if he will make a statement.

The Minister for Social Security and the Disabled (Mr. John Major): I had a constructive meeting with the disablement organisations on 21 January. They put to me alternative proposals for the treatment of the most severely disabled people under income support which, without commitment, we are currently considering. Officials will be carrying this discussion further later this week.

Mr. Wainwright: When the Minister considers these powerful representations, will he bear in mind that the present conditions that he has laid down are intolerably restrictive, limiting this premium to a handful of people who persist in living alone, despite requiring almost constant attendance? Does he realise that this makes a mockery of the presumptuous title "severe disability premium"?

Mr. Major: I do not accept that only a handful of people are involved. Our estimate is that about 8,000 people will receive the premium. The severe disability premium will be paid on top of the normal disability premium, and it will be a fairly substantial sum.

Mr. Hannam: When considering the problem of the severely disabled who at present receive an accumulation of additional allowances and payments that exceed the new disability premium and the other premium, has my hon. Friend considered the idea put forward by DHSS local managers for operation of the social fund in a flexible way to make sure that severely disabled people get the right amount of money that they need?

Mr. Major: I am considering a variety of alternative methods. In the case of those severely disabled people who are receiving a large number of additional requirement payments, the transitional protection will secure their cash position, but in respect of those who are receiving large amounts of domestic assistance addition, that transitional protection will itself be protected against inflation.

Mr. Ashley: Is the Minister aware that the most severely disabled people, many of whom are practically paralysed, cannot live alone because they must have someone to care for them, yet they are the very people whom the Government say cannot receive the severe disability premium, just because they are receiving an attendance allowance? That is absolute nonsense. Will the Minister therefore accept the simple and logical proposition that the most severely disabled people should receive the severe disability premium?

Mr. Major: The severe disability premium is intended for the most severely disabled. The right hon. Gentleman commented on the particular circumstances in which the premium will be payable. These matters are under discussion at present with the disability organisations.

Mr. Alfred Morris: Is the Minister aware that the voluntary organisations have again expressed this week their deep and continuing concern about the most severely disabled people trying to live alone when the domestic care addition disappears? As he knows, it is new applicants who cause the greatest concern. They face loss of independence without the domestic care addition. Is there anything further that the Minister can say today about their plight?

Mr. Major: There is nothing further that I can say today, except to acknowledge that the right hon. Gentleman is correct in saying that of particular concern are the future disabled people who would have received domestic assistance allowance and the large number of additional requirements. It is precisely that rather narrow body of people whom we are most concerned to protect, and who are the subject of my present conversations with the disability allowance group and others.

Ministerial Responsibilities

3. **Mr. Winnick** asked the Secretary of State for Social Services if he has any plans to review the responsibilities within his Department of the Parliamentary Under-Secretary of State, the hon. Member for Derbyshire, South (Mrs. Currie); and if he will make a statment.

15. **Mr. Lofthouse** asked the Secretary of State for Social Services if he has any plans to review the responsibility within his Department of the Parliamentary Under-Secretary of State, the hon. Member for Derbyshire, South (Mrs. Currie.)

16. **Mr. Parry** asked the Secretary of State for Social Services if he will re-allocate the responsibilies currently exercised within his Department by the hon. Member for Derbyshire, South (Mrs. Currie).

The Secretary of State for Social Services (Mr. Norman Fowler): No, Sir.

Mr. Winnick: This is meant to be helpful — *[Interruption.]* Have not some of the comments by the hon. Lady since becoming the junior Minister in his Department been quite extraordinary? Did the Prime Minister have some sort of grudge against the Secretary of State and decide to punish him by putting that somewhat publicity-crazed person into his Department?

Mr. Fowler: The real position is that a successful politican such as my hon. Friend, says what everybody is thinking, while an unsuccessful politican, such as the hon. Gentleman, says what nobody is thinking, or would ever think.

Mr. Lofthouse: Considering the many foolish utterances by the hon. Lady, can the Secretary of State tell the House why she is so popular among her Tory colleagues?

Mr. Fowler: My hon. Friend is popular among her colleagues, and up and down the country.

Dame Jill Knight: Does my right hon. Friend recognise that in tabling such questions, Opposition Members are suffering from an excess of sour grapes? One must have just a little sympathy with them because there is no one on the Opposition Front Bench who has the energy, clarity and ability to hit the headlines like my hon. Friend.

Mr. Fowler: My hon. Friend is absolutely right. As for the criticism of my hon. Friend the Parliamentary Under-Secretary of State, given what the Prime Minister has had to put up with from Opposition Members, it goes considerably further than sour grapes.

Sir George Young: Is it not typical of the sexist attitudes of many Opposition Members that they gun for one of the few women Ministers in the Government?

Mr. Fowler: My hon. Friend is right. I know of his interest in health education and my hon. Friend the Under-Secretary of State has put that firmly on the map.

Mr. Simon Hughes: Is the Secretary of State aware that I applaud the statement made by his junior Minister that smoking is dirty and smelly? In the light of that and

because it appears to be the view of the entire Department, will the Secretary of State take the time to persuade his colleagues in the Department of the Environment that the only way to deal with smoking is to stop advertising it, and to allow people to make a choice and not to influence them in all their activities by advertising campaigns? Lastly— *[Interruption.]*

Mr. Speaker: Order. The question is clearly about the Minister and not about her statement.

Mr. Fowler: I think that I answered that question from the hon. Gentleman the last time that we had social security questions. The fact is that we have a voluntary code on advertising in this country. That has applied under this and the previous Government and it is the most effective way of dealing with the problems.

North-East Thames Health Region (Waiting List Fund)

4. **Sir John Biggs-Davison** asked the Secretary of State for Social Services whether he will make a statement on the allocation of the waiting list fund within the north-east Thames health region.

Mr. Newton: The north-east Thames regional health authority will receive £2·07 million from the first year's allocation of the fund. That will enable hospitals in the region to treat an additional 7,000 waiting list cases through at least 25 separate projects.

Sir John Biggs-Davison: Is the Minister aware that because of local and staff anxiety about the future of St. Margaret's hospital in Epping, the money that is being made available is much appreciated? Does he agree that that will result in a considerable cut in waiting time for operations, notably in oral surgery and ear, nose and throat cases?

Mr. Newton: Yes, the £92,000 that is being made available for west Essex will finance three projects and will enable over 1,000 cases to be treated. In addition, the district is planning improvements within its existing resources, including a 41 per cent. reduction in the children's ear, nose and throat waiting list by September of this year. That is a considerable prospect of progress.

Mr. Squire: The people of Havering will welcome my hon. Friend's statement because they too will benefit within that region. Does my hon. Friend agree that it is unacceptable for people to have to wait up to two years for orthopaedic operations, as some must do? Will he join me in hoping that there will be a substantial reduction in the waiting list as a result of the announcement?

Mr. Newton: Indeed, I would expect that reduction. Barking, Havering and Brentwood are receiving over £450,000 from the allocation which will finance six projects, enabling the treatment of more than 2,000 extra in-patient cases in orthopaedics and ENT. That is in addition to improvements in existing resources, including the treatment of up to 1,600 additional cases in orthopaedics and general surgery.

Diabetics

5. **Mr. Hirst** asked the Secretary of State for Social Services what recent representations he has received regarding the care and treatment of diabetics.

Mr. Newton: Representations have been received from the British Diabetic Association, right hon. and hon. Members and members of the public about provision on general practitioner prescription of disposable syringes and blood glucose monitoring strips for diabetics. I announced last Tuesday that we have decided to make disposable syringes available on prescription from general practitioners.

Mr. Hirst: I am grateful to my hon. Friend for his reply and as the parent of a diabetic child may I say how much I welcomed last week's announcement? However, may I emphasize to him the importance of diabetics' maintaining effective control over their blood glucose level? In view of that can he hold out any hope that blood glucose monitoring strips may one day be available on prescription?

Mr. Newton: I am grateful for the first half of my hon. Friend's remarks and I pay tribute to the part that he has played in the campaign that has contributed to this decision. Last Tuesday I said that we would like to make blood glucose monitoring strips available on prescription when the resources become available, but at this moment I cannot give an absolute undertaking when that will be.

Mr. Beith: While I warmly welcomed the Minister's decision, may I say that some diabetics resented the impression that was given the following day that their syringes alone necessitated the increase in prescription charges? Will he seek to dispel that impression and to make it clear that diabetics are as entitled as other disadvantaged groups to benefit from the Health Service and his welcome decision?

Mr. Newton: Yes, I certainly wish to dispel that impression. There is no gainsaying the fact that the resources that enable us to undertake welcome developments must be found somewhere. Obviously, part of those resources are the yield from prescription charges.

Mrs. Ann Winterton: Does my hon. Friend agree that adequate funding for biochemistry departments in hospitals is absolutely essential to ensure that diabetic testing is freely available and that prompt results can be reported to general practitioners for the benefit of patients? Furthermore, is he aware that for some of the newer techniques expensive re-agents are necessary and are used to help test unstable sugar levels in the blood of patients? They are expensive, but considered to be vital in the treatment of diabetics by general practitioners. Will my hon. Friend encourage their use?

Mr. Newton: As I have said, we are always sympathetic and we have shown that clearly and practically in the past week in the development of services for diabetics. I certainly take note of what my hon. Friend has said.

Bed and Breakfast Accommodation (Ealing)

6. **Mr. Greenway** asked the Secretary of State for Social Services how much his Department is spending on bed and breakfast accommodation in the London borough of Ealing; what was the comparable figure at the beginning of May 1986; how many people and families are involved in each figure; and if he will make a statement.

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. Nicholas Lyell): Information in the precise form requested is not held centrally. However,

I can tell my hon. Friend that the number of families housed in bed and breakfast accommodation in the London borough of Ealing rose from 53 at the end of March 1986 to 375 at the end of September 1986.

Mr. Greenway: Is my hon. and learned Friend aware that the new Ealing Labour-controlled council has abolished residence points for people born and bred in Ealing and for those who have lived there for two years? It has forced up the bed and breakfast list from 30, costing £300 a year when the council came to office in May 1986, to an estimated 1,000 costing £5 million in April 1988. The council has created a spurious housing list, drawing people from all over the country on to it. Even if every blade of grass in Ealing were built on, that list could never be met. Will my hon. and learned Friend sympathise with the people of Ealing who face a 65 per cent. rate increase? All council services, including essential services, are at a standstill because the council has quarrelled with its work force—which is on strike—and is threatening to put virtually everyone on the street.

Mr. Lyell: The costly and inappropriate policies of the London borough of Ealing are becoming well known. The code of guidance, which is issued by the Department of the Environment, emphasises that bed and breakfast accommodation should be used as a last resort and for as short a period as possible.

Mr. Dobson: Can the Minister confirm that there has been an increase in the number of people accepted as homeless by the London borough of Ealing since the change in control of the council? Will he confirm that no Minister challenges the decisions of the London borough of Ealing and that those people have been properly accepted as homeless under the terms of the legislation, which is binding upon the hon. Gentleman and his colleagues just as much as it is on the London borough of Ealing?

Mr. Lyell: I can confirm that the use of bed and breakfast accommodation for families with children is both costly and unsuitable. The guidance that is issued by the Department is that it should be used only as a last resort.

AIDS

7. **Mr. John Townend** asked the Secretary of State for Social Services if he will make a further statement on the progress of the campaign to limit the spread of AIDS.

Mr. Fowler: Our objectives are to ensure that the public are given the facts about AIDS, the threat that it poses, how infection is transmitted and how the spread can be prevented. The results of the latest Gallup survey, which was commissioned by the Department, show encouraging progress towards these objectives. We are currently considering our strategy for the next stages of the campaign.

Mr. Townend: Will my right hon. Friend accept that there is public concern that his campaign has been even-handed between homosexual and hetrosexual activity, although the spread of AIDS has come, principally, through the homosexual community? Will he tell the House what proportion of those who, unfortunately, have died from the disease have been homosexuals? Does he agree that the time has come to ban homosexual propaganda in schools, on television, in newspapers and in other forms of the media?

Mr. Fowler: As to schools, I entirely agree with my hon. Friend. With regard to his major question, he is quite correct that the disease and the number of deaths have, predominately been among homosexuals. On the other hand, we must take account of the cases among drug users sharing needles and heterosexuals. We know that the AIDS virus can spread heterosexually, and therefore it is right that we should be prudent about the information that we give to the public on how we can prevent that.

Mrs. Renée Short: Is the Secretary of State aware that thus far the Select Committee on Social Services has identified certain sectors where much more help will be needed? Does he agree that there is an urgent need for many more clinical medical posts; an urgent need for many more counsellors to counsel patients; that there will shortly be an acute need for more hospice places and that there is an urgent need for the proper education of children in schools about how to avoid the AIDS disease?

Mr. Fowler: The Government look forward to the report of the Select Committee on Social Services. The Government have shown, by the resources that they have devoted to public education and research, the importance that they place on fighting the spread of this virus.

Mr. Nicholls: Does my right hon. Friend agree that, even though the heterosexual community is at risk of AIDS contamination, the time has come for the Government to make it clear that by far the greatest degree of risk is posed by drug abusers and sexual perverts? Is it not about time that we concentrated on pointing out where the responsibility lies for the spread of this disease?

Mr. Fowler: My hon. Friend is correct in that the responsibility is an individual responsibility and, clearly, what he says about homosexuals and drug users is right. The next stages of the campaign will be directed specifically to those areas, as will advertising.

Mr. Duffy: Does the Secretary of State believe that exhortation, determent or even terror will be adequate? Those measures are not sufficing in the United States, where nearly 1·5 million people are infected, quite apart from the dead and dying. Does he not think that in the next stage of his campaign he should point out, without preaching, that there are moral choices available on behalf of the family and the community?

Mr. Fowler: Indeed. In the campaign we have always made it clear that it is not just safer but best to rely on a faithful, loving relationship and I have sought to make that clear at every stage. However, we need to say something more than that and to give direct and straightforward health education messages. I hope that, in addition to the Government's public education campaign, the churches will conduct their own campaigns. Those campaigns would be complementary and there is a need for them.

Mr. Patrick Thompson: Will my right hon. Friend say a little more about his talks with my right hon. Friend the Secretary of State for Education and Science about the best way to get the moral and the educational messages across, particularly to younger children?

Mr. Fowler: Just before the weekend, my right hon. Friend issued a new leaflet on AIDS for teachers, and he will also be providing video information for schools. Both he and I are absolutely determined that the dangers of the spread of AIDS are made known in a responsible way in the schools.

Doddington Hospital

8. **Mr. Freud** asked the Secretary of State for Social Services what representations he has received on the future of Doddington hospital; and if he will make a statement.

The Parliamentary Under-Secretary of State for Health and Social Security (Mrs. Edwina Currie): I have received one letter from a member of the public. The Peterborough area will soon see the opening of a second new district general hospital at a cost of £13 million providing nearly 300 extra beds. As a result, the hospital authorities are now looking at plans which may involve a change of use for the county hospital at Doddington. That hospital currently provides acute services, but may in future become a community hospital, providing much-needed services for psychiatric and psychogeriatric patients in the area.

Mr. Freud: I am grateful to the Minister for that reply, but will she confirm that consultant cover will continue at Doddington hospital, as it is much appreciated by local doctors? Will she also bear in mind that my population of 65-year-olds is rising by 15 per cent. and that of 75-year-olds by 18 per cent. and consequently ensure that hospital facilities are available for people close to their homes? Will she also give her help to the primary health care teams that are desperately needed in a place with so little public transport?

Mrs. Currie: Yes, Mr. Speaker. I can confirm that the out-patient services, which cover several of the types of specialties which the hon. Gentleman mentioned, such as general surgery, gynaecology, trauma orthopaedics, and so on, will continue and consultant cover will continue for them. I can also confirm that the figures for the growth in the elderly population in that neighbourhood are correct, and I am sure that the hon. Gentleman will confirm his interest in that matter as I believe that within the next 10 years he will be joining that group and therefore, like many of us, wishes to see services for the elderly improve.

Severe Weather Payments

9. **Mr. Eadie** asked the Secretary of State for Social Service how many claims have been made for exceptionally severe weather payments; and what percentage of those eligible have so far made a claim.

12. **Dr. McDonald** asked the Secretary of State for Social Services how many payments for exceptionally severe weather heating costs have been made in the current winter; and if he will make a statement.

Mr. Major: Information on the total number of claims is not available, but by 3 February approximately 1·4 million £5 payments had been made. Some claimants will have received two of more payments. It is not possible to estimate take-up since full returns have not yet been received.

Mr. Eadie: I thank the Minister for that information, but can he be sure that people with the worst fuel bills will have claimed before the deadline period has been reached? Will the Minister give the House an assurance that if there is any evidence that the deadline period is causing a problem he will consider extending it?

Mr. Major: The deadline period has not yet been reached. The period for claims is 13 weeks from the date of the week in which the payments fell due. That is largely to approximate with the fact that most fuel bills are rendered quarterly. The deadline will not be reached until early April, and I am pleased to tell the hon. Gentleman that further claims are still coming in. I shall look at the situation in early April, but I can give no commitment on that.

Dr. McDonald: Is the Minister aware that pensioners in receipt of supplementary benefit, because of the requirement of the £500 limit, are forced to choose between keeping enough money in their savings accounts to bury themselves or heating themselves properly during their lifetime? Will he undertake now to review this £500 limit?

Mr. Major: The hon. Lady may care to bear in mind that we have already reviewed that level and increased it substantially from the £200 that existed at the time the hon. Lady's party was last in Government.

Mr. Andrew Bowden: Is my hon. Friend aware that the changes in the scheme have been greatly welcomed? However, I know of a considerable number of cases in my own constituency where pensioners have put a sum of money aside for their funeral, and with the rising cost of funerals I must ask my hon. Friend to look very carefully to see whether something can be done to increase the low level of savings involved.

Mr. Major: I understand entirely the points made by the hon. Lady and my hon. Friend. If my hon. Friend looks at the new regime that we propose for assistance with funerals, which takes effect from April this year, he will find that many people will have the full cost of their funeral paid and not just the inadequate flat rate of £30 as at present.

Mrs. Virginia Bottomley: Can my right hon. Friend confirm that under the Labour Government there was no clear method of helping those in need with fuel costs and, indeed, that it was this Government who made severe weather payments available on a statutory basis for the first time? Over and above that, is it not the case that there is substantially increased help for those supplementary pensioners and very many more of them are claiming heating additions?

Mr. Major: I can confirm all those points. This is certainly the first statutory entitlement of this sort and, of course, it is built upon the largest amount of special heating additions being paid that we have seen at any stage.—*[Interruption.]* We are not abolishing them, we are sinking them into the income support scheme, where they should be. So far as the position before 1979 is concerned, there was no statutory entitlement, no real entitlement and no concern shown by the Labour party.

Mr. Winnick: Is the Minister aware that his complacency in no way helps those people, including our own constituents, who are just above the level of supplementary benefit, who receive no assistance or any form of heating help, and therefore, even in weather such as today's, suffer great anguish simply because they do not

have enough funds to provide adequate heating in their homes? Is there not a need to look again at the regulations to make them more generous?

Mr. Major: The hon. Gentleman points to a problem that is always bound to exist when one bases entitlement, as traditionally we have done, on supplementary benefit level. It is precisely for that reason that during the period of this Government we have substantially raised the level of supplementary benefit.

Mr. Dickens: Is the Minister aware that the great success of the severe weather payments scheme is in no small measure due to the support that the Minister has had from Department of Health and Social Security offices throughout the United Kingdom? Furthermore, is the Minister aware that in most cases those payments have been made within one day, and at the very outside within seven days? This is a marvellous effort by Government and civil servants.

Mr. Major: My hon. Friend's point is well made and I am happy to join him in a tribute to the staff who worked so well to ensure that this scheme was successful and that the payments were generally made very promptly.

Mrs. Beckett: Is the Minister aware that almost everything he has said about the record of the last Labour Government in this respect is grossly misleading and that pensioners are much more interested in what is going to happen next winter than in what happened seven winters ago? Since the present scheme, of which he has spoken so highly, will be abolished in April, will he now undertake to do as was suggested last year, look at a sensible winter premium scheme which will run throughout the winter months, and introduce one in time for next winter?

Mr. Major: There is a distinction between a sensible winter premium scheme and the proposition put forward by the hon. Member for Oldham, West (Mr. Meacher). As regards what will happen at the end of this winter, we shall consider the position then and determine what might need to be done for the future.

Hospices

10. **Mr. Spencer** asked the Secretary of State for Social Services if he will make a statement on his Department's policy on hospices for the terminally ill.

Mrs. Currie: The Department's policy on terminal care is set out in circular HC874 issued last week. We are asking health authorities to examine their current provision of services for all terminally ill patients and to plan to rectify deficiencies, where possible in collaboration with the voluntary sector. I have arranged for a copy of the circular and the covering letter to be placed in the Library.

Mr. Spencer: Is my hon. Friend aware of the excellent work being done by the Leicester hospice, which has its day centre in my constituency? It has been funded by private donation as to its capital cost and 80 per cent. of its revenue funding comes from the local health authority. Does she not think that that spells out an admirable lesson in public and private co-operation for the Health Service as a whole?

Mrs. Currie: Yes. I am glad to add my words of praise, thanks and encouragement to the people in Leicester, particularly those in my hon. Friend's constituency who have worked together through LOROS—Leicestershire organisation for the relief of suffering—and the local health authority to ensure that the services can be developed and maintained.

Mr. Haynes: Is the Minister aware how attractive she looks today? *[Interruption.]*

Mr. Speaker: Order. I want to hear the rest of the question.

Mr. Haynes: Is the Minister also aware that I would like to praise those people back in the community, particularly in the constituency of Ashfield, who raise money for hospices? However, when are the Government going to stop street-corner begging to provide that sort of facility?

Mrs. Currie: In response to the second part of the hon. Gentleman's question, the circular I have just mentioned asks health authorities to describe in their programmes for 1988-89, as a start, what arrangements they have for financial support of hospices and voluntary bodies providing terminal care. They have been told that where a hospice plays an essential part in a health authority's overall plans, we expect them to make an appropriate financial contribution. In response to the first part of the hon. Gentleman's question, I thank him and I must say that he looks pretty cute today, too.

Abortion Act 1967

11. **Mrs. Roe** asked the Secretary of State for Social Services what representations he has received seeking a review of the working of the Abortion Act 1967; and if he will make a statement.

17. **Mr. Amess** asked the Secretary of State for Social Services what recent representations he has received seeking a review of the workings of the Abortion Act 1967; and if he will make a statement.

Mr. Newton: We have received no recent representations seeking a review of the working of the Abortion Act 1967. We have however, received about 15 items of correspondence seeking a review of the Infant Life (Preservation) Act 1929 in the light of its effects on abortion practice.

Mrs. Roe: Is my hon. Friend aware that there is considerable concern about recent allegations in the press relating to certain tour operators who are arranging package deal trips at an all-in price of about £360 for pregnant Spanish women to come to Britain for a sightseeing tour of London, a shopping expedition and an abortion? Has my hon. Friend had an opportunity to investigate these claims of abuses of the present Abortion Act 1967, and if so is he able to inform the House of his conclusions?

Mr. Newton: Yes. I am grateful to my hon. Friend for having taken the matter up with us. I hope to be writing to her with the outcome of our investigations shortly. I can tell her that officials, including both a medical and a nursing officer, have now visited both homes and made a thorough examination of numerous records. Those inquiries have produced no evidence that any abortion has been performed for the reasons that were alleged, nor that payment in advance had been made by Spanish patients. I understand that two of the doctors named have put the matter in the hands of the Medical Defence Union. In

addition, solicitors acting on behalf of one of the clinics have written to the editor of the paper concerned denying the allegations and requesting a printed retraction and apology, failing which, I understand, they state that proceedings will be instituted.

Mr. Amess: Will the Minister recognise that, with the advances in medical science, the 1967 Act is no longer acceptable? Many people in this country view with increasing alarm the number of abortions that have been carried out, particularly those which are late. When will the Government introduce further legislation to protect the unborn child in this country?

Mr. Newton: My hon. Friend will know that the Royal College of Obstetricians and Gynaecologists has issued advice on this matter and we would expect NHS consultants to conform to it. It is a condition of registration that private nursing homes should not perform abortions after 24 weeks. Of course, we have made clear our support of the Bill introduced by the Bishop of Birmingham in another place.

Dr. M. S. Miller: Will the hon. Gentleman give an undertaking that he will resist any attempt to interfere with the basic provisions of the 1967 Act? Will he ensure that, at the end of the day, it still remains the woman's right to make a choice?

Mr. Newton: I can confirm that the Government would expect to maintain the general position that these are matters to be decided by the whole House on free votes.

PRIME MINISTER

Engagements

Q1. **Dame Jill Knight** asked the Prime Minister if she will list her official engagements for Tuesday 10 March.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty The Queen.

Dame Jill Knight: As my right hon. Friend prepares for her forthcoming visit to Moscow, will she reflect on the fact that, if it had not been for the strength and purpose of the Western Alliance in deploying cruise missiles and other INF weapons, there is no reason to suppose that Mr. Gorbachev would have come forward with his present proposals on balanced reductions of such weapons? Has my right hon. Friend noted the speech made in the House yesterday by the former Labour Prime Minister, the right hon. Member for Cardiff, South and Penarth (Mr. Callaghan), which showed much greater purpose and grasp of reality than the Leader of the Opposition shows?

The Prime Minister: I totally agree with my hon. Friend, who makes her point very effectively. Unless this country had been firm in deploying cruise missiles, there would now be no proposals to take out SS20s. I agree with her that the right hon. Member for Cardiff, South and Penarth (Mr. Callaghan) has shown an admirable consistency in these matters, which is more than can be said for the right hon. Member for Leeds, East (Mr. Healey).

Q2. **Mr. McNamara** asked the Prime Minister if she will list her official engagements for Tuesday 10 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr McNamara: Is the Prime Minister aware that at a press conference this morning the Secretary of State for the Environment, referring to his hon. Friend the Minister for Environment, Countryside and Planning, said, "Although he is the pilot of the Bill, he has not got his bow doors open"? My constituents crew these ferries. There are 81 people still on board and many are still unidentified. Was not that joke even sicker and even more insensitive than the one that appeared in *Conservative Newsline* this week insulting the blind? Now that the Secretary of State for the Environment, himself a former Minister of Transport, has apologised, saying that those remarks were inappropriate, inopportune——*[Interruption.]*

Mr. Speaker: Order. It is unfair to go on for as long as that.

Mr. McNamara: Now that the right hon. Gentleman has said that those remarks were inappropriate, inopportune and insensitive, would it not be appropriate and sensitive for the Prime Minister to call for his resignation?

The Prime Minister: No. As the hon. Gentleman is aware, my right hon. Friend issued a statement, saying:

"I deeply regret this inadvertent error and apologise unreservedly. I am only too well aware of the personal grief involved in such a tragedy as the recent ferry disaster."

I believe it has been the habit and custom of this House, when an unreserved apology is made, to accept it.

Mr. Onslow: Will my right hon. Friend take this opportunity to commend the right hon. Member for Cardiff, South and Penarth (Mr. Callaghan), in his regretted absence, not merely for exposing the nonsense of the defence policy of the Labour Front Bench but for showing up the fundamental contradictions within the so-called alliance, of which the Liberal unilateralists form so significant a part?

The Prime Minister: I gladly support what the right hon. Member for Cardiff, South and Penarth said and his firmness in defending this country, its defence and security. I join my hon. Friend in pointing out that, when it came to deploying cruise missiles, the Liberal and SDP Members voted against that deployment.

Mr. Kinnock: Is the Prime Minister aware that the revised balance of payments figures—*[Interruption.]*

Mr. Speaker: Order.

Mr. Kinnock: Oh yes—the real world. Is the Prime Minister aware that the revised balance of payments figures published last week show an overall deficit of £1·1 billion, a trade deficit of £8 billion and a manufactured trade deficit of £6 billion? Is the Prime Minister going to sit back and allow that to grow to an overall deficit of £3 billion this year, or is she going to change policies?

The Prime Minister: The right hon. Gentleman has taken the revised figures. He is correct about them. But since 1979 there has been a surplus on current account of nearly £20 billion. Between 1974 and 1979 there was a cumulative deficit of over £5 billion.

Mr. Kinnock: When the right hon. Lady has been able to depend in each of the years in which she has been Prime Minister on a minimum oil revenue of £8 billion a year, can

she explain why, despite that great cushion for her policies, Britain has still lost 20 per cent. of its share in world markets, a 20 per cent. share of domestic manufacturing markets and 2 million manufacturing jobs and is now less competitive than it was in 1979? Can she explain all that and come clean about the fact that any success that she has achieved in international payments is directly and solely attributable to the oil revenues?

The Prime Minister: Last year, exports were at a record level in volume terms despite the reduction in oil exports. There was an improvement of more than £2 billion in invisible surplus between 1985 and 1986. The right hon. Gentleman should bear in mind that that minus £1·1 billion—*[Interruption.]*—has to be set against a surplus on current account since 1979 of nearly £20 billion. The right hon. Gentleman refers to the oil factor. May I point out to him that the United Kingdom had net overseas assets of £80 billion at the end of 1985, giving an annual income of more than £4 billion a year. That is achieved by investing some of the income from North sea oil.

Mr. Kinnock: The Prime Minister talks about export figures. Is she aware that, since she has been Prime Minister, exports have gone up by 10 per cent. in volume and value and manufactured imports have gone up by 40 per cent. in volume and value? If the right hon. Lady wants to take so much credit for overseas holdings, can she explain why, with holdings of £150 billion, we were still getting only £4 billion in return last year? Will she now answer the first question: what will she do to stop the constant deterioration in our trade position?

The Prime Minister: Bearing in mind that the right hon. Gentleman speaks for a party which, when in Government had an overall deficit of £5 billion—*[Interruption.]*

Mr. Speaker: Order.

The Prime Minister: The right hon. Gentleman speaks for a party which, when in Government had an overall deficit of £5 billion and complains about this Government who have an overall surplus of £20 billion. We are not going to take lectures from the likes of him.

Mr. Durrell: Returning to the subject that the Leader of the Opposition understandably prefers to avoid, does my right hon. Friend agree that the fact that Mr. Gorbachev has taken up President Reagan's offer of the zero option is welcome? However, is it not important that NATO is not baffled by false promises or by weasel words about short-range intermediate nuclear forces and conventional weapons? Is it not essential that a clear link is established in the negotiations between the implementation of a long-range INF agreement with progress on reducing the conventional disparity, as well as short-range INF?

The Prime Minister: I agree with my hon. Friend.—*[Interruption.]*

Mr. Speaker: Order. It does not help to make all this noise.

The Prime Minister: I agree with my hon. Friend that the Soviet Union is now taking up the intermediate-range forces point because we deployed cruise and Pershing. I also agree with him that one can never take a single point out of the whole disarmament and defence picture and treat it in isolation from others. Therefore, one must also consider the shorter-range nuclear weapons and the conventional imbalance. Otherwise our defences would be insecure. We believe in keeping them secure.

Mr. Beith: Does that answer mean that the Prime Minister is going back on her previous support for the zero-zero option at a time when the United States is clearly prepared to back it? Is the Prime Minister to make progress on the other important areas a condition of achieving agreement on intermediate nuclear forces?

The Prime Minister: If the hon. Gentleman looks at the draft treaties that have been tabled he will find that shorter-range nuclear weapons are considered. He will also find from the NATO communiqué that it is important to consider those: if not in fact to sign an agreement on them at precisely the same time, to have a follow-on agreement on shorter-range as part of the consideration of the intermediate range. It would be a very foolish person who also ignored the conventional imbalance. Those who wish to select one thing without thought for the others are not interested in our defence. They are interested only in making short-term political points.

Mr. Nicholas Winterton: Is my right hon. Friend aware that the vast majority of people in this country and in western Europe believe that our security is safe in her hands? *[Interruption.]*

Mr. Speaker: Order. We are making very slow progress today.

Mr. Winterton: Is my right hon. Friend also aware that the vast majority of British people believe that freedom and democracy are worth defending whatever the cost?

The Prime Minister: Yes, I agree with my hon. Friend. It is a fact of modern defence life that the time needed to design and manufacture the weapons is so long that one can never afford to make a mistake in arms control negotiations, because there will be no time whatsoever to correct it. That is why we have to look at the print so carefully.

Q3. **Mr. Loyden** asked the Prime Minister if she will list her official engagements for Tuesday 10 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Loyden: Has the Prime Minister had a chance today to read the comments in the press about the sharp drop in Townsend Thoresen's shares, which, it is said, is due to the safety modifications that will be required to meet the new standards? Will the Prime Minister now accept that her theory about popular capitalism has created a climate in which profit and commercial interests take precedence over life, the wellbeing of people, and the safety of crew and passengers? Let that be condemned as the ugly and utterly unacceptable face of her popular capitalism.

The Prime Minister: No, Sir. The hon. Gentleman is talking total nonsense and he knows it. The point was raised with my right hon. Friend the Secretary of State for Transport yesterday and he dealt with it. The hon. Gentleman knows that no company has a future unless it puts safety above all else, and that is the key to its future.

Mr. Yeo: In the course of her busy day will my right hon. Friend reflect on the contrast between next week's Budget—when we are all looking forward to tax cuts that will follow on from the increases in spending that were

announced last autumn—and the Budgets of nine or 10 years ago during the hung Parliament, when the choice was between which taxes would be increased and where spending cuts would be made? Does my right hon. Friend recall that the then Labour Government were able to introduce those Budgets only because they were sustained in office by the Liberal party?

The Prime Minister: I think that we had better wait for next Tuesday's Budget and not anticipate its contents. I would point out that those below the Opposition Gangway belonging to the alliance party voted against last year's income tax cuts. The Conservative party is the party of lower income tax while all other parties are in favour of higher income tax.

Q4. **Dr. McDonald** asked the Prime Minister if she will list her official engagements for Tuesday 10 March.

The Prime Minister: I refer the hon. Lady to the reply that I gave some moments ago.

Dr. McDonald: Does the Prime Minister expect to see full employment in this country before she retires to Dulwich?

The Prime Minister: I believe that this country is tackling both its manufacturing and its unemployment problems better than any other country in Europe, and that, had it not been for the policies that we have pursued, the unemployment figures would have been far higher than they are now.

Artificial Limb and Appliance Services

3.31 pm

The Minister for Social Security and the Disabled (Mr. John Major): With permission, Mr. Speaker, I wish to make a statement on the Government's response to the McColl report on the artificial limb and appliance services. As the House will know, these important services are administered directly by my Department and the working party was invited to consider them and to make recommendations for the improvement of efficiency and patient care. I am most grateful to the members of the working party for the comprehensive and dedicated manner in which they tackled this task.

The report made wide-ranging and detailed recommendations concerning the organisation and management of the services; the nature of the contracts for the supply of limbs; the quality of the limb-fitting services; and the desirability of closer links between the full range of hospital, community care and local authority services. Action has been taken already to implement many of the recommendations.

We have strengthened substantially the top management of the limb and appliance services by appointing a general manager to head a specialist disablement services division; supported by a new director of operations, and a new director of procurement from the National Health Service.

We now propose to extend the principle of general management throughout the limb and appliance service in order to implement the far-reaching changes we envisage. We intend to reorganise the service into regions with boundaries that are conterminous with those of the National Health Service. Each region will be headed by a senior manager responsible for the entire limb and appliance service in that area. We are also, as I told the House on 17 February, improving the range of wheelchairs that are provided. Pilot projects to improve transport arrangements for patients are under way and improved management systems are alrady in place.

We believe the quality of limb fitting by prosthetists is vital to patient welfare. The McColl report was critical of the level and quality of prosthetic training. We agree that it should be improved. We wish to see professional training and the status of prosthetics upgraded. We have therefore established a joint working party with the limb industry and the Orthotic and Prosthetic Training and Education Council to review speedily the present arrangements for prosthetic training and to make recommendations for improvement. We have already received an interim report from the working party and expect a final report within three months; I shall report further to the House when this is received. I anticipate that implementation of any recommendations will make provision both for initial training leading to a qualification and subsequent in-service training.

We also agree with the McColl report that we should seek improved contracts for the supply of artificial limbs. We are therefore pressing the limb industry to agree to new contractual arrangements that will increase competition and encourage a quicker and more flexible service. Discussions with this aim in mind are continuing and we attach great importance to this principle.

One of the most important conclusions of the McColl working party was that it would be inappropriate for the limb and appliance services to remain under the direct control of the Department of Health and Social Security. I wish to make clear that we accept that recommendation and propose to act on it.

We have therefore decided to establish an interim management board, in the form of a special health authority, with effect from 1 July this year. The authority will be accountable directly to me. I am delighted to announce that my noble Friend Lord Holderness has agreed to be chairman of the new authority. My noble Friend is a distinguished former Member of this House and has a long and proven record of commitment to disabled people. I have no doubt that he will be an excellent chairman.

We envisage the board will have about eight members and their names will be announced shortly following further consultation with the chairman. We shall of course also have regard to the provisions of the Disabled Persons (Services, Consultation and Representation) Act 1986 in appointing board members. However, the House may care to know that I have already invited Professor Ian McColl, chairman of the McColl working party, to join the board as vice-chairman so that the views and knowledge of the working party will be readily available. I am delighted to report that Professor McColl has accepted, and I know that this delight is shared by my noble Friend.

The McColl report identified an imperative need for stronger links with the occupational therapy, physiotherapy and rehabilitation services offered by the National Health Service. We agree with this recommendation. To achieve this aim in the interests of patient care we have concluded that, in the longer term, the right organisational framework for the limb and appliance service would be alongside these services within the regional and district health authorities. This is also the view of the recent report on disability published by the Royal College of Physicians.

Clearly, however, this is a far-reaching change which cannot, in our view, be carried into effect immediately. The process of transition will need very careful management to safeguard the interests of all involved, whether patients or staff. We shall expect the new authority to complete this task in time for integration to take place on 1 April 1991. The instrument establishing the authority will set this as the end date.

The new authority will have a threefold responsibility: to oversee the planning for the eventual transfer of the services; to build upon the improvements already under way; and to run the service for this transitional period. It will have power to appoint its own senior staff. The special health authority will be given its own budget for 1987-88 and planning figures for the two following years. Special arrangements will be made to safeguard the level of funding available throughout the period of the special health authority's life and for a period after integration with health authorities. The authority will also be charged with devising safeguards to ensure that continuity of the services is maintained following integration.

Staff who are currently employed in the service will be invited to work for the new authority. Their existing terms and conditions will apply and the authority will be required to ensure that their interests are protected. Discussions with trade unions and staff will begin today.

The authority will be responsible for the whole of the artificial limb service, for the wheelchair service, and for the provision of appliances to war pensioners. The

Government remain committed to ensuring that the status of war pensioners continues to be recognised. We will ensure that the new authority reflects that commitment. Decisions on the future of the artificial eye service will be taken when the current review of the service is complete, but this may also be added to the special health authority's responsibilities. The departmental vehicle schemes will remain directly administered by the DHSS.

The decisions I have announced today represent the most far-reaching changes in the artificial limb and appliances service since its inception. They follow the recommendations of the working party. They meet the aspirations of disabled people, and I am confident they will improve the services available to them. I believe it is right to end the uncertainty of recent years.

The Government look forward to working with the new authority to build a better future for the patients they will serve.

Mr. Alfred Morris (Manchester, Wythenshawe): In thanking the Minister for his statement, I am sure the whole House will acknowledge the importance in human terms of the study undertaken by Professor McColl and his colleagues. May I remind the House of the words of the then Minister for Health when he published the report on 27 January 1986, over 13 months ago? He said that the report had

"confirmed that the services are falling below standard in several respects".

and that it had

"identified a number of matters which must be tackled vigorously if the quality of care we want for patients is to be secured and delivered efficiently and economically." — [*Official Report*, 27 January 1986; Vol.90, c.*391*.]

I must, therefore, ask the Minister why it has taken over 13 months for us to receive today's statement. This surely does not suggest that the Government have been tackling the issues with any urgency or vigour.

The most fundamental question now is whether the Minister agrees that people with disabilities in the United Kingdom deserve a wheelchair and artificial limb service which is equal to the best in the world? Is he satisfied that his statement today will achieve that result? Will the new authority be totally independent so that it can act solely in the interests of disabled people? The chairman is himself a disabled person, but how many users of the artificial limb and appliance service will be members of the authority? Will the Minister also establish an advisory committee of ALAC users so that he will have direct feedback from disabled people themselves?

Can the Minister say any more about the training and upgrading of prosthetists and about giving them responsibility which starts, if possible, before the amputation and lasts until the patient is totally satisfied with the artificial limb? How will employment opportunitis be affected, and can the Minister say anything further today about the Hanger dispute, which he himself has described as "causing distress, worry and inconvenience," not to mention the deep sense of injustice felt by a dedicated work force?

What improvements to transport arrangements for patients does the hon. Gentleman envisage? In relation to artificial arms, will he accept that current hand covers are abysmal and cause considerable distress, especially to young people? On wheelchairs, is he satisfied that his statement will lead to the provision of a safe and comfortable wheelchair which is suitable for each individual who needs one, especially for growing children whose needs can change very quickly? Many of them, sadly, are terminally ill and since we cannot add years to their lives, ought we not at least to add life to their years by making the best possible provision?

How will what has been decided affect physiotherapists and others in the overworked and underpaid professions supplementary to medicine? How will approved repairers be affected, and will they be enabled to stock enough spares to reduce delays in repair and maintenance? Is the Minister aware that one wheelchair user who is well known to many of us, on both sides of the House, has been waiting over nine months for a simple repair? As he is Bert Massie, assistant director of RADAR, who knows the ropes as well as any disabled person in the country, what must the position be for people without his knowledge and contacts? Will the Minister respond to the desire for occupant-controlled powered outdoor wheelchairs, especially among people over pension age who do not qualify for mobility allowance?

The Minister's statement dealt with many complex issues. Does he agree that they deserve to be debated as soon as possible?

Finally, will the Minister agree that to finance any improvements for some disabled people by reducing benefits or services for other disabled people is not on, and that the recommendation to fund outdoor wheelchairs by abating mobility allowance must be rejected? Does he recognise that, in the week before the Chancellor intends to give away several billion pounds to people whose resources already far outstrip their needs, to cut a benefit paid to people with the least resources and the greatest needs would be wholly unacceptable to this House?

Mr. Major: The right hon. Gentleman has raised a number of detailed points to which I shall endeavour to respond. I am grateful to him for his kind words, with which I agree, about Professor McColl and the McColl report.

The right hon. Gentleman asked about the time taken to produce our response. It has certainly taken a year to produce it, but it is better to take a sufficiency of time to produce the right response than to make an early response which perhaps does not meet what is required. I think that the right hon. Gentleman's words confirm that the statement meets the aspirations of disabled people, and that was the prime concern that we had in mind.

In so far as providing the best service in the world is concerned, it is certainly my clear ambition to ensure that the service is substantially better than it has been hitherto. That was the message of the McColl report. That is what the changes are intended to achieve, and I believe that they will do so. The special health authority will have the same degree of independence as any other special health authority and will, as I mentioned in my statement, report directly to me and, through me, to my right hon. Friend the Secretary of State. I shall refer the matter of an advisory committee on artificial limb and appliance centre users to my noble Friend to consider.

As I mentioned in my statement, we wish to see improved training of prosthetists, both before taking their qualification and subsequently in in-service training. We wish also to upgrade their status. Discussions upon that matter will continue. We shall provide full details of employment opportunities to trade unions and staff at our

[Mr. Major]

first meeting, which is to commence this afternoon. I believe that they will be found to be satisfactory by the staff concerned.

I am bound to say that Hangers has maintained a high degree of service over recent months. As I have stated on previous occasions when reporting on the unfortunate dispute, we remain in daily contact with the company. I am pleased to tell the House that the backlog is diminishing steadily and the service is substantially improving. I hope that the backlog will be wholly cleared before too long.

The right hon. Gentleman referred to powered wheelchairs and the abatement of mobility allowance. I am not attracted to the principle of an abatement of mobility allowance to provide an alternative improvement elsewhere in the service. The special health authority will be aware of my views upon that point.

In concert with the chairman and vice-chairman, I shall consider future disabled board members at an early date. It is highly likely that other disabled people will be appointed. I must emphasise that they will be appointed not because they are disabled but because they are able, whether or not they are disabled, for they have a big job to do.

The McColl report was primarily concerned with efficiency and stated that substantial savings could be made by a more efficient service. If that proves to be the case, such savings will be available for the special health authority to use as it thinks fit on services for disabled people.

Mr. Roger Sims (Chislehurst): I congratulate my hon. Friend on his positive and far-reaching proposals. They will be widely welcomed, not least by our constituents who have to take advantage of such services. I was glad to hear that he intends to introduce an element of competition into the supply of limbs. Will that competition extend to other forms of equipment? Can the Minister give us some idea of how wide a range of contractors will be given the opportunity of supplying equipment to the service?

Mr. Major: I should be unwise to go too far down that line except to state that, as a matter or principle, for the reasons set out in the McColl report and others, we are committed to wide competition. At present, we are discussing contracts with the present suppliers. My hon. Friend is entirely right to point to the benefits of competition among existing suppliers and, no doubt in the future, among other suppliers as well.

Mr. Jack Ashley (Stoke-on-Trent, South): I warmly welcome the ending of the old system of inefficient management control and excessive profits. Will the Minister assure the House that the service will always be geared to providing limbs for the individual, that limbs will not be mass produced and that they will always be free of charge? Does he recognise that a glaring omission from his statement was the need for specialised amputations? That matter was mentioned by McColl, who said that a quarter of amputations are unsatisfactory. One can replace inadequate artificial limbs, but one cannot re-do inadequate amputations. Will the Minister consider the creation of a specialised amputation service?

Mr. Major: I shall certainly discuss the right hon. Gentleman's last point with the special health authority. As the right hon. Gentleman will understand, I am bound to say that it raises far wider matters than those that fall naturally within my remit. Let me make it perfectly clear to the right hon. Gentleman that our policy is that every type of limb should be available to every patient at every centre. We want them to have the best possible limbs that we can provide, for it is critical to their standard and future style of life. That is our clear intention.

Dame Jill Knight (Birmingham, Edgbaston): Does my hon. Friend recognise that there will be great pleasure at the Government's swift response, once again, to an expert report? However, may I ask him whether the term "appliance services" includes ileostomy and colostomy appliances? Will there be machinery within the new set-up for research into complaints that appliances, such as artificial hands, are unsatisfactory and could be better?

Mr. Major: I am most grateful to my hon. Friend for her kind remarks. The service is principally related to artificial limbs, whether upper or lower limbs, and to the wheelchair service. It may also include the artificial eye service, though that has yet to be determined, and the various services for war pensioners, wigs and orthopaedic equipment. It does not include the other specific matters that were mentioned by my hon. Friend.

Mr. Simon Hughes (Southwark and Bermondsey): The Minister will be aware that we welcome thoroughly the report, as we welcome also the work done by Professor McColl and his working party. One of the conclusions to which the working party was forced to come was that the disabled have been very badly served.

It would be appreciated if the Minister could say this afternoon that the new special health authority will have true independence to say exactly what is needed by the disabled, that it will also have the budgetary capability to deal with what is required and that, tied in with the annual presentation of the special health authority's report to the Minister over the four-year transitional period, it will be possible to have a debate in the House about how the proposals are being implemented. Major criticisms have been made. However, the proof of the pudding will lie in how well the special health authority is allowed to get on with its important job.

Mr. Major: I agree with much of what the hon. Gentleman has said, and I am grateful to him for saying it.

As for a debate on this subject, that is a matter for my right hon. Friend the Leader of the House, who will have heard what the hon. Gentleman said. No doubt he will contemplate holding a debate both this year and in future years.

As for independence, I touched on that point in my answer to the right hon. Member for Manchester, Wythenshawe (Mr. Morris). The concern and importance that we attach to independence could not be more clearly illustrated than by the appointment of my noble Friend Lord Holderness as chairman. The extent to which we are committed to the principles of the McColl report could not be more clearly illustrated than by the fact that we have invited Professor McColl to serve as vice-chairman of the management board and by the fact that he has accepted.

As for funding, I mentioned in my statement that we shall be protecting the funding during the life of the special

health authority and for a short period after it is subsumed within the National Health Service. Therefore, the hon. Gentleman's points, well made, have been well met.

Sir Hugh Rossi (Hornsey and Wood Green): I add my congratulations and thanks to my hon. Friend for his far-reaching statement. The McColl committee was set up originally to look at inherent weaknesses in the artificial limb system that has existed not only for the last 13 months but for many decades, including the period when the right hon. Member for Manchester, Wythenshawe (Mr. Morris), who was so churlish in his acceptance of this statement, was Minister.

I am somewhat disappointed by my hon. Friend's cautious approach to the monopoly that is enjoyed by a handful of firms whose attitude has been less inclined towards giving a service to clients and patients than towards satisfying DHSS officials who are their ultimate paymasters. It is that more than anything else that led to the setting up of the McColl committee, as I am sure my hon. Friend will recognise.

Mr. Major: My hon. Friend makes some powerful points, though with typical modesty he does not mention that in fact it was he who established the McColl committee some years ago. I believe that many disabled people, both now and in the future, will thank him for having done so.

I take entirely to heart my hon. Friend's remarks about the apparently cautious approach to monopoly. We are in the midst of discussions, and at this moment anything other than a cautious approach would not be well made. However, I emphasise to my hon. Friend and to others that our objective is competition and efficiency in the interests of both the National Health Service and the patients.

Mr. Ernie Ross (Dundee, West): Will the Minister say whether the statement made last week for Scotland by his noble Friend Lord Glenarthur reflects the way in which he would have responded had he had the responsibility for the supply of artificial limbs in Scotland and whether the body that he is discussing will have responsibility in Scotland? The Minister will know that the McColl report differentiates clearly between the practices in Scotland, which are to be preferred, and those in England and Wales. Does he agree with my right hon. Friend the Member for Manchester, Wythenshawe (Mr. Morris) that there should be an early debate so that those different practices can be discussed?

As an hon. Member sponsored by the unions with which the Minister's associates will be discussing the proposals, I should like to ask him whether he could arrange a debate, once we know the outcome of those discussions, so that the House can be informed whether those who have been concerned with the supply of limbs are happy with the Minister's statement.

Mr. Major: On the question of a debate, I can only reiterate the remarks that I made a moment ago.

I do not have responsibility for the artificial limb service in Scotland, but I am aware of the provisions in the statement made by my hon. Friend the Minister for Health a few days ago. The special health authority applies to England. For a long time there have been separate systems to deal with the artificial limb and appliance service in other parts of the United Kingdom.

Sir John Page (Harrow, West): Is my hon. Friend aware that hon. Members on both sides of the House will be delighted to learn that Lord Holderness has accepted the position of chairman of the new board. As an amputee, he has special insights, and as a former Minister responsible for pensions and national insurance, he will be able to work his way through the bureaucratic jungle. He and Professor McColl will make an extremely strong team.

Mr. Major: I am grateful to my hon. Friend. I am sure that my noble Friend will not only work his way through what my hon. Friend has described as the bureaucratic jungle, but where such a jungle is shown to exist, I am sure that my noble Friend will trample all over it. I share my hon. Friend's view and cannot conceive of a better chairman for the authority than my noble Friend.

Mr. Martin Flannery (Sheffield, Hillsborough): Does the Minister agree that one of the valuable by-products of the work of Professor McColl and his colleagues has been the democratic pressures that have been exerted on many of us by people who are chronically disabled and who are waiting for the report to come out and to see what the Government will do? Will he accept that this has brought into action many Members of Parliament who hitherto did not know a great deal about this matter but who have now visited the prosthetists in their workshops, and looked at the chairs.

Have we made a real advance in giving more of the chronically disabled access to the dual-purpose, battery-powered wheelchairs because, when we table questions on it in the House, letter after letter comes to us from a wider grouping of people than we ever thought needed such chairs?

Mr. Major: The early part of the hon. Gentleman's observations are entirely accurate. Many hon. Members on both sides of the House have expressed concern and interest in this important report.

As for battery-powered wheelchairs, and indeed wheelchairs generally, one of the principal responses of the McColl report was to suggest that there may be substantial room for improvement in the wheelchair service and possible savings to be made in its organisation and administration. I reiterate the point that I made a moment ago. If those savings are made under the management of the special health authority, they will be available to that authority to use in the wheelchair service or elsewhere in the service of disabled people as it thinks fit.

Mr. John Hannam (Exeter): In welcoming my hon. Friend's announcement, I should like to thank him especially for the extensive consultation that he has had with all the disabled persons' organisations, outside as well as within the House. I congratulate him on his decision to establish a management structure outside the DHSS, and also on the appointment of Professor McColl as vice-chairman of that structure. Will my hon. Friend pay particular attention to the use of modern technology in the design and fitting of wheelchairs and artificial limbs?

Mr. Major: I am grateful to my hon. Friend for his earlier remarks. I can confirm that we shall take his latter remarks to heart.

Mr. Andrew Faulds (Warley, East): In view of the fact that one of my constituents, a heavily built middle-aged lady, had to wait the best part of a year for her right leg, and in the light of the statement this afternoon, which we

[Mr. Andrew Faulds]

welcome, when can she and others expect a real improvement in fitting, provision and servicing — immediately, in a few months, or after a couple of years?

Mr. Major: The changes that have been made in recent months are already showing a substantial improvement. If the hon. Gentleman's constituent, or, indeed, a constituent of any hon. Member, finds herself in that sort of circumstance, I hope that hon. Members will draw it speedily to my attention. We now have a management structure which should ensure speedy treatment for those who fall into the circumstances set out by the hon. Gentleman.

Mr. Lewis Stevens (Nuneaton): I, too, congratulate my hon. Friend on the excellence of the Government's positive response which will give great encouragement to the disabled and those who work with the disabled. I know that he is aware that one of the problems facing disabled people is the difficulty of obtaining appointments at limb centres and then of obtaining transport to and from them. Has he any initiatives in mind to ease that problem?

Mr. Major: My hon. Friend is entirely right. One of the principal operational problems for disabled people has been, first, obtaining an appointment and then finding the transport to take them to the appointment and home again. In both instances we have management initiatives in mind which we think will substantially ease and solve those problems. That will be welcome. I am also considering a specific budget to be administered locally by the artificial limb and appliance centres to deal specifically with transport problems.

Mr. Dennis Skinner (Bolsover): Is the reasoning behind the Minister's statement today about implementing the recommendations in the McColl report to try to provide a better, quicker and more effective service at the point of delivery for people who lose limbs in the mining industry and industry generally, as many of my constituents have done? The Minister is prepared to set up a new authority which obviously has quango implications.

Will the hon. Gentleman bear in mind that scores of workers at Hanger want to return to work to provide limbs quickly and efficiently? Indeed, they could do so if only the Minister or one of his colleagues visited the management there and intervened, as the Government have done in some issues recently. The Government are well known for getting involved in all sorts of dramas and crises. Why do not the Government tell the management that they want the limbs produced more quickly and that the way to do it is to get those men and women back to work?

Mr. Major: We certainly require the limbs more speedily, which is why we have set up arrangements for there to be daily contact with the company. I am pleased to tell the hon. Gentleman that that objective is being met increasingly. However, it would be neither productive nor proper for me to intervene directly in the dispute. Our objective is the one that the hon. Gentleman accurately set out: we need a better service for the disabled.

Mr. Peter Bruinvels (Leicester, East): I welcome my hon. Friend's responsive and caring statement. Any improvements in limb fitting are to be particularly welcomed. One of my constituents had three replacement limbs, none of which fitted properly and she had to go to Scotland to get them done properly. I congratulate my hon. Friend and thank him on behalf of all disabled people.

Mr. Major: My hon. Friend is absolutely right; the fitting of a limb is absolutely critical to the well-being of the patient. That is why we seek to improve the prosthetic training and to provide in-service prosthetic training for prosthetists already in service.

Mr. Tom Clarke (Monklands, West): In view of the Minister's welcome references to the Disabled Persons (Services, Consultation and Representation) Act 1986, does he accept that the sections which deal with assessments will be particularly helpful to the various committees that he mentioned and to Professor McColl in identifying individual needs at a given stage in the life of disabled people? Can he tell the House when the orders will be introduced?

Mr. Major: I am not sure that that follows either from what I said or from my statement. Suffice it to say that I hope to be able to announce shortly that some of the provisions will be operative. I cannot elaborate on that at present. I think that the hon. Gentleman's intervention was ingenious.

Mr. Fred Silvester (Manchester, Withington): May I press my hon. Friend on the dual-purpose, indoor-outdoor wheelchair? One of the discussions around the report was about young people who suffer from diseases which will shorten their life expectancy. What is the position of the fairly rapid provision of suitable wheelchairs for those people?

Mr. Major: I assume that my hon. Friend has in mind patients suffering from muscular dystrophy and similar afflictions. Today I cannot say precisely what the position will be on that. It is a matter which we shall wish to discuss with the chairman and other members of the special health authority. Clearly, there are particular technical and design difficulties with such a wheelchair, apart from the other problems, of which my hon. Friend will be aware.

Mrs. Virginia Bottomley (Surrey, South-West): Does my hon. Friend agree that the artificial limb and appliance centres now serve a different and aging population compared with that which the centres were introduced to serve in 1915? While one welcomes the recognition in his statement of the needs of war pensioners, they are now only a minority of the users of the service. Is he aware that his statement will be warmly welcomed by those who want to see an effective and up-to-date service for the disabled?

Mr. Major: I am grateful to my hon. Friend for her remarks. She is right; the artificial limb and appliance centres now treat a different clientele from what would have been their typical clientele a few years ago. In recent years the improvement in the service has been substantial, and I am grateful to the many staff who work in the service who have helped to bring it about.

Mr. Patrick Nicholls (Teignbridge): I welcome my hon. Friend's response to the McColl report. Does he agree, particularly in view of the comments of my hon. Friend the Member for Hornsey and Wood Green (Sir H. Rossi), that the time now appears to have come when contracts for the supply of artificial limbs should be put out to competitive tender?

Mr. Major: My hon. Friend is glancing a little into the future, but the underlying principle of his remarks is one that I cannot but acknowledge.

Mr. Nicholas Winterton (Macclesfield): As a member of the Social Services Select Committee with a particular interest in this area, and having recently met Professor Kennaway of Imperial college and Dr. Montgomery of the University of London, may I tell my hon. Friend that his statement will be warmly welcomed by all those with any knowledge of the disabled and of those who need artificial limbs and appliances?

Will my hon. Friend take on board two points which need immediate priority attention? The first concerns the training of prosthetists, which is of the utmost importance. Will he give further consideration to that? The second is that it is now time that the facilities of the companies that supply the DHSS are increased so that limbs are not just available for those who need them, but are made to suit the patients. That is long overdue.

Mr. Major: My hon. Friend has a long-standing interest in this matter, so I am especially grateful for his support. We are seeking to conclude the work of the working party studying the training of prosthetists as speedily as possible and I hope that we can carry its recommendations into effect with the objectives that my hon. Friend set out. I entirely take my hon. Friend's point about competition, which is an important one.

Mr. Alfred Morris: As the Minister knows, my principal concern today, indeed my duty, was to reflect the many worries expressed to me by disabled people and their organisations. I fully accept, and I hope the whole House will appreciate, the importance of the role of the hon. Member for Hornsey and Wood Green (Sir H. Rossi) in this matter.

With regard to a debate, will the Minister join me in an appeal to the Leader of the House, who has been an interested observer today—he is in reflective mood—for parliamentary time to look in more detail at decisions which are so deeply important to severely disabled people?

Mr. Major: I am grateful to the right hon. Gentleman. As to joining the right hon. Gentleman in an appeal to my right hon. Friend the Leader of the House, I am sure that his appeal is sufficiently powerful and that it will have been noted.

Prime Minister's Question Time

Sir Kenneth Lewis (Stamford and Spalding): On a point of order, Mr. Speaker. During Prime Minister's Questions it has always been the norm that the Leader of the Opposition puts two questions to the Prime Minister. That is generally accepted by the House. In recent weeks it has become obvious that that norm has become three questions; the right hon. Gentleman is putting three questions to the Prime Minister. Can you persuade the Leader of the Opposition to revert to the previous practice when two questions were the norm and that three questions were the exception? Prime Minister's Question Time is short enough for Back-Bench Members without having three or four interventions from the Leader of the Opposition.

Mr. Alan Williams (Swansea, West): Further to that point of order, Mr. Speaker. Before you give your response to the hon. Gentleman, I ask you to bear in mind that, even if it were the norm in the past—which I do not accept—for there to be only two questions, that was probably when Prime Ministers answered the first question. We now have a Prime Minister who refuses to answer any questions put to her, so it is understandable that my right hon. Friend has to ask several questions.

Mr. Speaker: There has always been a dispensation for the Leader of the Opposition, and three questions have been the norm in this Parliament rather than two, but nevertheless it is true—*[Interruption.]*

Mr. Peter Bruinvels (Leicester, East): Four.

Mr. Speaker: Not four. It is perfectly true that I am anxious to call as many Back-Bench Members as possible. The problem today was that there were very long supplementary questions.

Non-Public Limited Companies (Appointment of Directors)

4.11 pm

Mr. Bill Walker (Tayside, North): I beg to move,

That leave be given to bring in a Bill to give shareholders who hold in their own name twenty-five per cent. or more of a non-public limited company's shares the right to be appointed a director of the company.

In order to present to the House clear and logical reasons for my proposed change in company law, I shall describe the experience of shareholders in a non-public limited company in Tayside. This situation has brought me much personal sadness and it highlights clearly the problems that exist.

The individuals involved are all good friends of mine, and one is a close relative. They are all aware that I shall be outlining their experiences and problems, which they and I believe may be repeated many times throughout Tayside, and many hundreds of times throughout the United Kingdom.

In the late 1960s three young men purchased an aircraft. The objective was to obtain inexpensive flying. They formed a company called Aerosport Ltd. Since that time I have been an unpaid adviser to that company. In 1971 more funds were required and two more flying club members were invited to join the company. At that time, my relative, Mr. Walker, joined the company.

In 1978 a new company was formed with six shareholders. At that time, the main shareholders were part-time executive directors; each of the directors, with one exception were in full-time employment outside the company. The one full-time director was an ex-Royal Air Force flying instructor, who was the chief pilot and chief flying instructor. Those posts are essential under aviation law. The other directors built up the business by devoting summer evenings and weekends to the running of the company; they were working at their hobby.

In 1982 one of the part-time directors, Mr. Fraser, who was also a founder member and chairman of the company, lost his full-time job. The garage firm of which he was managing director had severe financial problems and was closed down. He was out of work and desperate for an income. On my advice, a full-time post was created for him within the company.

Shortly after that the ex-RAF instructor left and the company was left with four shareholders, one of whom was Mr. Fraser, for whom a full-time job had been created. he held just over 33⅓ per cent. of the shares and was a director. Another person who had a full-time job with Air Service Training was the chief pilot. He held just under 33⅓ per cent. of the shares; he also was a director.

The third major shareholder, Mr. Walker, devoted every summer evening and summer weekend to the company, and he had done that since 1971. He held about 30 per cent. of the equity and was the third director.

The last shareholder held only a few shares and he had not seen or been near the company for many years.

At the 1984 annual general meeting of the company Mr. Walker — who, as I said earlier, had devoted all his spare time to the company — was, without notice or warning, not re-elected to the board.

The company has never paid a dividend. That was done by agreement, and all the profits were invested in new aircraft and property. The part-time directors had paid themselves only a small director's fee — the perk was cheap flying. The ex-director has now lost his fee and cheap flying.

In the 1984 accounts the three directors' fees, including salary for the full-time director, amounted to £18,400. In the 1985 accounts, the two directors' fees and full-time salary appeared as £22,300. With one director less, that meant a massive increase for the remaining two. In addition, a new item was a £1,100 contribution for a pension for the full-time director.

All of that information is in the public domain. It can be obtained from Company House records. That is why I have no hesitation in disclosing it. What the records cannot show is the way in which the company assets have been built up by voluntary work over many years, while the full-time director has massively increased the expenses of the company, and his wife is also a part-time employee of the company.

The auditor for the company, Mr. J. L. Hope, advises the two remaining directors, acts for them at annual general meetings and prevents the ex-director from obtaining trading accounts and trading information. That can happen to anyone who has massive shares in a private company.

On the advice of the auditor, in 1984 the ex-director was offered the opportunity to sell his shares to the other remaining directors. The offer was made at £3·50 per share. Only a couple of months ago, Mr. Gillespie, the part-time director, who is soon to take up a post with Loganair, offered his shares to the remaining shareholders. The other shareholders—

Mr. Speaker: Order. I am reluctant to interrupt the hon. Gentleman, but this is not an Adjournment debate.

Mr. Walker: I asked permission to introduce this point, Mr. Speaker, and it is an important fundamental matter of law. There must be hard evidence to prove what I am saying—I have discussed this with the Minister—and it is the hard evidence that I am producing.

The part-time director, Mr. Gillespie, offered his shares to the remaining shareholders for £11 per share. He did so via the company auditor. Nothing has happened to improve the value of the shares. In fact, the massive increase in expenses has probably made the company substantially less profitable. The full-time director has said that he will pay £11 per share and retain the former director, Mr. Gillespie, as a part-time director.

The ex-director has the option—this is the important point—of buying half of the shares on offer at £11 per share and still have no seat on the board, no say in the running of the company, no cheap flying and no prospect of ever being paid a dividend, yet he can hold over 45 per cent. of the equity of the company. That is not a realistic situation. His only other recourse under the law is to apply to have the company liquidated, claiming that his minority interests have not been protected. Everyone expects that to happen.

Such an option can be tortuous, expensive and acrimonious. That is why there is a need to provide the opportunity, in situations such as this or in family businesses, for shareholders to find an alternative and viable course of action.

I hope that the House can see the sense in a shareholder who holds over 25 per cent. of the equity of a company, and who holds the shares in his own name, being given the

option, because that is what it will be, to demand as of right a seat on the board. The existence of such an option will bring realism into what at present can be unrealistic and often stupid situations. It could prevent the complete bust of a company. It would provide the opportunity for directors to take more account of minority interests; it would make shareholders and directors more responsive to the needs of the company and more aware of the realities of modern trading conditions. Directors would learn to operate within a boardroom where one of the directors asked penetrating and searching questions about expenses.

Public limited company law has had to be changed—this is the important point, and you will be aware, Mr. Speaker, of my interest in public limited company law—to bring the law up to date with modern conditions that are reflected in the City and the problems of the City.

Now is the time to bring non-public limited company law up to date to reflect more properly the conditions where more and more people are setting up small companies and where the law governing the accountability of directors requires a more professional and businesslike attitude in the boardroom.

That is why I ask the leave of the House to bring in my Bill, which may, even now, be too late for the company whose problems I have outlined. Yet its experience could and should be prevented. That can be done if my Bill is accepted.

Question put and agreed to.

Bill ordered to be brought in by Mr. Bill Walker, Mr. Albert McQuarrie, Mr. Gordon Wilson, Mr. Jack Aspinwall and Mr. Peter Bruinvels.

Non-Public Limited Companies (Appointment of Directors)

Mr. Bill Walker accordingly presented a Bill to give shareholders who hold in their own name twenty-five per cent. or more of a non-public limited company's shares the right to be appointed a director of the company: And the same was read the First time; and ordered to be read a Second time upon Friday 1 May and to be printed. [Bill 108.]

Orders of the Day

Debtors (Scotland) Bill *[Lords]*

Order for Second Reading read.

4.20 pm

The Solicitor-General for Scotland (Mr. Peter Fraser): I beg to move, That the Bill be now read a Second time.

The Bill reforms and modernises the law on debt enforcement in Scotland. It is the first comprehensive review and reform of the procedures for recovery of unpaid debts since 1838 when the previous Debtors (Scotland) Act became law. The reforms are designed to protect debtors from undue hardship and distress and to provide effective ways in which creditors can obtain payment of the debts due to them. In particular, the most resented aspects of warrant sales are abolished.

On almost every occasion that I have answered questions in the House once a month the reform of warrant sales has invariably been raised. This Second Reading debate is in no sense party political, but I am bound to say that I am a little disappointed that Members, such as the hon. Member for Falkirk, West (Mr. Canavan), who have harangued me month after month about this matter have not thought fit to attend to give even a partial welcome to the changes that are being introduced.

The arrestment of earnings is reformed with the introduction of a new system of arrestment. New court orders are introduced which safeguard debtors by giving them time to pay their debts without the immediate threat of enforcement procedures, and the arrangements for the discipline and control of sheriff officers and messengers-at-arms are improved.

The Bill implements the principal recommendations of the Scottish Law Commission in its report on diligence and debtor protection and I am sure that the House would want us to pay tribute to the detailed consideration given by the commission in producing its most extensive report to date.

Indeed, as I have said over recent years in the House and outside, some criticism has been directed at the commission for the delay in bringing forward the report. However, anyone who has read the two volumes of the report and considered the research and the scholarship required to complete that report will, I am sure, readily appreciate why the work necessarily took so much time.

Mr. Gordon Wilson (Dundee, East): I have been one of those who from time to time have referred to the extraordinary delay in what is a highly complex area. Because the report has been in existence for some time it may not have taken account of the worrying development that, with the use of plastic credit cards, there is an upsurge of debt throughout Scotland. In my constituency work many more debt cases are coming my way. What do the Government wish to do to try to control such credit being given to people who are not able to cope with it and are then placed in a position of misery before moving on to this Bill, which deals with the enforcement of debtor provision in a much more humane fashion, but dealing with many more people than would have been the case one, two or three years ago?

The Solicitor-General for Scotland: I readily appreciate the hon. Gentleman's point. All hon. Members will be aware that, with the increase in the opportunities for credit, particularly through the use, as the hon. Gentleman describes it, of plastic money, there is the greater prospect of people bringing together debts which they cannot meet. The hon. Gentleman may have in mind a survey in one Scottish Sunday newspaper which demonstrated that an unemployed 18-year-old could, by a judicious movement around Sauchiehall street and elsewhere in Glasgow, by lunchtime put together credit approaching £2,000. It is not difficult to see that at the end of the day such a person would be unlikely to be able to make a regular payment on those debts, and would accordingly run into difficulties.

However, having said that and acknowledging that some people may have such a problem, it may not agree with the hon. Gentleman's political philosophy, but I should have thought that the rest of us would recognise that it is important to consider credit on a United Kingdom basis rather than an exclusively Scottish one. I think that the hon. Gentleman will appreciate that for the time being. However, he will understand that the Bill is concerned with dealing with debt in Scotland once it has occurred.

I am grateful to the hon. Gentleman for his use of the word "humane". Overall, the arrangements set out are undoubtedly a marked improvement on what at present obtains and they can properly be characterised as humane.

Diligence may be a term unusual or unknown to non-Scots lawyers, and that may include Scottish Members as well as hon. Members from south of the border, but, in essence, it is the definition of the methods of enforcing unpaid debts due usually under decrees of Scottish courts. Once a court has granted a decree for payment of the debt, two commonly used forms of diligence are available to creditors — the diligence of poinding and warrant sale, and the diligence of arrestment, particularly of earnings. It may assist in this complicated matter if I briefly describe each of those diligences.

The first main diligence with which the Bill deals is that of poinding and sale. The word "poinding" means simply the seizing or impounding of the moveable goods of the debtor. The goods are left in the debtor's possession until they are sold but only after the authority of the sheriff has been obtained. The goods are sold by public auction and the proceeds of the sale put forward in satisfaction of the debt. If the goods are not sold because no bids were made above the value set on them at the poinding the goods are handed over to the creditor to the extent necessary to satisfy the debt owed to him. The diligence is carried out by an officer of the court — a messenger-at-arms in the case of a court of session decree or a sheriff officer in the case of a sheriff court decree — and some of the procedures followed are supervised by the sheriff.

The second main diligence with which the Bill is concerned is that of arrestment of earnings. That is the procedure by which a creditor can attach in the hands of the debtor's employer wages due to the debtor on the next pay day. At present, before the money can be released to the creditor, either the debtor must give his consent or the creditor must raise what is described as an action of furthcoming. The problem is that repeated arrestments may be necessary on successive pay days until the creditor has recovered what is due to him since the arrestment will only attach money due to the debtor on the appropriate pay day.

I expect that some hon. Members are familiar with the complaints that are made to me about the existing procedure. The debtor employee is deeply concerned that successive arrestments made on his wages each week are cumulative in their effect and believes that after a short period he will be wholly deprived of any income coming in at the end of the week. On the other hand, the debtor's employer is more than a little irritated by the barrage of weekly arrestments that are placed on him. It is not difficult to see that his bookkeeping department or wages clerk eventually becomes snowed under.

Dr. Norman A. Godman (Greenock and Port Glasgow): It is not only that the imposition of the wage arrestment can damage an individual's interests within the work place; such an order may damage the prospects of promotion and advancement in the company. So wage arrestment is a major penalty imposed upon a person.

The Solicitor-General for Scotland: I elaborated on two complaints of which I am aware about the existing arrangements for arrestment of earnings and later I will come to the changes and reforms that are to be introduced, which are a significant, possibly underplayed improvement in the legislative proposal. That is part and parcel of what I am saying about the irritation of the employer. He cannot understand why, in connection with someone who might otherwise, so far as he is concerned, be a perfectly satisfactory employee, his wages department is constantly under this barrage of arrestments from a solicitor, or whoever it may be, clogging up the machinery. I think that what we shall be introducing will be something that the hon. Gentleman, and indeed hon. Members generally, will welcome.

The Bill deals with the reform of these two diligences in parts II and III. In doing so, however, the Bill takes account of the fact, pointed out by the Scottish Law Commission in its report, that questions of debt raise social problems as much as or more than legal problems. The commission is to be congratulated on the fact that, having recognised the extent of these social problems, it began its study of diligence by commissioning an extensive programme of research on the nature, scale and social aspects of diligence and debt recovery. It also issued five detailed consultative memoranda, which were widely circulated, in order to ensure that the comments of all interested in these important matters were taken account of by the commission in framing its recommendations. These recommendations were the subjct of a yet further consultation undertaken by my noble and learned Friend the Lord Advocate. The Bill has, I am sure, greatly benefited from this extensive consultation and from the commission's thorough and helpful analysis of the problems which arise.

The commission pointed out in its report that the recovery of debts, especially those due by individuals, falls naturally into three stages. The first stage is that at which the creditor makes informal attempts to collect the debt, such as — some of us will be familiar with this — the issuing of a series of warning letters seeking repayment. The second stage is that which begins when a court action for payment is raised. The third stage is when the court decree for payment is followed by further informal attempts at collection or ultimately the enforcement of the decree by diligence. The protracted process of debt recovery acts as a kind of filter, so that the vast majority

of debts are settled in the informal stages and only a very small proportion of debts reach the stage of diligence. Indeed, if there is an underlying and unifying theme in these, as I readily recognise, complicated provisions, it is to improve that filter effect from the time when the informal approaches begin through to the ultimate enforcement processes.

In the case of poinding and warrant sales, only a tiny fraction involve a warrant sale. In 1985, for instance, of some 80,000 debt decrees granted by Scottish courts, 16,500 proceeded to a poinding, 6,000 to a warrant of sale and only 700 to the warrant sale itself. It is right to point out that that figure of 700 includes one third which are commercial sales in shops, offices and so on, as well as household sales. It is important to recognise that these stages of debt recovery are not separate but interrelated. The early stages would be ineffective in eliciting payment if the later stages did not exist. If the earlier stages were ineffective, more cases would, as a consequence, proceed to the later stages. As a result, the commission arrived at the conclusion, with which the Government agree, that the enforcement procedure must retain the ultimate possibility of the warrant sale as a necessary spur to payment in the great majority of cases which are settled at an early stage.

Those consulted by the commision generally agreed that the primary aim of reform should be to introduce new safeguards protecting debtors subject to diligence from undue economic hardship and personal distress and from the continuing threat of diligence even where instalment arrangements have been made.

Looking at the whole complicated matter, the commission considered the possible introduction of a number of different procedures which would involve discretionary control of diligence in order to provide safeguards for debtors. Such safeguards included possible discretionary power to a court to control the enforcement of a debt.

Another possibility was safeguards by operation of law, such as exemptions of particular types of property or categories or levels of income from diligence, or immunity from diligence for particular classes of debtor. However, the commission, at the end of its discussion of the merits of such an approach, rejected those various options. It concluded that the preferred reform was to introduce discretionary control of diligence by the ordinary courts on voluntary application by the debtor.

The first of these reforms—time-to-pay arrangements—is contained in part I of the Bill. This provides important safeguards for debtors who are unable to pay their debts outright. As I have indicated, and as hon. Members will see if they care to look at the commission's report, the evidence which the commission gathered suggested that most debtors subject to diligence are unable rather than unwilling to pay the debt outright and can pay only by instalments. So far as the social aspect of debt in Scotland is concerned, those who are interested might care to look at what is set out in the Law Commission's report beginning at paragraph 263, where it analyses in great detail exactly where the problem lies.

At present, the possibility of the later stages of the diligence of poinding and warrant sale, especially the advertisements of sales in debtors' homes, can sometimes induce debtors to agree to arrangements for payment by instalments at a level which they frankly cannot meet. In addition, only restricted use is apparently made of the right to apply for a summary cause instalment degree and there is at present no means whereby debtors can obtain an extension of time to pay, free from the threat of immediate or further diligence by others.

Part I of the Bill gives effect to the recommendations of the Scottish Law Commission to enable debtors in most cases to have more time to pay their debts free from the threat of diligence. There will be two types of order, and I appreciate that this may be somewhat confusing. The first is a time-to-pay direction, which will be available in both the Court of Session and the sheriff court when the decree is granted. In essence, these orders will replace the existing instalment decree, which, as I have just shown, is at present available only in sheriff court summary causes where the amount involved is less than £1,000.

The second type of order is the time-to-pay order, which will be granted by the court at a later stage in the debt recovery process and will have the effect of converting an existing open decree into one in which the sum due can be paid by instalments or by way of a deferred lump sum.

Mr. Wilson: In relation to the proposed instalment decree, will any guidance or direction be given to sheriffs or Court of Session judges in relation to the appropriate instalment to be paid, or will it be left for them to decide at their own discretion? It may well be, of course, that it would be very difficult to get any degree of regularity in payments from one court to another. It may depend, likewise, upon the individual views of individual sheriffs, and that might not be helpful.

The Solicitor-General for Scotland: I understand the hon. Gentleman's point. The short answer must be that the individual circumstances will vary so much that it would be very difficult to set out any schedule, as we do, for example, in relation to earnings arrestments and as are contained in the schedule to this Bill. What is important, and what should be recognised by those who possibly have hitherto been attracted by debt arrangement schemes, is that the opportunity is given at both stages—first at the time of decree and subsequently by the sheriff—to look at the means of the debtor, not only at his income but also at his outgoings, and say that payment can be made by instalments within a stated period or that nothing need be paid for the time being but that the debt must be paid later.

It would seem that the arrangement opens up an attractive opportunity. As the evidence of the Scottish Law Commission demonstrates, it is unusual for people to have two decrees coming together at exactly the same moment; they may be a matter of months apart and at different stages. If, in relation to one, there is an instalment decree being met and the debtor is paying that off, it would be open, sensible and desirable for the sheriff to say, "As you have concluded your payments in four months' time, thereafter you will start paying £x a week on the latest decree against you."

Mr. Wilson: As the hon. and learned Gentleman will appreciate, under the late and much lamented small debt procedure which had the great advantage of flexibility there was a going rate at which sheriffs would tend to grant an instalment decree and refuse a request for an open decree for those representing the creditors. However, would the hon. and learned Gentleman look further at the proposition of the sheriff being able to take into account the outgoings as well as the income? Where does he think the judicial time for this will be found? Would it be possible for the Scottish Courts Administration to set up

[Mr. Wilson]

a unit in each sheriff court that might be able to do that work so that the sheriff gets the information put to him, bearing in mind that the debtor will probably not be represented in court, or could such cases be referred to the citizens advice bureaux which already have a substantial role in giving help to debtors when they face an accumulation of bills coming in at the same time?

The Solicitor-General for Scotland: One of the matters not included in the Bill but which is probably desirable — it happens in England — is for the citizens advice bureaux and the Scottish Consumer Council to develop, on a voluntary basis, a debt counselling scheme. If such work were to be done by those bodies — it is an interesting idea — there would certainly be an opportunity not simply to look to the debtor's income, which would be remarkably crude in approach, but to look to the balance of his income and the necessary outgoings.

One thing surprised me about the approach of the hon. Member for Dundee, East (Mr. Wilson). My practice at the Bar did not include debt matters, but it did include consistorial matters. I am sure that the hon. Gentleman will appreciate that when one was arguing before the court trying to arrive at what was an appropriate level of interim aliment to be paid, one looked not simply at the husband's income but at his necessary outgoings. On that basis, it is virtually impossible to arrive at any precise calculation of what should be done.

Mr. Wilson: I had some experience of the small debt court. The Solicitor-General has obviously been deprived of such experience. However, does he realise that a big court could take 150 cases in a morning, mostly heard in the absence of the parties? The time available to the sheriffs for that purpose is limited and I cannot imagine them welcoming means tests. It is entirely different from consistorial cases where one will be given an allocation of time before the court. In small debt work, as now under the summary decrees, and so on, many cases go through and, even allowing for the changes in procedures whereby people do not have to be present, judicial time is not available.

The Solicitor-General for Scotland: I do not want to protract this matter unduly, but I do not see why within our court system, in the sheriff court, there is not the opportunity to look sensibly at instalments so that those who can pay can come forward and say, "I can afford £5 or £10 a week, broadly speaking, and this is how I get to that figure." That would allow the court to come quickly to a conclusion as to whether that was right. It is important, as I said earlier, that they should not be under any undue pressure to offer too large an instalment fee. However, it would be open to the sheriff's clerk to give some assistance with the application.

While the provision of the time-to-pay arrangements is an important new safeguard, it is of course necessary to consider whether improvements are needed in the diligence procedures themselves to deal with those cases where the debt has to be enforced.

On the matter of diligence of poinding and warrant sale, the commission was strongly urged by some consultees that on social grounds abolition was required rather than reform. The commission rejected the proposal of abolition. It pointed out that some of the demands for abolition were based on misunderstandings. The diligence is not an anachronistic hangover from a harsher, earlier era. It is not peculiar to Scotland, since enforcement against movable property is permissible in every country of whose practice the commission was aware. Indeed, in England creditors rely to a greater extent apparently on enforcement against goods as compared with enforcement against earnings.

Further, the commission recognised that every society which considers that people able to pay their debts should be required to do so must have recourse to modes of enforcement which are necessarily coercive. These are limited to diligence against the debtor's person — that is civil imprisonment, which in large measure, this Bill abolishes — or diligence against the debtor's heritable or movable property or his income. The commission considered that abolition was feasible only if an alternative method of enforcement could be devised which was as effective and more socially acceptable. In paragraph 2.145 the commission concluded:

"Having considered the matter anxiously and at length, we believe that such an alternative cannot be devised."

Having considered the commission's arguments very carefully, the Government are convinced that the right approach must be to retain the diligence of poinding and warrant sale and to adopt the commission's approach. That rejects the introduction of undiscriminating legislation abolishing the diligence or exempting all consumer debtors or all household goods from its operation. However — I stress this — the Bill reforms the diligence so that its impact on debtors is made as humane as is possible consistent with the need to retain the effectiveness of the diligence as a method of eliciting payment from debtors who can but will not pay their debts. The Government consider that the commission has struck a proper balance between the interests of debtors and creditors.

That approach was broadly endorsed by the Scottish Consumer Council, among others, which commented in the consultation undertaken by my noble and learned Friend the Lord Advocate:

"We have considered the arguments for and against retaining some residual power of enforcement against a debtor's goods. We conclude that it is necessary to have such a residual power to prevent abuses and act as an ultimate sanction to encourage payment."

Possibly more surprisingly, but similarly, the Scottish Council for Civil Liberties submitted to the Scottish Law Commission in 1983 its comments on the reform proposed. It said that when it came to consider the detailed legislative proposals it recognised

"the great distinction between ameliorating the worst consequences of civil diligence for those who cannot pay and legislating against poverty itself."

The council concluded that

"there was no practical prospect that the abolition of the warrant sale would have a real effect on poverty, except in the context of much wider reforms of a kind not in prospect at this date."

The council had

"the gravest doubts about alternative proposals, including the establishment of debt counselling schemes as a method of enforcement."

Our objective is to see the creation of a coherent statutory policy towards poinding and arrestment that provides all the protections at present available to those who have access to skilled advice and assistance.

While the Scottish Council for Civil Liberties may not regard it as much of a compliment, I wholly endorse the

view expressed in that last passage. It demonstrates an important distinction that it would be proper to maintain both now and later in Committee. There seems to be some confusion of nomenclature in the various stages—debt counselling on an informal voluntary basis, a debt arrangement scheme and debt arbitration as a substitute for all the other enforcement procedures.

One of the main reforms within the existing framework of warrant sales is that exemptions from poinding of household goods are widened. When the Bill was considered in another place, these exemptions were further clarified and widened by, for example, the inclusion of tools needed for the maintenance and repair of the dwelling house and household items. When executing poindings, sheriff officers are not to be allowed to enter a house where there is nobody present, or where only children under the age of 16 are present, without giving four days notice.

Greater opportunities are provided for debtors to redeem goods at their appraised value. This is the price that they would be likely to fetch if sold on the open market. Debtors can apply to the sheriff to release items from the poindings on the ground that their inclusion, on a broad equitable test, is unduly harsh. Sheriffs can recall a poinding on a number of grounds or, at a later stage of the procedure, refuse to grant a warrant for the sale of the poinded goods. A poinding is to last for no longer than one year unless the period is extended to allow the making of payment by instalments. Of particular importance are the changes with regard to the warrant sale.

If there is a matter which has excited anxiety and emotion in this House, it has not been diligence generally but the warrant sale itself. Warrant sales of poinded household goods will in future normally take place in auction rooms without the debtor being publicly identified. The sight of people in Scotland out on the street with a few sticks of their belongings, their circumstances having been widely advertised in their local newspapers, has caused distress. It has attached to our whole system of diligence the description of medieval or barbaric. It is wrong to describe the whole system in that way, but I have no doubt that removing this requirement of sale in a person's own home is an extremely important and humane reform.

A further amendment which the Government brought forward in the other place was to ensure that, where the consent of an occupier is sought to the sale taking place in a dwelling house rather than in a sale room, the consent of every occupier is needed. The Government consider that in total these are substantial reforms which strike the proper balance between the retention of the warrant sale as a spur to payment and the removal of the most resented aspects of the diligence, together with the introduction of new safeguards for the debtor.

I now pass to the question of arrestment of earnings to which the hon. Member for Greenock and Port Glasgow (Dr. Godman) has already referred. It was plain that reform was needed of the system of earnings arrestment and these reforms are contained in part III. That part introduces three new forms of continuous diligence against earnings: earnings arrestments for ordinary debts; current maintenance arrestments for aliment and periodical allowance; and conjoined arrestment orders in cases where two or more creditors wish to arrest a debtor's earnings. The arrestment of funds or property other than earnings is not affected by the Bill. At present, an arrestment of earnings attaches to the debtor's earnings due at the next pay day but does not affect the earnings due on a later pay day. The result is that futher arrestments may be needed to obtain payment of a debt.

Moreover, the proportion of a person's earnings in any pay period which is exempt from earnings for an ordinary debt is too low, being half the balance over £4 per week, and probably does not leave enough in some cases for the debtor to live on. In the case of an arrestment enforcing aliment or rates, the whole pay could be attached, leaving the debtor with nothing.

In the new form of earnings arrestment enforcing ordinary debts, the deductions from earnings are set out in the three tables contained in schedule 2 to the Bill. One of the other two forms of arrestments against earnings is the current maintenance arrestment to recover maintenance as it falls due. Such arrangements will be of considerable assistance to a particularly vulnerable group of creditors in the community—dependent spouses or ex-spouses and their children. These changes will enable this group to enforce payment of the maintenance they require as they require it without, as at present, having to wait for arrears to mount up.

I am sure that I can draw on the experience of hon. Members who are, like me, frequently approached by those who have suddenly built up vast arrears of aliment or maintenance and they cannot see a way of clearing them and the problem gets worse. With this new arrangement I trust that payments will be made contemporaneously without that grim eventually coming about.

There are also detailed arrangements in the Bill to deal with what are described as conjoined arrestment orders. Essentially, this extremely complicated part of the Bill ensures that there should not be what is described as a race for diligence. Where more than one creditor seeks diligence, these arrangements will allow more than one creditor to share simultaneously in the debtor's earnings and, simultaneously, for an orderly payment of his obligations in cases of multiple debt—a condition about which Labour Members have expressed interest.

Under a conjoined arrestment order, the employer will be required to make deductions from earnings computed in accordance with the rules of earnings arrestment and current maintenance arrestments, as the case may be, and to pay them to the sheriff clerk, who will disburse those sums to the competing creditors rateably in proportion to the amount of their debts. Schedule 2 shows what sum is affordable out of it. That is paid out to the sheriff clerk, who then takes over the administration.

Mr. Alexander Pollock (Moray): In that context, what is the role of the Inland Revenue and the priority claims of which it has had the benefit under current legislation? May I take it from what my hon. and learned Friend has said that the Inland Revenue will no longer be able to exercise that right over the priority claim, or does he intend to deal with that elsewhere?

The Solicitor-General for Scotland: I wish that my hon. Friend could have drawn that from what I have been saying. I know from correspondence that my hon. Friend had with me last year about a constituent company that he was aware that the Scottish Law Commission had proposed that the Crown's prior claim for arrears of rates and taxes in proceeds of diligence by another creditor should be abolished. The Government agreed that the

[The Solicitor-General for Scotland]

state of the law was unsatisfactory. The prior claim for rates has been abolished, bringing into line the position on rates on both sides of the border. However, the prior claim for tax was also considered in the context of the Keith report on the enforcement powers of the revenue departments. The report applied to the United Kingdom as a whole. The Government are consulting on the Keith recommendations as a whole and have proposed that the prior claim should be retained but should be restricted to one year's arrears of PAYE.

My noble and learned Friend the Lord Advocate has arranged for all interested parties in Scotland to have an opportunity to comment on the prior claim. In the circumstances, I hope that my hon. Friend the Member for Moray (Mr. Pollock) appreciates that it would be inappropriate to bring forward legislation at this stage. Having offered him that opportunity for comment and consultation, and knowing of his previous interest in this matter, I shall doubtless be hearing from him in the near future.

Part IV contains provisions relating to the diligence and priorities for enforcing rates, taxes and Crown debts. Enforcement of rates and tax debts under summary warrants granted by the sheriff will continue to be undertaken by sheriff officers. Summary warrant poindings and sales will be in the same general form as ordinary poindings and sales but with necessary changes, and the diligence of arrestment is to be available for summary warrants for tax arrears as well as rates arrears. Civil imprisonment for non-payment of tax penalties, rates and most civil fines and penalties due to the Crown is abolished.

Part V introduces reforms of the arrangements for the appointment, training, control and discipline of officers of court. The Government agreed with the commission's recommendation that the present system of independent contractor officers of court should not be replaced by a system of salaried court officials. The Bill provides for the setting up of a new body — the Advisory Council on Messengers-at-Arms and Sheriff Officers—whose duty is to advise the Court of Session on the making of rules with regard to the regulation of organisation, training, conduct, and so on. Sheriffs principal are to have the power to order routine inspection of the work of officers of court.

Debt collection by officers of court is also subject to further regulation by the Bill. Officers are at present prohibited from enforcing debts due to themselves and this prohibition is to be extended to enforcement on behalf of members of their family, business associates and firms or companies in which they have a controlling interest. Officers of court are expressly prohibited from using their official designations when collecting debts before the creditor has obtained a court decree against the debtor. Officers are required to have the authorisation of the sheriff principal before seeking payment of a debt in a private capacity or through a debt collection agency. That issue may not arouse so much emotion as it did eight or nine years ago. Nevertheless, it is an important and worthwhile change.

Part VI contains provisions dealing with warrants for diligence and charges for payment. These are essentially technical provisions.

Part VII contains miscellaneous and general provisions. These include provisions to assist the debtor in proceedings under the Act. No court dues are to be payable to the court by a debtor in connection with proceedings under the Act and, if requested by the debtor, the sheriff clerk is required to provide him with information as to the procedures under the Act. Further, the Bill empowers the Court of Session to make court rules which may provide that a party to the sheriff court proceedings under any provision of the Bill may be represented, in such circumstances as may be specified in the rules, by someone who is neither an advocate nor a solicitor.

Hon. Members will be aware that there has been for a considerable number of years a general desire to reform the law relating to enforcement of debts so as to achieve a proper balance between the interests of debtors and of creditors. The Bill introduces the necessary reforms. They are necessarily complicated and detailed. Nevertheless, I trust that they will be widely welcomed on both sides of the House as achieving a long-desired and necessary reform of the law of Scotland.

5.2 pm

Mr. Tom Clarke (Monklands, West): The Opposition give a general welcome to the Bill, although we should have liked to see more meat on its bones. It is a slightly more tepid piece of drafting than we wanted. The Solicitor-General for Scotland might wish to respond to our regret that the Law Commission's sensible proposals have not been met in full. The hon. and learned Gentleman did not reassure us. It would be interesting if he told us why the Government have decided not to take on board all the Law Commission's proposals, some of which are very important.

My hon. Friends would like to go beyond what the Law Commission suggested on some issues. Some were discussed by Labour Members in another place and will not be new to the Solicitor-General for Scotland who, I am sure, is studying them carefully. I cannot disguise, nor would I wish to hide, the Labour party's distaste for warrant sales in any shape or form. We want them to end. If the Bill is acceptable in the meantime, it is because it has moved just a bit in that direction. The Labour party believes that it has not moved far enough.

The Solicitor-General for Scotland referred to the time-to-pay orders, which we welcome. We recognise that they involve the debtor in finding a solution to his own problem and, in that way, much of the stigma of diligence is thereby removed. But there are two important shortcomings. First, we do not believe that a time-to-pay order should be available only on the specific application of the debtor. Many people who find themselves in severe debt do not have available to them the information or advice to make them aware of their obligations.

Since the Solicitor-General for Scotland has given such weight to some of the other views of the Scottish Consumer Council, perhaps he will bear in mind this comment:

> "It is not clear to us that debtors, who in the main are poor and disadvantaged, will have the necessary information and skills to be able to take this initiative."

The Labour party believes that it should be open to the court or even to the creditor to propose the implementation of a time-to-pay order. We urge that on the Government.

Secondly, time-to-pay orders are not available, as the Solicitor-General for Scotland has confirmed, for non-payment of rates and taxes. That is incredible. The Government argue that Government Departments and local authorities are to be trusted to use their powers of enforcement in a reasonable manner. That is a somewhat uncharacteristic, if touching, faith in the goodwill of local authorities, and perhaps even of other Government Departments. I do not share that faith and the report in *The Scotsman* this morning suggests that many others do not share it either.

I hope that the Solicitor-General for Scotland will not mind if, as a constituency Member, I refer to a case which was drawn to my notice during the summer recess. It contains a number of messages for us as we consider the Bill both now and in Committee. At the beginning of the recess, one of my constituents, who was seriously ill, came to my house and said that she was in considerable distress because her young daughter and her husband had purchased a house on the basis of being owner-occupiers and had become involved in a very heavy mortgage which, in time, they found that they could not meet. They had not been able to resist the blandishments of people selling all kinds of modern wonders, home equipment and the rest. The result was that the young couple went from one credit group to another, from one finance house to another and, like many other young couples in this position, I regret to say, found themselves caught in a spider's web. In due course, they had to leave their owner-occupied house and the local council allocated them a house in an area which is described as "difficult to let".

The mother was concerned because that day a warrant sale was to take place. She posed a fundamental legal question to me which became relevant if we are considering giving so many powers to local authorities and public bodies. She asked whether, after the first warrant sale had taken place, she would be free to use some of her savings—not very much, but the limited amount that she had to ensure that the young couple had enough furniture to keep their home going—as a gift.

She asked, "If I use my money and make a gift to my daughter and my son-in-law, does that mean that there can be yet another warrant sale and that they can take the gift of the goods that I have just given them?" I did not know the answer. With great confidence, I said, "I shall be going to Edinburgh today anyway, so I shall pop into the Crown Office and, no doubt, the officials will tell me."

I popped into the Crown Office and revealed to all the security people I met that I was carrying the Serjeant at Arms' identification card. After a few minutes, I found myself in the main building, which hon. Members would recognise. I was told by a fairly senior civil servant that, notwithstanding the fact that I was showing the Serjeant at Arms' ID card, I had no right to be there. He told me to get out and to leave the precincts.

We must remember that an ordinary person is expected to cope with such treatment. The Government are asking us to have faith in local authorities and public bodies that are said to be sympathetic. I am happy to say that I was rescued by a more senior member of staff, who acted more professionally and arranged for me to be given the advice that I should have been given initially. I drew the matter to the attention of the Lord Advocate, who acted promptly and correctly, for which I thank him.

If it is so difficult for a Member of the House to obtain such information, what makes the Solicitor-General think that ordinary wee folk, who may be terrified of authority, can obtain the information and help from local authorities and public bodies that the Bill suggests? I hope that in Committee the Secretary of State and the Solicitor-General for Scotland will agree to think again.

The Solicitor-General for Scotland referred to poinding and warrant sales. I was grateful to the Law Commission for getting the pronunciation right. I thought that the commission's report was very helpful, although I must say that at a cost of £32, albeit for two documents, we are all paying for our education. Having said that, I withdraw none of the congratulations of myself and my hon. Friends.

The system of poinding and warrant sales is antiquated and humiliating. It is not a reasonable system for collecting debts, and it invites reforms. The Bill suggests reforms, which we welcome and will welcome again in Committee. For instance, a vast extension in the range of goods to be exempt from poinding has been introduced in the Bill as a result of legal action. We are told that children's toys, most items of furniture, essential working tools and so on, will be included. Creditors will no longer be able to force a sale in the debtor's house, and we welcome that as well. It would be churlish to do otherwise. The old system whereby publicity was given in a community was very humiliating and I am happy that that too is being removed. Again, it would be churlish not to welcome that. However we deal with the matter, we must ensure that we remove every obstacle in the way of people's dignity, and any suggestion of humiliation for the person, his family and his neighbourhood.

Given that Opposition policy is the abolition of warrant sales, there are some questions that we should ask. For example, the list of items exempted from poinding prompts the question, "Why should warrant sales be retained at all?" The Government's only argument is that such sales provide the ultimate sanction. In another place, Lord Morton suggested more practical final sanctions. We shall ask the Government to consider such alternatives in Committee.

Mr. Barry Henderson (Fife, North-East): I should not like to misunderstand the hon. Gentleman. What does he suggest as a final sanction?

Mr. Clarke: I am not sure whether the hon. Member for Fife, North-East (Mr. Henderson) is offering himself as a member of the Standing Committee on the Bill. If so, I shall be happy to develop that point then. In the meantime, the hon. Gentleman may find time to read the speech of my noble Friend.

We are told that tools of trade are to be exempt from poinding up to a value of £500. In view of modern technology, individual tools of trade may be worth more than that. That is certainly true of computers. Surely the principle of exemption is to avoid depriving the debtor of has ability to earn. If that is to be achieved, the upper value limit of £500 should be at least doubled, and perhaps even trebled. We shall press for that in Committee.

We are told that medical aids and equipment will be exempted only if they are reasonably required. We feel that all medical aids and equipment should be exempt from poinding or sale. Decisions on what is required cannot be left in the hands of a law officer whose expertise and qualifications do not extend to medical science; nor should he be asked for an opinion on such matters.

[Mr. Clarke]

Creditors can no longer force a sale in a debtor's house, but the procedure will still be permitted if the debtor can be persuaded to agree to it. A debtor might be persuaded to allow a sale in his home so as to leave as large a sum as possible for an outstanding debt. That is an unhealthy aspect of the Bill. The debtor's family might suffer indignity, even if they were occupiers. Children would obviously have little say in the matter. Moreover, the stigma could stick to other members of the family in the community. That is another point that we shall pursue in Committee.

The question of diligence against earnings is a central feature of the Law Commission's report. We welcome the changes made by the Bill, especially the introduction of a system of continuous diligence against earnings, which will avoid the need for continuous arrestment against those earnings. The arrangements for imposing maximum arrestment sums are sensible, and will help the system to work more fairly.

However, our welcome for those proposals is severely dampened by the Government's refusal to accept the Law Commission's proposals for the introduction of a debt arrangement scheme. The suggestion has been backed by the Law Society and the Scottish Consumer Council, and we agree that the proposed scheme would deal sensibly and fairly with the problem of multiple debt.

The Government's cavalier rejection of the scheme is based on the assertion that multiple indebtedness is a minor problem that does not justify the cost of the commission's suggested solution. We strongly dissent from that view. The Government seriously underestimate the level of multiple debt. It is a major and growing problem in Scotland, to which a debt arrangement scheme would offer a workable solution. It is the only practical solution that has been suggested, but, rather than proposing an alternative, the Government are trying to suggest that the problem does not exist. They are wrong, and we shall argue strongly for the introduction of such a scheme, here and in Committee. I therefore ask the Solicitor-General for Scotland to explain his objections in greater depth and to accept the well-meant and seriously researched proposals by the Law Commission, because so far we find the commission's views on these matters more convincing than those of the Government.

It is impossible for the House to consider the Bill without giving thought to the growing problem of debt in our society, which is a much wider issue. I do not believe that we can solve the problem without recognising the influence of that development. Under the present Government, there has been a vast expansion of personal debt. In Scotland, the present Administration have overseen an increase of 30 per cent. per year in the number of severe debt problems.

In Coatbridge, in my constituency, the number of cases made known to the citizens advice bureau in 1986 has increased by 133 per cent. The figures of debt inquiries at the citizens advice bureau in Bath street, in Glasgow, tell a worrying story. In January 1987 that office dealt with personal debt to the value of £250,000. In February, that figure reached £312,000. The average size of personal debt dealt with was £11,000 per person or family. The largest personal debt was an alarming £37,000. On this evidence indebtedness is certainly a growing social problem. The Bill deals with the symptoms, but they are the tip of the iceberg. It has not got to the heart of the matter and we are concerned that it should. There is also the problem of fuel poverty. That problem will remain with us until we properly address ourselves to the serious problems that people endure.

It is impossible to judge the extent to which the difficulties are due to low wages or to the ease with which credit is made available. Moreover, the Paymaster General's solution — if I may refer to it — of reducing wages still more in areas of high unemployment is hardly one that appears to be helpful. In addition Lord Ross of Marnock has rightly warned us that there will be still more difficulties if the community charge is introduced in Scotland.

The fact that the Bill is required emphasises how right the shadow Chancellor is to warn the Government of the dangers of creating the false impression of economic growth based on irresponsible consumer credit arrangements, which the unemployment-stricken people in Scotland simply cannot afford.

It is with all that in mind that we shall closely examine the Bill. We shall examine it constructively and when we are given the opportunity, we shall seek to strengthen it. We shall also monitor it most carefully and earnestly following its enactment.

5.22 pm

Mrs. Anna McCurley (Renfrew, West and Inverclyde): Fortunately, I have not been involved with a great number of my constituents facing warrant sales. However, I remember when I was in local government that several people came to me in great distress, sometimes with only 24 hours to go before the sheriff officers were due to enter their houses and attach their possessions prior to warrant sale.

It was not unusual for me to have the diligence procedure postponed to give the debtors more time to sort something out. Once the circumstances were explained to the firm of sheriff officers, the problems seriously considered — incredibly, often for the first time by the debtor — and an explanation given to the creditor, together with some plan of repayments, the worst eventuality was usually staved off.

For many people, especially those without the middle-class cachet of overdraft facilities, debt is similar to a vortex that sucks them in, and they lose control. I am inclined to agree with Opposition Members who have discussed the plastic explosion. There are some cases nowadays when people are offered no-deposit credit. If anything, that is the most dangerous form of credit available, and it can cause many problems.

Mr. Michael Hirst (Strathkelvin and Bearsden): Does my hon. Friend agree that the situation is worse than she has described—*[Interruption.]*

Mrs. McCurley: On a point of order, Mr. Deputy Speaker. If my hon. Friend is making a point to me during the course of my speech, is it in order for Opposition Members to try to intervene, thus making it impossible for me to understand what my hon. Friend says?

Mr. Deputy Speaker (Mr. Harold Walker): What the hon. Lady complains about is not in order.

Mr. Hirst: I am grateful to my hon. Friend. Does my hon. Friend agree that the situation is worse than she has described, because much of the most available plastic

money credit carries annual interest rates of about 35 per cent. compared with the 13 or 14 per cent. that one may pay on a personal overdraft?

Mrs. McCurley: I am grateful to my hon. Friend, and I concur heartily with him. My hon. Friend will be aware that in many instances certain types of shops and firms attract particular types of individual. Those are the businesses that charge percentages higher than the average, and that is especially reprehensible.

One of the worst aspects is that many people panic and run away from debt. Often, when debt has been accumulated, it is as long as two or three years before a creditor takes the type of action that leads to a warrant sale. That is a long time. It demonstrates that a warrant sale is a court of last resort.

Not all debtors are victims. We have heard today that in 1975 only 700 decrees out of 80,000 ended in warrant sales. My hon. and learned Friend also point out that firms as well as householders were involved. That suggests that in some instances mistakes, incompetence, quirks of circumstance or downright bloody-mindedness had a part to play, until the heavy warning came at last. In the truly sad cases the relief of the debtor when someone takes over control of his problem, together with the general reasonableness of the creditor, has never ceased to amaze me. Ironically for some, the due process was a relief in itself, albeit humiliating and disastrous. In Committee we should consider debt counselling services and investigate how such services may be implemented. It is important to get that matter right.

I am extremely pleased that the Government have had the good sense to tackle this messy area of law on the excellent advice of the Scottish Law Commission. They have done so in a way that does not afford the debtor the opportunity to escape his responsibility, but holds out hope to both the debtor and creditor.

The two main objectives of the Bill, which are based on the recommendations of the Scottish Law Commission, are effective enforcement, by which creditors can be confident of recovering debt, and debtor protection. No longer will basic household goods that are needed, but are not absolute necessities, such as books or children's toys be held for sale. Instead of appealing to a councillor, a Member of Parliament or a citizens advice bureau to act like the fifth cavalry, a wide-ranging system of applications to the sheriff will be established.

The warrant sale will no longer come out of the blue and shock the debtor. I have seen that happen in many instances. A sale, if it reaches that position, will not be held in the debtor's home. Anonymity should take the Victorian censoriousness out of the system and fend off both prurient press and neighbours.

The more humane system of continuous diligence against earnings will ensure that debtors can, at least financially, survive the ordeal. Likewise, when a married man who is separated gets into a pickle over maintenance or when he is being bolshie over payments, his wife can be assured of continuity of payments through current maintenance arrestment. Therefore, the family is saved from some further agony in an already painful situation. I have never known any sheriff officers to act officiously, but in a potentially explosive situation human failings emerge. Increased control and scrutiny, as described by the Bill, will impose a more professional, if not more humane, outlook on sheriff officers who have transgressed.

The Bill may not satisfy the Opposition entirely, but I wish to reinforce the fact that it is necessary to have some ultimate sanction. Debts cannot suddenly evaporate. I am convinced that only the real chronics, as it were, need fear the new legislation. I support the Bill because it reflects a sympathetic and humane approach to those whose lives have deteriorated into a dreadful financial muddle.

5.30 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I listened carefully to the considered speech of the hon. Member for Renfrew, West and Inverclyde (Mrs McCurley) and I was pleased that she addressed herself to the increasing problem of plastic credit, which is now so freely available, and said that she is in favour of personal debt arrangement schemes. I follow her in that and I hope that we shall be able to return to that issue when the Bill is considered in Committee and on Report. The argument for such schemes was also advanced eloquently by the hon. Member for Monklands, West (Mr. Clarke).

I wish to add my welcome to this tightly drawn and technical measure. I think that it could more appropriately be called the "Diligence Bill", because the Bill does not begin to address the wide range, panoply and extent of the debt problems that face those of limited means who get themselves into financial difficulties in Scotland. A Bill which addressed debtors' problems would tackle these, but it is of course right that we move on from the provisions of the Debtors (Scotland) Act 1838, which presently governs the process of diligence in Scotland and is now out of date. I for one deeply regret the demise of the Hornings Act 1579. In my previous incarnation, I spent much time tormenting sheriff officers. There was great sport to be had. As I am sure the House, or the Solicitor-General for Scotland, will know, sheriff officers have to be punctilious in following statutory diligence procedures. It was always possible to twist their tail severely if they failed to adhere to those procedures and to report them to the sheriff, using the Hornings Act and the like. That was good sport, but all that is being swept away, probably quite properly, by the provisions of the Bill.

The process of trade, commerce and business, and especially that of the retail sector, has changed radically since 1838. In those days people were much more likely to know personally those with whom they were trading. In the small towns and areas that I represent, for example, there was little chance of anyone being given a higher credit rating than he or she deserved. That was because communities were much smaller and more closely knit. That is no longer the position. Multiple retail stores today take a clinical view of debt. They decide that they can withstand annually say 5 per cent. to 10 per cent. debt write-offs. They adopt a completely dispassionate view and pursue any subsequent debt default ruthlessly. Some of them do so as a matter of principle and without regard to the cost-effectiveness of the action that they are pursuing. That approach, taken together with the iniquities of the warrant sale system, causes a great deal of hardship and distress.

As the Solicitor-General for Scotland has said, the twin objects of the Bill should be rightly and properly the achieving of a good system of enforcing debt by diligence and debtor protection, and it must be tested against those two propositions. That leaves for further and future consideration important areas such as credit provision, the levels of security that should properly be required,

[Mr. Archy Kirkwood]

provision of debt counselling and small debtors' courts, which continue to form an important part of the wider argument.

These issues are of fundamental importance, especially as the consumer boom develops inexorably and people are taken through the courts with decrees for debt being enforced against them. The Bill is half a loaf; it is better than no bread but there is still the other half of the law relating to these other matters to be tackled at another stage at a future date.

My main concern is the need for continuing debtor protection. It is important in today's retail trading conditions that those who run businesses should understand that they are able to look after themselves and their own commercial interests. I have in mind the simplification of the whole process of diligence and in particular the attachment of earnings provisions that are contained in the Bill. If the process of diligence is made a lot easier, it will tend to be used more often. When I was a practising legal agent before coming to the House I rarely advised clients that the process of wage arrestment should be pursued because of its confounded difficulties. If it is made more efficient and expeditious, legal agents will be saying, "It is such a smooth, streamlined and efficient system that it should be used more readily." That is a potential danger that we should bear in mind.

I wish the House to consider carefully the position of those who cannot pay as opposed to those who will not. Those who will not pay deserve to be taken all the way down the avenue of enforcement that is contained in the Bill. In my view, and in my experience as a constituency Member, there is an increasing debt problem, and especially multiple debt.

The Scottish Law Commission's report perhaps did not address that aspect of the problem with as much energy and vigour as some of us would have wished. I am talking about those who find themselves in difficulty because of fuel debts to the electricity boards or gas boards. There are also those in rent arrears. The problem of mortgage arrears is increasing. There are also those who find themselves in difficulty after having used postal club books and catalogues to equip their households and clothe their families. I have in mind especially those who get into trouble because they are in debt to the extent of about £150. It is almost inevitable that these people find themselves on supplementary benefit, unemployment or sickness benefit, though they might not have been when they took on the debt initially. When they go over the top there is little hope for them.

Mr. Hirst: Is it the hon. Gentleman's experience that the voluntary code applied by electricity boards and gas boards works in a fair way and ensures that there are no disconnections, especially during winter months, for certain deserving categories of the public?

Mr. Kirkwood: I must concede that it is much better now than it was. There is a long way to go, but the code of practice has improved the situation a great deal. That is a valid point the House should bear in mind.

Mr. Wilson: Is the hon. Gentleman aware that the rate of disconnections for short-term debtors has exploded considerably during the past six months, both to electricity boards and to gas boards? I think that there has been about a 40 per cent. increase in the number of those in debt to the electricity boards.

Mr. Kirkwood: I recognise that to be true. I understood the hon. Member for Strathkelvin and Bearsden (Mr. Hirst) to be saying, however, that the system is working better than it was. There may be more debtors, but the process and the way in which the electricity boards are approaching the problems of disconnection have improved. That is my experience, but I stand to be corrected by hon. Members who may have had a different experience.

The cost of a poinding includes the cost of a decree and court expenses in addition to the amount of the debt. Account must also be taken of the interest that runs during the course of the repayment of the principal sum, including court expenses. These are all additional expenses and expenditures that go on top of the principal sum. I referred earlier to a debt of £150, and the process means that the final sum to be repaid is significantly higher than the original debt. I hope that further consideration will be given to diligence costs in Committee. I am worried about the imbalance.

I want to return to the argument about debt arrangement schemes. The hon. Member for Monklands, West made his position clear; I support him. We can explore the arguments in further detail in Committee and hear what the Government have to say.

I want assurance from the Government about social fund loan repayments. The Solicitor-General for Scotland may not want to address the point today but I give him notice that I shall raise it in Committee. Under current legislation, if loans made by the social fund are not repaid, do we use the process of diligence? If so, are people subject to civil imprisonment for non-repayment of loans? I do not think that that is likely, but I want to ensure that between now and Committee stage the Government will give thought to the matter because it is important.

The repayment of rates and tax debts by instalments should be permissible. Under clauses 1 and 5 the Government are setting their face against that. The Scottish Consumer Council has commented on it. I think that the Government's position is wrong.

Like the hon. Member for Monklands, West, I think that we should stop completely auction sales in a person's home if he or his family still live there. There is no excuse for that. If furniture is to be taken to auction rooms, auctioneers will charge fees for moving that furniture; sometimes they charge as much as 20 per cent. of the value of the furniture. Again that involves additional costs for the debtor.

The Solicitor-General for Scotland: I understand why the hon. Member for Monklands, West (Mr. Clarke), given his constituency, would in 99 cases out of 100, if not in 100, find it impossible to believe that a debtor would want to have the warrant sale in his own home. But the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), who represents a rural constituency where auction rooms may be remote from where the property is, might feel that, rather than incurring the additional expense of an auction room sale miles away from the person's home, particularly if the person intends to sever his connection with that part of the world, it would be

better value for money to have the sale on the spot. I stress that it is entirely a matter of consent. If the person does not consent, the sale has to take place in an auction room.

Mr. Kirkwood: I take that point. I think that there should be a restriction on the fees charged for moving furniture, but I am prepared to discuss that in Committee.

The Scottish Consumer Council is right to ask for the exemption of all medical aids and equipment used by the debtor and his family. The sheriff officer will be put in an impossible position in exercising his discretion under clause 16(1)*(c)*. Clause 16(1)*(b)* should also be examined again. The exemption of £500 for tools of the trade is too low. We can discuss that too in Committee.

I give the Bill a general welcome. It is technical but it will improve the position. We have to be careful about how the Bill will impact on the small scale debtor who is invariably claiming supplementary or other benefits. That category of person will suffer most if we do not get the Bill's provisions right.

5.43 pm

Mr. Barry Henderson (Fife, North-East): It is encouraging that a Bill of such complexity and sensitivity is not politically controversial. I was disappointed that the hon. Member for Monklands, West (Mr. Clarke), who generally presents the acceptable face of the Labour party, said that he would like the Bill to go further in respect of warrant sales but avoided spelling out how that should be done. Since 1968, the Scottish Law Commission has been considering the matter. For many years the Labour party has been pressing for something to be done about humanising—if that is the right word—warrant sales. The Government are now doing something. Unless the Opposition have worked out what they would do differently, it would have been more generous for the hon. Gentleman to give an unqualified welcome to the Bill in that respect.

The Bill removes the unacceptable Dickensian features of warrant sales procedure and gives some rights to debtors. I congratulate the Scottish Law Commission which has worked so long and—if one may be forgiven the pun—so diligently trying to find a solution to the problem. It started the process with a two volume report in 1985, and then there were successive consultations on which the Bill is based.

The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) made a distinction between people who will not pay and people who cannot pay their debts. It is a fundamentally important distinction. We should make it clear to all our constituents that the law will still come down hard on people who will not pay, as distinct from those who cannot, for one reason or another, legitimately fulfil their obligations. In this respect it would help if, from the earliest age and throughout their growing years, children were reminded of their duties and obligations, as well as of their rights.

Unlike the hon. Member, I am not familiar with these procedures so I was interested to read the Poinding Act 1661 which noted that if promises, pactions, obligements and debts were not faithfully performed and satisfied, there could be no trust and consequently no social intercourse and commerce at home. That is true. We must get it across to people that if they do not fulfil their obligations there will be serious consequences for all of us.

In opening the debate, my hon. and learned Friend the Solicitor-General for Scotland gave some figures. I did not catch all of them so perhaps he will come back to them in his reply. I understood him to say that there were in Scotland about 80,000 cases, of which 700 involved warrant sales. In the debate in another place, Lord Ross of Marnock referred to 38,000 cases in one year in Strathclyde, of which only seven involved warrant sales. If one of those sets of figures is not wrong, there seems to be a great disparity between what has happened in Strathclyde and elsewhere in Scotland.

The Solicitor-General for Scotland: The figures I gave were 80,000 debt decrees granted by Scottish courts. As I recollect, Lord Ross of Marnock was referring specifically to decrees involving rates, of which only seven eventually finished up as warrant sales.

Mr. Henderson: I am grateful to my hon. and learned Friend for clarifying that.

If those who are less well off are to get fair terms and conditions for credit sensibly taken, it is important that society as a whole does not allow people to get away with not paying the dues for which they make themselves liable. Therefore, we have to strike the proper balance between encouraging people to fulfil their obligations and not being inhuman in the application of the law.

As I said earlier, the Labour party has long talked about doing something about warrant sales. I am delighted that it is this Government who have taken action. I particularly congratulate my hon. and learned Friend because he has taken a special interest in the matter since he came into the House, even before he reached his present high office. Apart from the weight of the Bill, it will be very important. On present form, it seems that such Bills last for about 150 years before they are changed.

My hon. Friend the Member for Renfrew, West and Inverclyde (Mrs. McCurley) made an important point about avoiding debt. The Scottish Consumer Council has been helpful to hon. Members by looking closely at the legislation and making a number of suggestions.

In a letter that I believe was circulated to all hon. Members on 5 March, the Scottish Consumer Council complained in the nicest possible way that the Bill, although making many improvements, did not deal with, for instance,

"controls of the informal debt recovery process such as the operation of debt collection agencies, other sanctions for debt such as disconnection of fuel services or evictions or the scope for money advice services. Therfore, the Bill's proposals concentrate on improving court processes and can certainly not be regarded as the 'solution' to the problems of consumer debt".

It would be interesting, on another occasion, to consider the sort of problems that would remain once the Bill was on the statute book.

It is important to recognise that easier credit is no kindness to anyone, least of all the less well off. Anyone who is involved in providing credit should concern himself not only with the possibility of the person repaying, but with his capacity to do so in a reasonable way. It is not just a question of assets.

I particularly welcome clause 18, under which sheriff officers will not be allowed to enter premises if children under 16 are alone in the house. That is most desirable.

The Scottish Consumer Council mentioned that it wants medical aids or equipment to be exempt, and the hon. Member for Monklands, West referred to that. I am not convinced by the case advanced by the council. Under the Bill, such aids will be exempt only if the court officer

[Mr. Henderson]

executing the poinding considers that they are reasonably required for the use of the debtor or his family. If they are not reasonably required, why should they be exempt?

Mr. Kirkwood: That is a medical judgment.

Mr. Henderson: The hon. Gentleman says that it is a medical judgment. Let me give an example in which it is not. A bath chair—a relic from the turn of the century — might be regarded as a medical aid. Other hon. Members could give examples. Some medical aids or equipment may have no conceivable connection with anyone in a given household. Should they be exempt simply because they are medical aids? A house might contain objects, such as an antique stethoscope, which might be regarded as having value as an asset.

It is too quick and easy to say that medical aids and equipment should be exempt. What if one of the problems of the household is drug addiction? I am not a sheriff's officer, but I would not know the difference between a "druggies'" equipment and medical aids or equipment. We should look further into this question and I am not yet convinced that we should change the wording of the Bill.

I am more sympathetic towards the point made by the Scottish Consumer Council on the £500 ceiling on exemption for tools of trade. There is a case for making that figure higher. I do not know what provision would be made for indexing that figure and perhaps my hon. and learned Friend the Solicitor-General for Scotland will clarify that.

I declare an interest as a member of the British Computer Society. I notice that the council uses computers as an example in which the ceiling might be more than £1,000. I am not sure whether that is important. The price of computers is falling and one can buy a sizeable computer for under £500 nowadays. There are many other tools of trade of which a modest range might easily add up to £1,000.

Dr. Godman: Shipwrighting, for instance.

Mr. Henderson: People in trades such as shipwrighting must have their own tools because they are not provided by their employer.

The Scottish Consumer Council also said that it was disappointed that the Bill did not allow instalment orders for arrears of rates and taxes to be made. I hope that my hon. and learned Friend will take note of what the hon. Member for Monklands, West said about that, as he is an ex-president of the Convention of Scottish Local Authorities. The hon. Member for Monklands, West did not accept—nor did the Scottish Consumer Council—that local and central Government are always as sympathetic to debtors as are ordinary creditors.

Less secrecy about the way in which the high street banks calculate interest and bank charges might also help those who come within the ambit of the Bill. Not long ago one of my constituents had an argument with his bank about the calculation of interest on his account. Eventually, the bank said, "OK, we have done you for too much, but we won't tell you how we have calculated that. However, we will let you have a near £10,000 reduction in your interest bill." My constituent was not likely to have to have a warrant sale, but it is not untypical for a farmer to carry a substantial overdraft.

Dr. Godman: Or a fisherman.

Mr. Henderson: If people with overdrafts cannot work out what the interest payments on their accounts are at any given time, it ill behoves the banks to say, "You must pay so-and-so."

The banks have been less than honourable in withholding from their customers information to which they are legitimately entitled. If anyone is asked to pay a bill, he should be given full and explicit details of why. I do not understand how the banks have got away for so long with not spelling out exactly how the interest on accounts is calculated or how bank charges are accumulated.

If the banks do not put their house in order themselves, I trust that this House will put it in order for them before long. I appreciate that the Bill would not be the best instrument to do that, but I hope that there will be an opportunity to take up the matter in the House soon.

As my hon. Friend the Member for Renfrew, West and Inverclyde said, one of the most important ways to keep people out of the sort of problems that we are addressing is to get them to face up to the problem of debt as soon as it is identified. When someone is in trouble he should never go on worrying. He should seek advice at the earliest possible moment either from the person to whom he owes money or from other sources, such as a citizens advice bureau. People must face their problems as soon as they are identified so that they can be helped to resolve them in a rational way, rather than under the anxiety and pressure that people often experience when they are in debt. If they deal with their problems in a rational and sensible way, they will not need to be worried by the Bill's provisions.

5.59 pm

Mr. Bruce Millan (Glasgow, Govan): The Bill deserves a general welcome. Most of the points that need to be made about it have been made. I shall simply emphasise a number of points already made by hon. Members, and especially by my hon. Friend the Member for Monklands, West (Mr. Clarke).

In some cases credit is all too easily available, and that is a problem. Anyone with a bank card is inundated with letters offering more and more money on easy credit. Unfortunately, many people who are not very wealthy, and some who are in poor circumstances, become involved in excessive credit. The poorer the person, the more such money costs. The better off one is, the easier it is to get credit at reasonable rates. There is a problem there, but the Bill does not pretend to get rid of it; it deals with its consequences. However, as I have said, the Bill is generally welcome.

I share the view expressed by other hon. Members that there seems to be no justification, either in principle or in practice, for the exclusions in clause 1 which deals with payment by instalments. I am not sure about the reference to the Inland Revenue regarding payment

"as if it were tax".

Presumably that relates to national insurance contributions as well as tax. I should be grateful if the Minister could clarify that point in clause 1(5)*(d)*.

On taxation generally, some of the VAT practices are damaging, especially to business. Obviously there has been a tidying up of VAT procedures, but there is no reason why firms that are able to pay their VAT on time should get extended credit, while other firms in similar circumstances pay their bills on time. The Inland Revenue

and Customs and Excise have everything in their favour. In this case they will be excluded from the instalment procedures and they have preference in insolvency and bankruptcy legislation. The Solicitor-General for Scotland will recall that we had arguments about the extent of the preference that they ought to have during the progress of the Bankruptcy (Scotland) Act 1985.

The Inland Revenue and Customs and Excise are well protected in terms of debts, and I see no reason in principle or in practice for excluding them from the instalment system under clause 1. I have had one or two constituency experiences of Customs and Excise vigorously pursuing debts. No doubt the authorities were acting under instructions, as they are at the moment, in view of the general determination of the Government to tighten VAT procedures. However, this pursuit has been carried out. Other creditors were being supportive of small firms while Government agencies were driving them into liquidation. That is undesirable. It is another example of making special rules for the Inland Revenue and Customs and Excise. I do not like that, and I hope that it can be amended in Committee.

Payment by instalments should not be on the application of the debtor, as is provided for in clause 1. Such a system sounds simple and perhaps even desirable, but in many cases the debtor is not sufficiently aware of it to make the application. I see no reason why that restriction should appear in the Bill. There is no reason why the court should not decide to make an order for payment by instalments, even if there is no specific application by the debtor. Again, I hope that that will be amended in Committee.

I agree with those who say that we should ban warrant sales in the debtor's home. The Bill goes a long way towards that, but it is unrealistic in some cases to look upon the debtor and creditor as being equally able to take decisions. In such situations one of the parties is under much pressure and sometimes suffers from a great deal of emotional stress. Therefore, he is not able to make sensible or rational decisions. I, and I think many hon. Members, would prefer to see the complete exclusion of warrant sales taking place in a debtor's home. I hope that the Government will not stick to the Bill's provisions. If we are to reduce the possibility of such sales to a small minority of cases, it is far better to abolish the provision for them. I am sure that all hon. Members would agree with that.

There has been some discussion about the poinding exclusions in clause 16. The exclusions in clause 16 make it difficult to see what is left—except perhaps a motor car, television set, a radio or a video. It would be desirable if legislation could be drafted to provide a list of the things that could be poinded, rather than a list of the exclusions. Of course we are talking about dwelling houses, not business premises. There is perhaps some difficulty about drafting such legislation, but if we consider the list of exclusions and take account of expenses and the difficulty of getting reasonable sums at auction for some of the goods taken from debtors' homes—unless one seizes a motor car or perhaps an expensive motor cycle or a television set—we see that it is not worth going through the trouble of poinding arrangements, the warrant sale, and so on.

Unfortunately, because of the way the Bill is drafted and the judgment of the value of items being in the hands of the sheriff officer, it will still be possible to take from domestic premises lots of things which at the end of the day will realise very little at auction. However, their seizure can cause considerable hardship to the debtor, even if he does not come within the strict definitions and exclusions of clause 16. Perhaps that matter can be examined in Committee.

It would be much better if, in practice, whatever the definitions of the legislation, only substantial items were subject to poinding, and only in cases where one could not really argue that one was dealing with an essential item of equipment. If we are to have warrant sales at all, that would be the best solution. Most hon. Members would like to abolish warrant sales altogether. However, there is a difficulty about the debtor who deliberately refuses to pay, even when he may be able to do so and where, for one reason or another, the earnings arrestment arrangement cannot be implemented. The easier earnings arrestment arrangements in the Bill should be an incentive to avoid the poinding and warrant sale procedure—certainly in the case of anyone who is in work.

Rightly, one has always tended to emphasise the humiliation involved in selling off a debtor's furniture in his own home, but there is also considerable humiliation in the arrestment of earnings. As my hon. Friend the Member for Greenock and Port Glasgow (Dr. Godman) said in an intervention, it does not do a person any good with his employer to have an arrestment put on his wages. The employer may not be able directly to punish an employee by dismissal, but we all know that in many cases, when faced with this kind of situation, an employer may decide that he has a troublesome and undesirable employee. In practice, many people must have lost jobs because of an arrestment of earnings. That is by no means an easy option compared with poinding and warrant sales. The Bill makes the process easier and puts an effective weapon into creditors' hands. It is a sanction that in many cases will make debtors, who are able to pay their bills but are perhaps reluctant to do so, think again. Many such matters should be pursued in Committee.

The Bill is generally to be welcomed, but it suffers from a number of defects. Some could easily be put right by simple amendments. I hope that hon. Members who serve on the Committee—I do not apply for such service—will endeavour to put matters right so that we shall have a worthwhile piece of legislation.

6.10 pm

Mr. Michael Hirst (Strathkelvin and Bearsden): I believe that the House will give a warm welcome to the Bill and congratulate the Government on implementing the report of the Scottish Law Commission on diligence. I have heard frequent references in the debate to the worthy document that the commission has produced, but, as a non-lawyer, I must say that I like the executive summary of the report's findings rather than its meat. The Bill will probably be thought of in Scotland as the one that brings to an end the indignity of warrant sales in debtors' homes. It is important that we should recognise that other worthy advances are contained in the Bill.

I must confess that I have had no experience of a warrant sale, but I certainly have experienced constituents coming to me in great distress, and normally only a few hours before a warrant sale is due to take place. Anyone who regularly combs through his or her local newspaper must see the pathetic little notices that advise that a warrant sale will take place at the home of a certain person, with the address clearly shown. Such notices heap

[Mr. Michael Hirst]

misery and indignity on someone who has had the misfortune to get into debt and have a court decree made against them in respect of the non-payment of debt.

Dr. Godman: The position could be even worse for the person concerned. I know of a poor person in my constituency who was caught up in such a predicament. He experienced his neighbours coming to see him because they had been leafletted as if it were some kind of general election campaign. The situation can be much worse than the hon. Gentleman suggests.

Mr. Hirst: The hon. Gentleman has rightly drawn attention to a practice which I understand is carried on by people who are known as ghouls. They move in not just to see goods sold at fairly low prices but to be general spectators at a grisly process. There is a supreme indignity in one's neighbours being leafletted about an auction of one's household items.

I believe—this point has been made by one of my constituents with great passion—that a ring operates among traders who customarily attend warrant sales. By consensus, they keep prices down and, in some way, make matters even worse for the debtor in that he or she does not receive full and fair value for the goods sold. Therefore, I welcome the provision in the Bill that ensures that the debtor can receive a fair market value for his or her goods.

The House would make a mistake if it did not recognise that the warrant sale procedure has been an effective tool in the system of diligence. I understand that, in 1985, some 80,000 decrees for debt were awarded by the courts, only 700 of which resulted in warrant sales. As the debate has focused quite reasonably and sensibly on the importance of recognising the existence of a debt and the need for it to be satisfied, we must accept that the warrant sale procedure is effective. Nevertheless, I am delighted to see that the Bill ends what I consider to be the appalling system of holding a sale in a debtor's home. If a debtor wants to have a warrant sale in his or her home, that is all well and good, but, frankly, I believe that it is important——

Mr. Kirkwood: Are there any circumstances in which a debtor would actively seek a warrant sale at home?

Mr. Hirst: Some debtors may be prepared to go through that stigma and misery, but they should have the option of adopting the anonymous process that is identified in the Bill and the various protections that it is able to give them.

The hon. Member for Dundee, East (Mr. Wilson) was right to draw attention to the phenomenal growth in credit use and the ease with which people can obtain it, often with little evidence of earnings to sustain capital and interest payments or, indeed, the existence of a job. My hon. and learned Friend the Solicitor-General for Scotland mentioned a report in a Scottish Sunday newspaper stating that a young girl, who I believe was unemployed, had managed to go up and down high streets and obtain credit arrangements amounting to a considerable sum of money.

My experience with the availability of credit was brought home with a vengeance when my wife and I went to buy some new kitchen furniture. Having found some good, solid bits of furniture that looked as though they could withstand my children's depredations for the next 20 years, we proceeded to purchase it. I offered a cheque to the large store, but it was spurned. I offered an endless array of the plastic money that I have in my wallet, and each was politely refused. I was invited to apply for a credit card at the store. When I said that I did not need any more credit cards, and nor did my wife, I was told that, if I were to buy their card, there would be a discount and a special surprise gift, both of which were acceptable. We got a rather expensive electric coffee maker and another plastic card for my wallet.

The Solicitor-General for Scotland: Which shop was that?

Mr. Hirst: It would be rather injudicious to mention store names for fear that they instantly terminate the credit arrangements upon which my wife may well depend.

It struck me that the young man was more interested in getting me to take out a plastic card for his store's credit scheme than in selling the goods. I noticed with some interest that, after the plastic card arrived and after I had received the free booty and the discount that was offered, which apparently was not available on payment with a cheque, I noticed that the annual rate of interest—the APR—was about 38·9 per cent. I am happy to say that that store will never get interest at such a usurious rate from me.

Hon. Members have been right to draw attention to the ease with which credit can be obtained and the corresponding problems that occur when people—particularly young people—run into debt. Sadly, if my constituents' experience is anything to go by, when debtors talk about one debt, it turns out that they have multiple debts to many people. In fact, the £51·84 for which bank managers harry them is normally the smallest of the debts that they are trying to pay off.

We should pay tribute to the efforts that are made by the citizens advice bureaux to institute some form of debt counselling. It is particularly welcome. The CAB network has done a powerful job in trying to help people who have got into debt problems. I pay tribute also to the electricity and gas boards. The number of disconections that take place is minuscule compared with the number of customers that they have. The voluntary arrangements to guard against disconnections in special cases of need and hardship are worthwhile and we should recognise them as such.

I accept that debt counselling will not always be appropriate. Whenever there is evidence of a relaxation of a scheme, there are bound to be people who will try to take advantage of it. The House has a duty to protect not only the debtor who gets into a mess but the interests of the person who, for one reason or another, provides credit. I accept that creditors may be pushed into taking legal action simply because a debtor has either dishonoured a voluntary rescheduling of a debt arrangement or has persistently refused to settle a debt.

I am pleased that there is to be an end to imprisonment for non-payment of tax penalties and rates. That was an undesirable legacy of the past which it is impossible to justify in relation to many other debts. It cannot be right that somebody who has defaulted on the payment of his or her rates should take up an expensive place in gaol.

I believe that there will be a general welcome by the House for the arrangements in part I for time-to-pay

directions and time-to-pay orders. If they are used sensibly by the courts, they will be a powerful weapon in their hands—not just so that people avoid getting into worse debt but so that they may be helped through this difficult period on a sensible basis that does not undermine the stability of the family by having all the creditors piling in simultaneously and driving the unfortunate person into personal bankruptcy, with all that that entails.

There can be no benefit to society in a system that allows a court order to be taken against a person if effectively it deprives him or her of the wherewithal to live. Normally the debtor is the bread winner of the family. It would be foolish if the breadwinner were to be stripped of all the money on which his family ought to be living to pay off one debt, thereby incurring future debt in order to stay alive. The present arrangements are onerous, and I am pleased that they are to be relaxed.

The House should welcome the new arrangements for arrestment. I am sure that all hon. Members know of sad cases of a wife or an ex-wife and her children discovering that her husband or former husband has defaulted on maintenance payments, which leads to sadness, worry and difficulty for the woman and her family. It is definitely preferable to have the arrangements set out in the Bill rather than the hit-or-miss arrangements that have existed until now, which mean that if the man defaults on his maintenance payments the woman is put to the inconvenience, worry and cost of going to a lawyer and obtaining a court order. It may lead to a wonderful amount of work for the legal profession, but it is not a civilised way of enforcing debt arrangements.

I am also pleased about the arrangements for conjoined arrestments. There is evidence that those who get into debt with one company, firm or organisation will probably have a series of other debts and that in some cases they juggle the debts between one company and another to obtain a breathing space. A conjoined arrestment has the merit of ensuring that no one creditor will pile in so strongly that that creditor obtains an unreasonable or an unfair preference over the other creditors. Therefore, we should welcome the intention to introduce conjoined arrestment.

I am aware that the hon. Member for Greenock and Port Glasgow (Dr. Godman) wishes to contribute to this debate, and I do not wish to prolong my speech unreasonably. Nevertheless, I think it is fair to say that while I have been a Member of this House I have heard a great deal from two hon. Members who are not here this afternoon and whose contributions I should have thought the House would have especially liked to hear. I refer to the hon. Members for Falkirk, West (Mr. Canavan) and for Carrick, Cumnock and Doon Valley (Mr. Foulkes).

I recall the trenchant observations that have been made on past occasions by the hon. Member for Falkirk, West. He has railed the Government for perpetuating the system of warrant sales in debtors' homes because it has brought so much misery and indignity to those unfortunate people. Moreover, not long after I was elected I well remember the hon. Member for Falkirk, West saying that warrant sales were a blight on the face of this Government and emphasised the harsh and uncaring nature of the Government. Therefore, I am sorry that the hon. Gentleman is not in the Chamber to make a contribution to this debate. Then he would have recognised that, although he and some members of his party prefer to wear their hearts on their sleeves, we on this side of the House intend to take action.

Mr. Millan: No doubt my hon. Friends the Members for Falkirk, West (Mr. Canavan) and for Carrick, Cumnock and Doon Valley (Mr. Foulkes) have good reason for not being here today. May I mention that my right hon. Friend the Member for Glasgow, Rutherglen (Mr. MacKenzie) very much regrets that he is unable to be here today. He is not very well. It is nothing serious, but my right hon. Friend would very much have liked to participate in this debate, because he has taken a considerable interest in this question over many years.

Mr. Hirst: I am grateful to the right hon. Gentleman for his intervention. The whole House pays tribute to the distinguished way in which the right hon. Member for Glasgow, Rutherglen (Mr. MacKenzie) has pursued this point. He has rightly emphasised in the House over many years, including the time when I was not a Member of Parliament, his distaste of warrant sales and his resolve to bring about a far more civilised arrangement for protecting both the debtor and the creditor. I know that the House would have been all the better for the distinguished contribution that we might have expected from him. I know, too, that the House hopes that he will recover quickly from the indisposition from which he is currently suffering.

Mr. Michael Forsyth (Stirling): In view of the obvious disappointment of the hon. Member for Falkirk, West (Mr. Canavan) at not being included as a member of the Standing Committee that considered this matter on the last Scottish measure, may I suggest that he should play his part on the Committee that is to consider this Bill?

Mr. Hirst: I expect that there will be discussions between the usual channels. I make the confident prediction that if the hon. Member for Falkirk, West is included as a member of the Standing Committee the Committee will be all the better for it and that we can look forward to vigorous points being made by him.

Dr. Godman *rose*——

Mr. Hirst: I do not know whether the hon. Gentleman wants to intervene. I shall allow him to do so, but after that I must press on.

Dr. Godman: I am grateful to the hon. Gentleman for giving way. My hon. Friend the Member for Kilmarnock and Loudoun (Mr. McKelvey) has also been a fierce critic of warrant sales, but unfortunately he has been ill for some time. Nevertheless, I am happy to point out to the hon. Gentleman and to the House that he is well on the way to recovery.

Mr. Hirst: Whatever the Opposition may lack in numbers, they make up for in those who will stand up and cite the roll of honour of their absent colleagues who have done well over the years in highlighting the indignity of warrant sales in the home and their desire that that system should be changed.

Before I gave way to the right hon. Member for Glasgow, Govan (Mr. Millan), I was saying that I believe that this Government are to be commended for being prepared to enact the report of the Scottish Law Commission. I give the Bill a very warm welcome. I hope that those who are so quick to accuse the Government of

[Mr. Hirst]

being hard-nosed and uncaring will find that this Bill gives them plenty to chew on and that they will recognise that it shows a most caring attitude on the part of the Government.

6.27 pm

Dr. Norman A. Godman (Greenock and Port Glasgow): The Bill deserves a positive, if constructively critical, response. I share the natural modesty displayed by my right hon. Friend the Member for Glasgow, Govan (Mr. Millan). I, too, am not volunteering for duty on this Committee, but if press-ganged into doing so I shall. The Opposition Chief Whip is heading my way. That is why I said that.

Indebtedness is a major social problem that afflicts the lives not only of many poor citizens, but of those on low incomes. In many communities in the west of Scotland indebtedness takes the form of that parasitic pest, the moneylender. I regret to say that my constituency is not free of that pestilential nuisance. The poorly paid, the unemployed and single-parent families are often offered by moneylenders what appears to be easy credit. However, there is a sharp sting in this kind of credit because of the huge rates of interest that are demanded by such parasites.

The hon. Member for Fife, North-East (Mr. Henderson) said that it is important that people recognise the dangers of slipping into debt. Some communities are reacting to the problem in a positive manner. Occasionally we hear of working-class communities fighting back and creating their own community-based banks with deposit accounts and loan facilities for depositors.

In my constituency, there is a fine example of such a community bank, situated in an area that is susceptible to debt—the Greenock East Credit Union Ltd., which held its first annual general meeting on Sunday. It now has more than 700 members and continues to grow month by month. The member depositors of that community elect the board of directors and, as depositors, they can obtain loans for sums ranging from £75 to £300. Many of those people subsist on low incomes, and, by way of the community bank, they can avoid credit with high interest rates. We have a community bank of fine repute, under the guidance, hard work and encouragement of Miss Marian Wilson and the Rev. Iain Fraser and their colleagues. That is a fine example of the role that a community can perform in dealing with debt. Such examples can also be found elsewhere.

I should like to see credit unions multiplying in number so that, among other things, people can escape the threat and humiliation of multiple debt and the fear of that harshest of sanctions—the warrant sale. That fear is present in many such communities.

In the main, people slip into debt not because of dishonesty or fecklessness, but because of a worsening in their personal economic circumstances. I share the deep disappointment of my hon. Friends at the Government's insensitive refusal to abandon warrant sales in the Bill. Although warrant sales have involved hundreds, not thousands, of citizens in the past two or three years, they nevertheless inflict humiliation and despair upon those who are affected.

I welcome the innovation of placing warrant sales in local sales rooms, but I do not believe that that is an effective solution, because only paltry sums of money will be realised by auction. Such items for sale will, in most cases, be puchased by those grubby dealers who hand around or frequent sale rooms in our cities and towns. I have no hard evidence—perhaps the Solicitor-General will correct me if I go badly astray—but I genuinely believe that those dealers organise rings in sales rooms so that they can obtain items for auction at the cheapest possible rate. Therefore, I do not believe that the sale room solution will be effective.

I offer a somewhat qualified welcome to the Bill. It certainly needs amendments to transform it into what could be a fine piece of legislation.

In a brief sent to Scottish Members, the Scottish Consumer Council outlined some of its reservations about the Bill. Perhaps those matters would be better considered in Committee. However, I support the hon. Member for Fife, North-East in saying that the ceiling of £500 for tools of trade is somewhat low. One need not be referring to someone whose tools of trade are, say, a computer and associated facilities; it could be someone who works in a manual trade, albeit of a highly skilled nature, whose tools vastly exceed £500 in value. In a sedentary intervention, I offered the example of a shipwright. However, there are other highly skilled manual workers who possess tools that have cost them much more than £500.

There is an alternative to the warrant sale, whether it is held in the debtor's home or in the local sale room. I support the reservations on that matter expressed by my right hon. Friend the Member for Govan. If the arrestment of wages sanction were developed in Committee, by way of amendments, could bring about the eventual elimination of warrant sales.

Therefore, this is very much a qualified welcome for the Bill, which I sincerely hope will be subjected to amendment in Committee.

6.36 pm

Mr. Michael Forsyth (Stirling): I should like to give a brief welcome to the Bill. It is difficult to disagree with what it purports to do. I am rather surprised that it will take 109 clauses and eight schedules to achieve its aims, but I am at a disadvantage in not being a lawyer.

I should like to make just one point. As I sat here, contemplating what I was going to say, I became convinced that it would be a remarkable point for me to make, and my hon. and learned Friend the Solicitor-General will perhaps be slightly surprised to hear it coming from me. The Bill tilts the balance in favour of those who provide credit because it enables them, through arrestment of wages, to recover debts more easily than has been possible in the past. I am sure that that is a proper thing to do in balancing the provisions of the Bill, which also mitigates the burden of debt on individuals, but I am not certain that one would be happy for it to be easier for some people to collect debts, given the way in which the credit market is developing, especially for private individuals.

I refer not only to the individuals about whom the hon. Member for Monklands, West (Mr. Clarke) spoke. He concentrated on people with low incomes in Scotland. However, he knows very well that Scotland has the second highest per capita income of any part of the United Kingdom. The problem of debt is not confined to those who are poor. Of course we have our fair share of people who are hard up, just as we have people in Scotland who are well-to-do. The problem of debt cuts right across the

board. It is a function of the development of plastic money and credit and the incidence of low inflation and high interest rates in the market place.

We have all experienced what happens when an account comes in from Access. Instead of encouraging us to pay it off at the end of the month to avoid paying a penal rate of interest, it asks, "Have you thought of extending your credit limit? Fill in the attached slip and send it off. Your credit limit will be increased by 50 per cent." No effort is made to find out whether, in the meantime, one has taken out other credit cards. If one has done so, one finds, of course, that they send out the same message.

Creditors can do that because they are charging penal and excessive rates of interest. As my hon. Friend the Member for Strathkelvin and Bearsden (Mr. Hirst) said, interest rates of 32, 38 or 42 per cent. are obscene. I have little sympathy with the people responsible for that when they try to recover debts from individuals who, perhaps from feeble-mindedness or irresponsibility, get themselves into a desperate financial situation.

The reason why I say to my hon. and learned Friend the Solicitor-General that perhaps we should think how we can encourage people in the private market place to be more responsible in dishing out credit is that those people make a commercial judgment. They decide that on a 38 per cent. return they can afford to write off a large proportion of the debt, so they can afford to extend the volume of credit even further, thereby encouraging people who do not realise what they are taking on or understand the real cost of the debt to get themselves into deeper problems.

Mr. Hirst: Does my hon. Friend agree that a most unfortunate practice by some people who push credit hard is that they describe the interest rate as so much per month? While 3 per cent. per month does not sound much, the APR on 3 per cent. per month is approaching 40 per cent. per annum. Does he agree that while that is a matter for consumer credit and is not the responsibility of the Solicitor-General, something needs to be done to highlight better the precise rate of interest that will be paid by someone who enters such a credit sale agreement?

Mr. Forsyth: I agree with my hon. Friend. That is why I am asking the Solicitor-General whether it is possible to make provision in the Bill so that these debt recovery procedures may not be open to those who do not draw clearly to the attention of the borrower exactly what he is embarking on. I realise that my hon. and learned Friend will say that that is unsound and would represent an intervention in the market place, which would be intolerable, and that it is a surprising request from this quarter, but it is a genuine problem.

The problem is not confined to Access cardholders and the plastic money brigade. I am delighted to say that I have been able to find out from my hon. Friend the Member for Strathkelvin and Bearsden the name of the store that is giving away coffee machines in return for accepting its plastic card. The tragedy is that not everyone is as well educated as my hon. Friend or able to take the coffee machine and pay the debt immediately.

Mr. Kirkwood: Did the shop consider the hon. Gentleman's job secure enough to justify any credit?

Mr. Forsyth: The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) is not in a position, this week of all weeks, to talk about job security. *[Interruption.]* I was making the same distinction between the Liberal party and the alliance as the right hon. Member for Plymouth, Devonport (Dr. Owen) made yesterday.

This genuine problem is not confined to credit card companies; it extends to banks. Banks are falling over themselves to encourage people to extend their mortgages. The other day I was astonished to receive a letter from my bank inviting me to borrow more money and extend my mortgage, and saying, "All you have to do is fill in this form and you can borrow and extra £5,000, £10,000 or £20,000." Banks are equally irresponsible. The extent to which they check the evidence of income seems to be limited and they make little effort to check what other obligations people may have.

Such an invitation is tempting. One has only to talk to one's local citizens advice bureau, as we all have done, to see the extent of the temptation to buy today what one would otherwise have to wait some time to acquire. Some credit companies sell their services with advertising, saying, "Why wait? Buy it tomorrow and use your whatever card." Banks, building societies and other credit companies are all on the same kick.

I am a little worried about making it easier for those who are so irresponsible about dishing out credit to recover debts. People who get themselves into debt are among the most vulnerable. Sometimes they are irresponsible. At other times they simply do not know what they are taking on. It is only when the bills start coming in and they find themselves in difficulty — in other words, when it is too late — that they realise the extent of their problems.

I welcome the provision that warrant sales can be held only if the person concerned wishes them to be held in his home and the ending of the practice of putting the name of the person in the local newspaper. That is a tremendous step forward. The whole procedure smacked of the old Calvinist tradition of the cutty-stool. That does not help the debtor to get a grip on his problems and to establish a new basis for advancement.

This is a good measure. I confess that I have not studied every one of the 109 clauses. I shall happily volunteer to serve on the Committee, if only to remind my hon. and learned Friend between now and then to think about ways in which we could put some sanction on those people and give the courts discretion. The hon. Member for Greenock and Port Glasgow (Dr. Godman) spoke of moneylenders who also charge penal rates of interest, sometimes outwith the law and sometimes within it.

Dr. Godman: May I point out that those of my constituents who, regrettably, have fallen into the hands of those parasites and money lenders are not necessarily feeble-minded or irresponsible? Often they have no choice but to go to such people, and that is a matter for serious regret.

Mr. Forsyth: I shall not argue with the hon. Gentleman about specific cases or fall into the trap of arguing whether people who are put in the position of having no choice are doing the right thing in going to such people. I believe that there is choice, although I accept that people may not be aware of the alternatives or may have made a wrong choice in the first place, getting themselves into debt. However, the hon. Gentleman is certainly right to point out that there are some unpleasant individuals around who exploit the difficulties and miseries of others, but it was ever thus.

[Mr. Forsyth]

I ask my hon. and learned Friend to consider whether it is possible to remove from such people the ability to recover debts more easily, which the Bill provides. He may well have some difficulty in doing so, but I have great faith in the market place. If the credit card companies, the building societies and others who advance credit irresponsibly believed that it would be harder for them to recover debts or that their costs would be increased in so doing, they might stop and think twice. On the other hand, they may simply increase the APR even higher than it is at present, because that has been their strategy to date.

I welcome the Bill and look forward to serving on the Committee, should the powers that be so decide.

6.50 pm

Mr. Tom Clarke: The hon. Member for Stirling (Mr. Forsyth) made a number of interesting points——

Mr. Deputy Speaker (Sir Paul Dean): Order. The hon. Gentleman needs the leave of the House to speak again.

Mr. Clarke: With the leave of the House, may I say that if the hon. Member for Stirling is on the Committee, I hope that we can progress from what he has been saying, and perhaps I shall be able to make a better impression on him than I did, for example, on Gartcosh. I live in hope.

I shall not join in the discussion about absent friends or hon. Members. At one point, I thought that some hon. Members who had spoken earlier in the debate had disappeared and left me to reply in their absence. I am pleased that the hon. Member for Fife, North-East (Mr. Henderson) has returned. Some of his comments — although he may not have meant this — were helpful. For example, when he flattered me with a certain description, which I shall not repeat because it is on record, I took it as a double compliment, because he referred to Strathclyde region and to the comments of Lord Ross of Marnock in another place.

The hon. Member for Fife, North-East posed the question, and I take it to myself, what is the alternative to warrant sales? In many ways the alternatives are contained in the figures that he gave the House. He talked about the 20,000 people in Strathclyde who were responsible for non-payment of rates. He said that only seven of them had been the subject of warrant sales. I suggest that that means that 19,993 people had been persuaded in other ways to meet their debts. Perhaps that is what this discussion is all about. Most hon. Members made a genuine attempt, on the basis of the report——

Mr. Henderson *rose*——

Mr. Clarke: I cannot give way; this is meant to be a brief speech.

Most hon. Members made a genuine attempt, on the basis of the report from the Scottish Law Commission, to find a balance between the debtor and the creditor. We are making an attempt to do that, given the demands of a modern society. We have heard a lot about credit being available — the plastic card society and the rest. The hon. Member for Strathkelvin and Bearsden (Mr. Hirst) made a point about interest rates, as did the hon. Member for Stirling, which we appreciate. My right hon. Friend the Member for Glasgow, Govan (Mr. Millan) and my hon. Friend the Member for Greenock and Port Glasgow (Dr. Godman) made solid points about the social fabric of our society. I hope that they will serve on the Committee, because I am sure that it would be delighted to hear more from them, especially as it would be based on their experience.

The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), in an interesting speech which was based on his experiences in court dealing with sheriff officers and others——

Mr. Kirkwood: As a lawyer.

Mr. Clarke: I am sure that the House will bear that in mind. The hon. Gentleman brought out a point which we are bound to pursue. When we were protesting that warrant sales will still take place in houses, albeit with the agreement of the owner, he said that there might be a difference between people living in rural areas and those who live in constituencies such as mine. I have given fair notice to the Solicitor-General that that point, as well as other points, will be pursued in Committee.

A number of points have been made by hon. Members. The Solicitor-General cannot be expected to reply to all of them tonight, although no doubt he will respond. I look forward to the Committee proceedings and the constructive discussion—*[Interruption.]* I hope that even the hon. Member for Roxburgh and Berwickshire will agree and change the habits of a lifetime.

Despite our reservations, we welcome the Bill. We shall continue to express our reservations and, hopefully, we shall persuade the Solicitor-General and the Government when we debate these matters further.

6.55 pm

The Solicitor-General for Scotland: With the leave of the House, Mr. Deputy Speaker, I shall reply to a number of the points that have been made in the debate.

First, I say to a number of my hon. Friends that the Opposition are correct in jumping to their feet to ensure that proper commendation is given to hon. Members, such as the right hon. Member for Glasgow, Rutherglen, (Mr. MacKenzie) who, as a Minister and as a Back Bencher, has pursued this matter with great vigour and is responsible for some reform prior to the introduction of the Bill. That could similarly be said of the hon. Member for Kilmarnock and Loudoun (Mr. McKelvey).

The strictures that were placed on the hon. Member for Falkirk, West (Mr. Canavan) were properly imposed. For a long time, he has attempted to suggest that he is the only person who has been bothered about this matter. When we get down to the nitty-gritty, it is unfortunate that he is not here to consider it.

The debate has proceeded on two bases. One has been an interesting debate about the problems of the availability and accessibility to credit in our society. As was made clear on both sides of the House, that can give rise to acute social problems. None of us, as constituency Members, can fail to recognise that.

The right hon. Member for Glasgow, Govan (Mr. Millan) appreciated that that did not fall within the ambit of the Bill. Nor, indeed, can we sensibly hope to contain it within a purely Scottish measure. For every one of those who obtain credit, whether it is by plastic money or other means, there are those who in their Sunday newspapers can send off, readily and easily, to mail order firms south of the border. If the matter of credit—which has clearly

raised some concern in the debate—is to be pursued, the argument should be addressed on a United Kingdom basis.

Some consideration has been given to whether the Bill is balanced—whether it now gives greater advantage to the creditor as opposed to the debtor, or vice versa. I would argue, have argued and shall continue to argue that there is a balance—that there is an improvement in the procedures from which both sides benefit. It may be said that earnings arrestment procedures are easier for the creditor, who only needs to seek that order once. At the same time, as I pointed out in opening the debate, under the present arrangements, it may be that the whole of the earnings of the debtor would be taken up. That cannot happen now. Furthermore, as to poindings and warrant sales, the debtor is given an opportunity, for the first time, to go to the court and say, "To continue with this poinding, to continue with this warrant sale, is unduly harsh and it ought to be brought to an end." That is a humane and sensible manner in which to approach these problems in the future.

The connecting point between the broader argument about credit and particular provisions of the Bill is debt counselling. There cannot be any dispute that the sooner people understand the problems that they are accumulating for themselves in taking on board too much debt, the better. If it is through the offices of the citizens advice bureau or the Scottish Consumer Council that such schemes are to be set up, they are to be welcomed and encouraged.

Going beyond that into the more detailed provisions of what might be included, I am bound to say to the hon. Member for Monklands, West (Mr. Clarke) that I am not entirely clear what the position of the official Opposition is with regard to warrant sales.

In the report of the Scottish Law Commission, at page 38, the commission, fully and in some detail, set out the concept of the debt arbitration service which was developed by the Scottish council of the Labour party, among others. At the bottom of page 38, commenting on the scheme, it says:

"It would appear that poindings and warrant sales would not be permitted, though this is not entirely clear."

That comment by the Scottish Law Commission, which was made some time ago, would now seem to be an accurate reflection of the exact position. Nevertheless, I am grateful to the hon. Gentleman and his hon. Friends for the welcome that they have given in the main to the changes that we are introducing.

In particular, the hon. Gentleman criticised the Government for their failure to introduce, as the Scottish Law Commission suggested, a debt arrangement scheme. I think that he will be aware from the consultation that, while some were in favour of it, other interested groups and bodies are nothing like as enthusiastic as he might be or as the noble Lord Morton of Shuna appeared to be in the other place. I suspect that we shall consider the matter in detail in Committee, but it is not a provision to be overstated. First, the Law Commission, and the amendment tabled in the other place, suggested that such a scheme would have to be voluntary. It is interesting that the noble Lord Morton of Shuna concentrated on the debt situation of someone who was earning rather than seeing such a scheme as an opportunity for debt enforcement or debt arrangement across the board. Evidence from comparable although not exactly the same schemes south of the border shows about a 40 per cent. fall out in the first year. The opportunity to provide a satisfactory scheme needs to be examined carefully in Committee.

The hon. Gentleman made several detailed points, one of which was his complaint that debtors would have to apply for time to pay orders. There will obviously be some publicity about this. All the forms will tell the debtor the procedures available and, as I have said, the sheriff clerk will have an interest and will be bound to offer assistance.

The exemptions that are provided in clause 16 in relation to warrant sales was also mentioned. The comments that have been made today have been prompted by the observations which help fully arrived from the Scottish Consumer Council late last night or early this morning. If hon. Members look at that clause, they will find that the Government have already improved upon what was provided by the Scottish Law Commission. It was prepared to exclude only one refrigerator, whereas the Government have been prepared to extend that to "refrigerators" in the plural in the Bill.

A more serious point concerns medical aids or equipment that can reasonably be required for the use of the debtor. I do not find that issue as complicated as the Scottish Consumer Council and hon. Members seem to find it. Having had considerable contact with the Scottish Consumer Council, I am disappointed by its approach. For example, in its letter received by all Members of Parliament it asks whether an elderly person who could walk, but with difficulty, would reasonably require a wheelchair. The image created is that sheriff officers will burst into a house, shove grannies out of their wheelchairs and go out of the door with those wheelchairs. That is a short-circuiting of the procedures, and it is unfair and untrue.

First, there is the poinding process. Before poinding any goods the sheriff officer must prepare a schedule. If the debtor takes exception to that, he has not one, not two, but three opportunities to object to the sale of a particular item.

Odder still is that the Scottish Consumer Council in its press release went on to say:

"no medical item should be able to be sold to pay off debts, if it is used by the debtor or his family."

The qualifications in the Bill—

"reasonably required for the use of the debtor or any member of his household"—

is simply a variation on exactly the same theme. Unlike the Scottish Consumer Council, I do not consider that to be a major flaw in the Bill.

Mr. Tom Clarke: The Minister seems to be missing the point that the Scottish Consumer Council was making, and he is also selective in his points. He disagrees with some and accepts others, but does not give the council much credibility on those points where it seems to disagree with him. The council's point is that a sheriff officer, or a person whom he sends, will not necessarily be qualified on medical matters and will not be in a position to decide whether somebody's bath chair, crutches or other piece of medical equipment is not required by him.

The Solicitor-General for Scotland: I understand that. Let us take the ludicrous example of a sheriff officer deciding that granny's wheelchair is not reasonably required by her. In those circumstances there is the opportunity to go to the court and say that that item should not be poinded either on that basis or because to do so would be unduly harsh.

[The Solicitor-General for Scotland]

The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) was, I understand, at one time a pharmacist. Someone like him might have a considerable quantity of medical supplies in a cupboard which were not being used by the family. It would be absurd that they should be excluded from the possibility of being poinded. The test being applied here relates not just to medical aids and equipment, but to books and tools of trade.

Mr. Hirst: Has my hon. and learned Friend any observation to make on the third point in the Scottish Consumer Council's letter about Crown preference in the case of rates and taxes? Is it reasonable that Crown preference should be perpetuated and that time to pay or instalment orders for arrears of rates and taxes should not properly be extended in this case?

The Solicitor-General for Scotland: I shall come to that. The right hon. Member for Govan raised the same point.

Hon. Members have said that the figure of £500 is too low. I do not accept that, but, as is set out in the clause, that figure can be adjusted by the Lord Advocate in regulations.

I am grateful to my hon. Friend the Member for Strathkelvin and Bearsden (Mr. Hirst) for being the only Member to mention the abolition of civil imprisonment. I am surprised that the extent of the abolition of civil imprisonment has not been more widely welcomed. If there is something medieval or anachronistic in the existing law, it is the continuation of that. It is highly desirable that it should be abolished. The courts would then have the opportunity to imprison only for deliberate failure to pay maintenance or a fine imposed for contempt of court in civil proceedings—a much more limited set of circumstances.

The right hon. Member for Govan was the first to ask why the time-to-pay arrangements are not applied to certain tax debts, and that matter has now been raised again. As the right hon. Gentleman may be aware, during the Bill's passage in the other place it was made clear that one of the differences is that in these circumstances most rates or tax debtors have a continuing liability to pay, so time-to-pay arrangements, say, for one month's PAYE or VAT, would quickly become mixed up with subsequent payments and arrears could mount. In other cases, the tax debtor is merely acting as a collecting agent for the revenue departments and has no entitlement to the money that he has failed to pass on to them. Indeed, as I recollect, and as the right hon. Gentleman reminded me, he participated in the work of the Committee on the Bankruptcy (Scotland) Bill and indicated then that he accepted that there was something of a distinction. Talking about value added tax and PAYE, he said:

"It is a different kind of debt, because the debt it collected on the part of the debtor for the Government, and deductions for PAYE have been made from employees' wages, and must be paid over to the Inland Revenue. Similarly, VAT is passed on".—[*Official Report, First Scottish Standing Committee*, 18 June 1985; c. 86.]

So, while there might be arguments about some types of tax, there is, generally speaking, a distinction which the right hon. Gentleman, at any rate individually, has recognised. In those circumstances, in my view that the distinction should be maintained, for the same reason.

Finally, considerable time to pay is already built into rates and taxes collection and the recovery system. Instalment arrangements are available for the payment of rates and a delay of many months can arise between tax default and summary warrant procedures. However, again I anticipate, having followed the proceedings in another place, that this is likely to be a matter that the right hon. Gentleman will want to explore further in Committee.

I will deal very briefly with a matter that was raised by the hon. Member for Greenock and Port Glasgow (Dr. Godman) relating to the ring of dealers and the way that the value of items, even in an auction room, might be depressed by such a ring. We need to understand the details of this scheme. As part of the poinding procedure there is a requirement upon the sheriff officer to value those goods. In terms of clause 20(4), he has to value the poinded goods. The test is that it must be

"according to the price which they would be likely to fetch if sold on the open market",

but there is a further provision:

"unless he considers that the articles are such that a valuation by a professional valuer or other suitably skilled person is advisable, in which case he may arrange for such a valuation."

Therefore, I want to make it clear that, because the goods are taken to the sale room, it does not mean that they are simply knocked down at a price which a ring of dealers has agreed should be paid. If the goods did not meet the appraised value, they would not be knocked down.

Dr. Godman: Is it not the case that in auctions the autioneer, or the person giving the valuation, offers an anticipated price, which is what he offers to a would-be seller? It may be the same here. That is why he may not be able to give any kind of guarantee. He simply says that it is likely that the goods will raise a certain amount of money. However, we know that when the dealers get together the goods often do not get anywhere near the anticipated price.

The Solicitor-General for Scotland: As I have been trying to indicate, if that happens the goods will not be knocked down at that price. Obviously, I cannot say whether in every case the sheriff officer accurately appraises the open market value of goods, but that is what we would be requiring of him as a test should the Bill become law.

I am very grateful to hon. Members generally, and particularly to my hon. Friends, who have seen the importance of ensuring that we do not have warrant sales in their present form. As my hon. Friend the Member for Renfrew, West and Inverclyde (Mrs. McCurley) pointed out, time and again this has been held up as being a matter in which we have shown inhumanity and an unfair attitude by allowing warrant sales to continue in their present form. That is not the case. We are going to bring about a substantial change. Even if there are those who would like to see warrant sales disappear altogether, the changes that we are introducing are very worth while. There are undoubtedly complicated matters still to be discussed in Committee, and I welcome the enthusiasm of my hon. Friend the Member for Stirling (Mr. Forsyth) regarding a place on the Committee. I think it is not unrelated to the fact that he expects the Criminal Justice Bill, which follows it, might be somewhat longer. Nevertheless, he will be very welcome on the Committee.

The provisions of the Bill are humane and sensible. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee pursuant to Standing Order No. 61 (Committal of Bills).

DEBTORS (SCOTLAND) BILL *[LORDS]* *[MONEY]*

Queen's Recommendation having been signified—
Resolved,

That, for the purpose of any Act resulting from the Debtors (Scotland) Bill *[Lords]*, it is expedient to authorise—

(1) the payment out of money provided by Parliament of any expenses incurred by a Minister of the Crown under that Act;

(2) the payment of sums into the Consolidated Fund.—*[Mr. Maude.]*

Parliamentary and Health Service Commissioners Bill

As amended (in the Standing Committee), considered.

Clause 4

APPOINTMENTS OF ACTING COMMISSIONERS

7.15 pm

The Minister of State, Privy Council Office (Mr. Richard Luce): I beg to move amendment No. 1, in page 5, line 48, at end insert—

'*(a)* until the appointment of a new Commissioner or the expiry of the period of twelve months bginning with the date on which the vacancy arose, whichever occurs first; and'.

This is a purely technical amendment which reinstates subparagraph (2)*(a)* of subsection (3) of clause 4, which was inadvertently omitted in printing, at the foot of page 5 of the Bill.

The three subsections of clause 4 deal in turn with the appointment of an acting Parliamentary Commissioner for Administration, an acting Health Service Commissioner for England or for Wales, and an acting HSC for Scotland.

Hon. Members will see that these subsections are framed in virtually identical terms and the wording of the reinstated sub-paragraph (2)*(a)* is identical with the wording of the sub-paragraphs (2)*(a)* in subsections (1) and (2).

The amendment raises no issues of substance and I commend it to the House.

Amendment agreed to.

Order for Third Reading read.

7.16 pm

Mr. Luce: I beg to move, That the Bill be now read the Third time.

I hope that the House will agree that through the various stages of this Bill we have had some very good discussions and debates, not only about the purpose of the Bill but about the value of the parliamentary commissioner, the work that he does and the very effective liaison that he has with the House, and the excellent work that is done by the Select Committee which deals with the affairs of the parliamentary commissioner under the chairmanship of my hon. and learned Friend the Member for Colchester, North (Sir A. Buck).

Mr. J. F. Pawsey (Rugby and Kenilworth): I noted what my right hon. Friend had to say about the importance of the work of the commissioner and I am wondering if he intends to say a word about the way in which we might be able to publicise the excellent work that he does. This is clearly something which should be drawn more to the attention of the public. If they were aware of precisely what the commissioner does and the excellent work that he undertakes I am sure that many members of the public would contact him, to their considerable benefit.

Mr. Luce: My hon. Friend and other hon. Members said in Committee that it might be valuable to ensure that there is greater knowledge not only about the existence of the parliamentary commissioner and his task as Health Service Commissioner, but about his powers. As we discovered in Committee, there is a misunderstanding

[Mr. Luce]

about the range and extent of the powers of the parliamentary commissioner, particularly in his capacity as Health Service Commissioner. I have certainly taken this on board and will draw it to the attention of the parliamentary commissioner and we shall see whether more can be done to get across the message to citizens of the country who can benefit from the existence of a parliamentary commissioner. I am grateful to my hon. Friend.

As the House knows, the main purpose of this Bill is found in clause 1 and its associated schedule. These extend the powers of the parliamentary commissioner to investigate the listed quangos and provide for the addition of further bodies in the future. In addition, the Bill provides an opportunity to bring forward procedural changes to ensure the continuance in an interregnum of the work of both the parliamentary commissioner and the Health Service Commissioner. It also introduces some minor improvements in procedures for handling complaints to the Health Service Commissioner.

We had a very valuable debate in Committee, which provided an opportunity for a useful exchange of views on the powers to conduct investigations of both the parliamentary and the Health Service Commissioners. It might be appropriate now to refer to a particular amendment tabled in Committee by the hon. Member for Newcastle upon Tyne, East (Mr. Brown). He suggested in his amendment that there should be scope for an exchange of information between the PCA and the Health Service Commissioner. I undertook to consider whether I could introduce a new clause on Report to safeguard the position if, at some stage in the future, those offices were not held by the same person, as they are at present. I undertook to come back to the House on that.

I have written to the hon. Gentleman but I should like to take this chance to explain to the House. There was some delay in being able to come forward with an amendment due to various technical and drafting problems. I can assure the hon. Gentleman and the House that those matters will be overcome shortly and that they will be dealt with during consideration of the Bill in another place. There is no lack of will on my part to ensure that the objective behind the hon. Gentleman's amendment is achieved.

One of the noticeable things about the Second Reading and Committee was the widespread support, which is reflected in the country, for the work of the parliamentary commissioner and his staff. It is interesting that it is exactly 20 years since the Act was passed which established the first ombudsman in this country, and his work, particularly as a parliamentary commissioner, is well known. However, as my hon. Friend the Member for Rugby and Kenilworth (Mr. Pawsey) pointed out, it may be less well known in terms of the Health Service. The commissioner and the House work closely and effectively together in the interests of the adequate protection of the citizen against maladministration. That outlet for complaints against maladministration works well.

Mr. Frank Haynes (Ashfield): I want to follow up a point made by the hon. Member for Rugby and Kenilworth (Mr. Pawsey). I share his view that the parliamentary commissioner does a marvellous job. However, he asked the Minister about ways of letting people know that the parliamentary commissioner is there. That would bring him more and more work. If the work is there it should be dealt with. However, my main point in Committee was that if work is going to pile up in that Department, the manpower in the Department needs to be examined. I hoped that the Minister would say something about that, bearing in mind what I and other hon. Members said in Committee.

Mr. Luce: I know of the hon. Gentleman's close interest in this since he serves on the Select Committee and follows the issues fully. I am happy to take this chance to reiterate what I said in Committee in answer to his probings. It is our objective to ensure that the parliamentary commissioner has adequate resources and staffing to do his job. As the hon. Gentleman may know, there has been a staff review of the work of the parliamentary commissioner and that can be taken into account when he considers whether he requires more staff.

I understand that it is difficult to establish what extra work load will flow from the passing of the Bill. However, I have heard an estimate of about an extra 15 per cent. It is impossible to establish that at present. Only experience will tell. We have added into the Bill about 50 quangos. Most of them have a good record in terms of their relationship with the public so there is no knowing what the extra work load will be. All I can say is that I can assure the House that adequate resources will be made available to the parliamentary commissioner to enable him to do his job.

I wish every Bill could go through the House with such an atmosphere of friendliness, and in this time span. It has been a constructive debate and with that in mind I warmly commend the Bill to the House.

7.25 pm

Mr. Nicholas Brown (Newcastle upon Tyne, East): The Bill commands considerable support in the House and there is no reason why it should be inordinately delayed. As the Minister said, the Committee stage was good natured and constructive. Indeed, there has been no organised lobby against the Bill. Since the Bill's intended victims are inefficient administrators, by definition one would not expect an organised lobby against the main thrust of the Bill.

Those of us who have reservations have them about matters of detail and certainly not about matters of principle. Almost all the issues raised in Committee related to the scope of the Bill, and the most often raised objection was that the Bill did not go far enough in a specific area. The Minister did his best to deal with our anxieties, and he did so with some effect.

I shall deal first with the issues relating to the parliamentary commissioner. The main thrust of the Government's argument, as I understand it, is that they wish to separate those bodies which have a primarily commercial or contractual nature to them. They wish to place those outside the commissioner's orbit and to place other bodies as recommended by the Select Committee inside the commissioner's orbit. As we said on Second Reading, that was not the retiring ombudsman's view and I still remain unconvinced that it is wholly necessary to place bodies whose main function is commercial or contractual outside the ombudsman system. That does not mean that I object to the inclusions we are discussing.

I think that the Government's distinction has got them into some difficulties at the margins where the reason for

including some bodies and excluding others is a very fine one. We explored that at some length in Committee and I do not wish to retrawl the areas we explored then except for one example—the Civil Aviation Authority. I am using that as an example of a type of body. That is not the only body of its nature, but perhaps it is the best example.

The ombudsman's reports refer specifically to complaints about low-flying aircraft and the difficulties that he has in dealing with matters of that sort. I accept that some of the duties of the Civil Aviation Authority are, as the Minister will say, commercial or contractual in nature, but that authority also has a duty to regulate the flight patterns of civil aircraft and to make sure that they are keeping to the routes——

Mr. Pawsey *rose*——

Mr. Brown: Let me finish my point and then I shall give way.

It has to make sure that they are keeping to the routes that they are supposed to keep to. It ought to be possible for the ombudsman to investigate matters that are purely administrative in nature, even taking account of the Government's criteria and excluding everything to do with commercial or contractual considerations. There should still be scope for the ombudsman to intervene in a case of maladministration where there is specifically a question about how the authority has handled the complaint of someone who was, for example, arguing that aircraft were flying too low over his or her home.

Mr. Pawsey *rose*——

Mr. Deputy Speaker (Sir Paul Dean): Order. Before the hon. Gentleman intervenes, I remind the House that we must stick to what is in the Bill. It would not be in order to go into detail about what is not in the Bill. That is a matter for earlier stages.

Mr. Pawsey: I thank the hon. Member for giving way in such a courteous fashion. I noted carefully the point you made, Mr. Deputy Speaker, about what is in the Bill rather than what has been left out. However, the hon. Gentleman touched on a matter that affects my constituency closely — the incidence of low-flying aircraft. I know from bitter experience how difficult it is to register complaints on that particularly important matter. The hon. Gentleman has a reputation for being fastidious about the geography of the United Kingdom and must be well aware that Rugby and Kenilworth are separated by two envelopes, one covering the west midlands flat area, the other covering the area of the American base around Oxford. Therefore, aircraft tend to be funnelled into a fairly narrow area over my constituency, to the grave disadvantage of my constituents. I well understand the excellent point made by the hon. Gentleman. Speaking from bitter experience, I hope to discuss this aspect with my right hon. Friend the Minister. I hope that the Gentleman will say more about what might be in the Bill.

Mr. Deputy Speaker: Order. Before the hon. Member does that, I hope that he will recall that I said that, on Third Reading, hon. Members must stick to what is in the Bill.

Mr. Brown: You have touched on the main thrust of my argument, Mr. Deputy Speaker. The ability of the ombudsman to investigate matters of a purely administrative import is much wider than is generally believed. This point was brought home to us in Committee by the Minister's assurances. The Civil Aviation Authority's role in dealing with complaints of this nature, even at the administrative level, is probably still outside the scope of the ombudsman's function — but only just outside. However, administrative aspects of clinical judgment and family practitioner committees fall just inside the ombudsman's sphere of activity and are thus included within the scope of the Bill. This fine dividing line does a disservice to the Bill, the main thrust of which I wholly support. I hope that the Minister will be able to address my point about the purely administrative role.

I welcome the Minister's assurance that he will bring forward an amendment to deal with a small anomaly which concerns whether information held by the ombudsman acting in one capacity can be imparted to the ombudsman acting in another capacity. It may seem ridiculous to outsiders that we should be discussing whether a man can talk to himself. Different offices may not always be held by the same person. In any case, these matters are sometimes raised not by the holder of the office in chief but by subordinates.

A number of Committee Members were a little disturbed that in some matters the ombudsman seems to be taking an over-cautious view of his role, functions and powers. It seemed a shame that the Government should have to legislate to ensure that Members of Parliament can receive copies of reports. The risk to the ombudsman of a defamation suit seems to be fairly remote, especially as there would probably be a need to prove malice, and how one would do that is beyond me.

Most of the debate was on the activities not of the parliamentary ombudsman but on the Health Service ombudsman. The reason is simply stated. Many hon. Members feel that there is not an easily discerned or accessible way of dealing with complaints against hospitals or general practitioners. Some of us look to the ombudsman system to remedy the lack of a one-stop agency to deal with complaints. There is a division of opinion among those who follow these matters as to whether clinical judgments should be included within the ombudsman's remit and whether the contractual relationship between general practitioners and the family practitioner committees should be included.

The Minister made a number of very helpful comments in Committee. He gave an assurance that it was for the ombudsman himself to determine the extent of administrative matters with which he had to deal. That means that if there was an administrative aspect to a complaint which also had a clinical aspect, it was open to the ombudsman—indeed, the House would encourage him—to make sure that he did investigate rather than was unduly deferential to the medical profession. The Chairman of the Select Committee, the hon. and learned Member for Colchester, North (Sir A. Buck), stated succinctly in Committee:

> "From time to time the medical profession pushes its luck." — [*Official Report*, Standing Committee E, 19 February 1987; c. 23.]

That sentiment was widespread. I hope that this debate and the debate in Committee fill the Health Service ombudsman with renewed vigour to boldly go where perhaps he should have been going before.

The other matters we touched on in Committee—the right to investigate personnel matters and to deal with matters that relate to contract—could have been dealt with but were not, and I shall make no further reference

[Mr. Brown]

to them. There was widespread support for the ombudsman in his office. Any criticism—it was muted if there was any at all—was in the desire to see the ombudsman exert himself to make full use of his powers rather than take a more narrow and confined approach to his duties, specifically in his Health Service role.

My hon. Friend the Member for Ashfield (Mr. Haynes) mentioned resourcing. It would be wrong to extend the areas into which we expect the ombudsman to delve and then not to give him the resources to do so. There are difficulties in calculating precisely the extra resourcing that the ombudsman will require to explore what is asked of him. Nevertheless, I am grateful that the Minister has given an assurance that resourcing will follow demand and that the Select Committee will not be returning to complaints that the ombudsman could have done more if the resourcing was available.

I wish the Bill well and a speedy passage in the other place.

7.38 pm

Mr. Ian Gow (Eastbourne): The attention of Standing Committee E was drawn to the fact that my right hon. Friend the Minister has special responsibility for preventing misuse of language and for trying to ensure much better standards in the use of English in Government Departments. It is therefore a strange irony that we note in schedule 2 one of the most unattractive new features of legislation. The heading of Schedule 2 of the Parliamentary Commissioner Act 1967 is

"Departments and Authorities Subject to Investigation".

Schedule 2 of the Bill now before the House is

"Departments Etc. Subject to Investigation."

The Bill's draftsman, apparently with the approval of my right hon. Friend the Minister in charge of decent English, has not even used the word "etcetera", which hon. Members may think is an unattractive word. But we now have the abbreviation "etc.", as though my right hon. Friend the Minister is giving his official seal of approval to a misuse of the English language. I hope that we shall cease to use that word in parliamentary documents, notably Bills. I note that my hon. Friend the Member for Gedling (Sir P. Holland) is nodding in approval. I must say in fairness to my right hon. Friend the Minister that he has not sinned quite as greatly as some of his right hon. and hon. Friends who have introduced legislations with the word "etc." in the long title.

Mr. Tristan Garel-Jones (Watford): Oh, no.

Mr. Gow: My hon. Friend the Vice-Chamberlain of Her Majesty's Household, from whom we do not hear sufficiently frequently in our debates, expresses disbelief that the Government, of whom my right hon. Friend the Minister is such a distinguished adornment, could possibly have introduced a Bill containing those words. I assure the House that the Government, who are almost blameless in every other matter, have not been blameless in the misuse of language.

There is another extraordinary feature. My right hon. Friend the Minister rightly said that it is almost 20 years to the day since the 1967 Act received Royal Assent, so we can find a commentary on what we have done. Under the Parliamentary Commissioner Act 1967, 44 departments and authorities were subject to investigation. As a result of the Bill introduced by my right hon. Friend the Minister that number is to be increased to 105. I do not know whether we should congratulate or rebuke ourselves on the fact that in 20 years the number of bodies subject to investigation has risen so dramatically. I agree with what the hon. Member for Ashfield (Mr. Haynes) said. It is likely that, because of this dramatic extension in the number of departments and bodies subject to investigation, there will be an increased workload. I very much welcome the comment by my right hon. Friend the Minister in moving the third reading that, if we need, as I am almost certain we shall, additional staff and staff of a high quality in the office of the parliamentary commissioners, they will be made available.

Despite my friendly rebuke of my right hon. Friend the Minister on the subject of the English language, I congratulate him on the way in which he has introduced the Bill and piloted it so successfully in committee. I look forward to the Bill being on the statute book at the earliest possible time.

7.42 pm

Mr. J. F. Pawsey (Rugby and Kenilworth): I thank my right hon. Friend the Minister for his helpful comments in responding to my intervention. He will understand, however, that I deeply regret that the Bill contains no provision to give greater prominence to the work of the Select Committee and of the ombudsman. I rest assured, however, that he will make representations to the parliamentary commissioner and I hope that, as a result, we shall be given something firm and definite.

My right hon. Friend the Minister will understand that publicity costs money. Clearly, he will need to ensure that there are adequate funds to promote the parliamentary commissioner's work. Several times during our discussions the hon. Member for Ashfield (Mr. Haynes) stressed the importance of making sure that reasonable funds were made available to the parliamentary commissioner. To derive the maximum benefit from the commissioner's work, there must be appropriate funding.

I draw the attention of my right hon. Friend the Minister to the notes on page 10 of the Bill which refer to various bodies. Paragraph 6 states:

"The references to the Management and Personnel Office and the Treasury do not include the Cabinet Office".

That is an extraordinary omission. I am puzzled about why the Cabinet Office has been so carefully left outside the Bill's terms. That is highly inappropriate. I do not understand why the people working in the Cabinet Office are operating and will operate outside the commissioner's umbrella. There is a strong argument to include them within the Bill's provisions. I hope that my right hon. Friend the Minister will advise me on this important matter.

Clause 2 refers to the removal of a commissioner on the ground that he is "incapable for medical reasons". Should the House assume that those medical reasons include mental illness? The commissioner's job is particularly stressful and he operates under substantial constraints. Clearly, there is a substantial risk to his mental health. I should like, therefore, to be assured that "medical reasons" includes mental illness.

Clause 2 states:

"Her Majesty may declare the office of Commissioner to have been vacated if satisfied that the person appointed to be the Commissioner is incapable for medical reasons".

Who will give Her Majesty appropriate advice on the parliamentary commissioner's mental and physical condition? This is a particularly fine point. The commissioner must not be subject to duress. Anyone examining the commissioner's physical or mental condition must act in a truly impartial way. There should be no risk of anyone seeking to remove the commissioner from his office on grounds other than illness or ill health, whether mental or physical. A little advice from my right hon. Friend the Minister would be helpful.

If the commissioner is removed from office for medical reasons, what about his pension provision? Can we take it that when the commissioner leaves his job an adequate and reasonable pension provision will be made for him and his dependants? Those who have been hon. Members for a considerable period will be aware that we have argued about an adequate and proper pension provision for hon. Members. It is to be hoped, therefore, that the commissioner enjoys safeguards similar to those enjoyed by hon. Members. I hope that my right hon. Friend the Minister will comment on those matters. Schedule 1 is headed:

"Schedule Substituted for Schedule 2 to the 1967 Act."

I have sought in vain to find some common denominator in the interesting list under proposed schedule 2. I am delighted to see my hon. Friend the Member for Gedling in his accustomed place——

Mr. Haynes: Gedling? Do not insult Nottinghamshire.

Mr. Pawsey: I am tempted to say that it is impossible to insult Nottingham, but I shall not. I am delighted to see my hon. Friend the Member for Gedling (Sir P. Holland) in his accustomed place and posture. He has achieved a substantial reputation as a quango hunter. I wonder what emotions passed through his breast when he studied this substantial list and when he realised that many were missing from the list.

As my eye travelled down the schedule I saw that it included the Building Societies Commission and the Charity Commission. It also includes the Crafts Council. I have tried in vain to discover the connection between the Crafts Council and the Building Societies Commission. The data protection registrar is also listed and a little further down the list the Forestry Commission appears. I believe that there may be a case to argue for the insertion on the list of the Forestry Commission. It employs a substantial number of people. At times those people may be exposed to the risk of injury, bearing in mind the nature of their work and because so much of it is carried on outside. Obviously those employees must have a form of redress in the event of the maladministration of their compensation claims.

I have studied the list and I wish to know the basis of it. What are the criteria for membership of the list? Who requested admission to the list? Why were there such requests? How many people will be affected by the list? What was the test of admission to the list? I ask a direct question of the hon. Member for Ashfield: why was the BBC omitted from the list?

During the course of his excellent remarks my right hon. Friend said that he estimated—that was the word he used—that, as a result of the schedule, the workload may increase by as much as 15 per cent. Those of us who serve upon the Committee of the Parliamentary Commissioner for Administration, and are assiduous attenders, will be aware that the workload of the Committee has grown. I wonder — indeed, the hon. Member for Ashfield shares my wonder — whether the 15 per cent. additional workload may turn out to be a gross under-estimate.

I believe that adequate provision must be made not just for more staff, as has been pleaded by the hon. Member for Ashfield over and over again, but for additional premises and further equipment. We should consider installing word processors or computers. We must ensure that the commissioner is adequately serviced not just by personnel, but with the appropriate equipment that will enable the personnel to discharge adequately their work.

I notice that the office of the Director General of Gas Supply is included in the list and that is a welcome inclusion. From time to time I have made reference to that office and I believe that its inclusion will be of substantial benefit. Further down the list I notice the Horserace Betting Levy Board and I find that a rather surprising inclusion.

Mr. Frank Dobson (Holborn and St. Pancras): That's a turn up for the book.

Mr. Pawsey: I am obliged to the hon. Gentleman for his witty intervention. It was an entirely appropriate remark. I wonder whether the hon. Gentleman can find something illuminating to say about the Corporation of the Trinity House of Dartford Strond and the Commissioners of Northern Lighthouses.

Mr. Dobson Deptford Strond.

Mr. Pawsey: I am obliged for that gentle correction. I do not understand why those two bodies are included in the list. I can appreciate the reason for the inclusion of the National Debt Office and the Trustees of the National Heritage Memorial Fund, but again it would be helpful to have some knowledge of the number of employees involved in those various bodies.

Mr. Andrew Rowe (Mid-Kent): Bearing in mind the inherent dangers in creating too many links between the various bodies listed in the schedule, has my hon. Friend noted No. 21 and 22 on the list? He will discover that the Commission for Racial Equality, which deals with matters relating to discrimination based on colour, is followed by the Red Deer Commission, which I believe is basically involved in calculating the number of red deer that may be culled at any one time. I am sure that my hon. Friend will appreciate that some of the connections may lead to dangerous links.

Mr. Pawsey: There is another link to which my hon. Friend may have drawn attention — that between the Forestry Commission and the Red Deer Commission. It would appear that one commission will offset the other because I understand that red deer are partial to young trees. It may be that that could be investigated by another body on the list, the Medical Research Council. I certainly do not know of any red trees — most of the trees are green in my constituency.

The Science and Engineering Research Council is on the list and as a former engineer I am delighted about its inclusion. I certainly believe that that admirable council should be assisted in every way possible. With regard to residuary bodies I wonder whether they have inadvertently slipped into the list by error. I cannot understand why they should be included, but perhaps my hon. Friend will be able to tell me.

Mr. Rowe: Residuary body could be a description of this place.

Mr. Pawsey: That may be true.

Two thirds of the way down the second half of the list the English Tourist Board, Scottish Tourist Board and Wales Tourist Board are included. I favour tourism and I believe that it should be promoted to the maximum as it assists our balance of trade. It also ensures that people from other countries have a true understanding of what occurs in Britain. I am sure that if there were any tourists here today they would be especially interested in the Bill. They would be most anxious to take back to their Parliaments knowledge of what has taken place in this Parliament tonight.

I mentioned the inclusion of the Science and Engineering Research Council and if I may continue my reflections on the list for a moment longer, I also notice the inclusion of another engineering body — the Engineering Industry Training Board. I am extremely happy about that.

With regard to the notes on page 10 I should like to draw my right hon. Friend's attention to No. 4, which states:

"The reference to the Lord Chancellor's Department includes the department of the Accountant General of the Supreme Court and the department of the Public Trustee (whether or not either office is held by the Permanent Secretary to the Lord Chancellor)."

I do not understand why it is necessary for that to be defined so closely in that specific note. I am certain that there must be an admirable reason for it, but it does not readily strike me.

The hon. Member for Newcastle upon Tyne, East (Mr. Brown) rightly called for greater powers for the commissioner. One of the frustrations of the Select Committee on the Parliamentary Commissioner for Administration is that present powers do not appear to encompass all the cases that could be brought before us. I can recall that when the office of parliamentary commissioner was established it was said that the office may trespass upon the work undertaken by individual Members. It is clear that that has not been the outcome. Indeed, quite the reverse has been so. Members of Parliament, recognising the importance of the office, have been only too happy to recommend cases to the commissioner so that they may be dealt with adequately. I join the hon. Member for Newcastle upon Tyne, East —not for the first time and I am certain not for the last —in saying that the ombudsman should have additional and greater powers. I look forward to the occasion when another Bill may be brought before the House which gives the ombudsman the powers that hon. Members on both sides of the House consider to be appropriate.

There is so much more in this important Bill to which I could refer. I shall resume my place, however, in the hope that when my right hon. Friend the Minister replies he will touch upon some, if not all, of the issues which I have raised.

8.2 pm

Mr. Andrew Rowe (Mid-Kent): First, I wish to apologise to my right hon. Friend the Minister of State, Privy Council Office for inadvertently missing his opening remarks in this debate, which crept up on me somewhat surreptitiously. In my experience, it is rare that complaints from my constituents require the ombudsman's intervention. That shows that in our public service there is still a high standard of administration. It is appropriate that we should pay tribute to the large band of civil servants and administrators in the Health Service who run their affairs in ways which lead to such comparatively few complaints.

My hon. Friend the Member for Eastbourne (Mr. Gow) observed that the number of bodies to be investigated by the ombudsman has increased substantially. That is partly a consequence of a desire to devolve some of the responsibilities from central Government to subordinate bodies, and to that extent it is a healthy development. If I had a criticism to make of the Government, it is that there are moments when I fear that there is a slight impatience on their part which leads to a desire to take things into their own hands rather more than is sometimes wise. The devolution of power to many bodies, as set out in schedule 2, is a step in the right direction. There are bodies included in the list that are capable of acting unjustly and doing damage to individual citizens, whether by the grant of financial support or the refusal of it, or whatever, which means that we are right to have them open to inspection.

My disappointment with the ombudsman system is that in the collation and presentation of reports it is still arguable that not enough attention is paid to rules which, in their observation, are oppressive. The ombudsman is now employed to pass a judgment on behaviour which fits the rules even if the rules are oppressive. If there is a collection of cases caused by a rule which in itself is oppressive, it would be valuable if the ombudsman's reports drew rather more explicit attention to it. In my constituency, a business man is being oppressed in a way that would be unsusceptible to the intervention of the ombudsman. The authorities are behaving scrupulously, according to the rules, but the rules make it impossible for my constituent to receive justice. Where such cases cluster in the ombudsman's files, they should be brought out and exposed clearly to public view. I think sometimes that in the selection of cases for detailed report the ombudsman does not always do what he might. I should like my right hon. Friend to take note of that.

8.6 pm

Mr. Luce: With the leave of the House, Mr. Deputy Speaker, I shall reply briefly to an excellent debate.

I begin by thanking my hon. Friend the Member for Mid-Kent (Mr. Rowe) for the tribute that he paid to the standards of the Civil Service. In carrying out my duties as Minister with responsibility for the Civil Service, I have nothing but praise for the work that is done by civil servants. When we consider the number of complaints, the number of civil servants in post and the wide range of duties that they undertake, it is clear that they do an outstanding and remarkable job. I am grateful to my hon. Friend for his remarks.

I am pleased that my hon. Friend the Member for Gedling (Sir P. Holland) is in his place and listening to the debate. He is precluded from contributing to it because he played an important role, as Chairman of the Standing Committee on the Parliamentary Commissioner for Administration Bill. As the Bill is principally about the extension of the powers of the ombudsman to deal with quangos, it is right that I should pay tribute to my hon. Friend for the remarkable work that he has done in reducing their number. It is interesting to note that over

the past eight years there has been a reduction of 509 quangos, and much of that reduction is due to my hon. Friend's work in drawing attention to the number of unnecessary quangos there were in existence. I am sure that he welcomes the fact that about 50 of them that come within the terms of the Bill have been included in schedule 2.

The hon. Member for Newcastle upon Tyne, East (Mr. Brown) rightly said that there are a number of grey areas when it comes to considering which bodies should or should not be included in the Bill. This issue was drawn to my attention also by my hon. Friend the Member for Rugby and Kenilworth (Mr. Pawsey), who is a splendid watchdog of the work of the ombudsman. My hon. Friend made a probing and detailed speech in which he drew attention to the types of organisation that should or should not be included in the schedule.

It is worth reminding the House of the criteria for inclusion. First, bodies should be subject to some degree of ministerial accountability to Parliament because they are dependent for their financing and continuing existence on Government policy. Secondly, this should apply only to organisations with executive or administrative functions that directly affect individual citizens or groups of citizens. Clause 1 provides more detail for the criteria that should be provided. It is important to keep one's eye on the criteria that we are using to judge whether a certain body should be included or excluded.

The hon. Member for Newcastle upon Tyne, East raised again the question of the Civil Aviation Authority. I understand the argument that he put forward, but we have to judge it against the criteria. The Bill makes it plain that nationalised industries are to be excluded from the jurisdiction of the ombudsman, for the reasons that I have given on many previous occasions. That is the principal reason why the Civil Aviation Authority is outside it, quite apart from the fact that many of its activities are subject to the Council on Tribunals which would in itself exclude it from inclusion in the Bill.

There is considerable consistency in the criteria which we apply, but there will always be a grey area. That is why it is important to remind the House that there is provision in the Bill to ensure that an Order in Council could be introduced, subject to negative resolution, at any time which would enable us to withdraw bodies from the schedule or to include new bodies. So there is considerable flexibility in the Bill.

My hon. Friend the Member for Rugby and Kenilworth drew attention to several points, most of which I shall answer by letter. It might be as well to get one point on record. He referred to the fact that the Cabinet office is excluded from the provisions of the Bill and from the jurisdiction of the ombudsman. That is provided for in section 8 of the 1967 Act, which precludes the ombudsman from investigating the proceedings of the Cabinet or seeing Cabinet papers. It would be inappropriate to schedule a Department which deals primarily with ministerial consultations and Cabinet proceedings; in other words, the Cabinet office does not come strictly within the criteria of the jurisdiction of the ombudsman.

My hon. Friend the Member for Eastbourne (Mr. Gow) gave me notice that he could not be here for my reply to the debate. I accept his strictures about the standards of plain English in our legislation. There could not be a more suitable person than my hon. Friend to be a watchdog of plain English, as he expresses himself with the utmost clarity. The House would do well to listen to his strictures, as I do. Certainly I believe, wearing my Civil Service Minister hat, that it is right to aim for legislation which is comprehensible. I think the House as a whole will accept the view that much of our legislation is not adequately comprehensible to the public.

I have sought to answer some of the points that were raised. We have had a fair crack of the whip in the amount of time given to this important debate on the powers of the ombudsman. There is widespread admiration for what he does. Questions about the basis upon which he might have to be retired are not an indication or reflection of anxiety about the health of the present ombudsman but relate simply to the circumstances in which it might be necessary to ask an ombudsman to retire on medical grounds or on grounds of mental health.

I warmly commend the Bill to the House. I hope that its remaining stages in another place will take place quickly and that the extended power for the ombudsman will be in practice before too long.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Public Order (Northern Ireland)

8.13 pm

The Secretary of State for Northern Ireland (Mr. Tom King): I beg to move,

That the draft Public Order (Northern Ireland) Order 1987, which was laid before this House on 19th February, be approved.

This order deals with a number of aspects of public order in Northern Ireland—processions and meetings, stirring up hatred or arousing fear, miscellaneous public order offences, and the repeal of the Flags and Emblems (Display) Act (Northern Ireland) 1954. The proposal for a draft order was published on 1 December for consultation. We received a substantial number of representations and as a result amendments have been made in this draft order which was laid in this House on 19 February. The order amends and consolidates public order legislation in Northern Ireland in the light of recommendations by the Chief Constable of the Royal Ulster Constabulary and of developments in Northern Ireland since the law was last amended 15 years ago. In doing so, it takes account wherever possible of the changes made in public order legislation in Great Britain by the Public Order Act 1986.

The Government believe it right that the principles underlying public order legislation should be uniform throughout the United Kingdom, although local circumstances in Northern Ireland may require detailed provisions that are different. The draft order is designed to reflect this balance, and many of its key provisions reflect advice on public order matters given by the RUC.

In the last few weeks it has become clear that a campaign of serious misrepresentation has been launched against this order, alleging every form of wickedness about it: that it is some sinister plot to curb and prevent traditional marches, or that it is all the result of the Anglo-Irish Agreement. Both these allegations are quite untrue, but those who make them are clearly seeking to excite Loyalist emotions, and I would therefore like to make the position quite clear.

This order represents no change in public policy toward marches, processions, and open air meetings. I respect the tradition of marching in Northern Ireland, and believe that the overwhelming majority of people in Northern Ireland wish to see marches conducted in a responsible way; and the figures show that that is in fact what normally happens. Last year there were 2,200 marches. I shall repeat that figure for the House because I believe that many people, who see just some marches, do not appreciate how many take place, mainly during the marching season. Last year there were 2,200, of which some 2,100 raised no public order problems of any gravity. In fewer than 70 was there even any commotion or disorder, although some produced quite serious disorder. In only 10 was any rerouting requested and in one single case, last Easter Monday at Portadown, the Chief Constable requested me to ban the march because he believed that the route chosen was unacceptably provocative. Those are the facts, and they show quite clearly that in the vast majority of marches there are no problems whatsoever.

However, all marches, including customary marches, make demands on police manpower and organisation. I believe all responsible people will accept the fairness of giving reasonable notice to the Royal Ulster Constabulary in time for it to notify officers if they will be required for extra duty. In no sense is this having to ask permission but rather giving fair notice so that the necessary police arrangements can be made and any queries raised, should there be in any case difficulty over the route chosen.

I hope that there is nobody in the House who does not accept that that is manifestly a reasonable proposition. Those who do not accept that should do the RUC and the Chief Constable the courtesy of reading any of his annual reports since 1981 in which he draws attention to the heavy burden and load placed on the RUC, not just by one section of the community but by both sides with their various traditional marches and activities.

In respect of the incitement provisions in the order, the misleading statements that have been made about stirring up hatred or arousing fear and the suggestion that the provisions are different from anything seen before, these provisions effectively reflect the provisions of the Public Order Act 1986 for England and Wales. Before that measure was enacted, the House will recall that when I originally published the proposal for a draft order I announced that we had not at that time had the opportunity to take account of the provisions in the Public Order Act 1986. I told the House that I would seek to include them in this order, and hon. Members will see that the provisions are included in the draft order.

The order encompasses an additional element about fear and religious belief, both of which reflect the unfortunate circumstances of Northern Ireland. Some hon. Members may think that this is a radical departure, but those things have been in Northern Ireland legislation since 1970. There has been misrepresentation about this order and about the repeal of the Flags and Emblems (Display) Act (Northern Ireland) 1954. There has been gross misrepresentation about the effect of the repeal of this Act. Leaving aside the facts that there has not been a single prosecution under this Act since 1969 and that its repeal will bring the legislation into line with the rest of the United Kingdom, the allegation is made that its repeal would somehow give equal status to the tricolour in Northern Ireland. I say clearly to the House that that is quite untrue.

The repeal of the Act will not affect the fact that the Union flag is the official flag of the United Kingdom and will continue to be the flag that is flown from public buildings on public occasions. There is no question of the Irish tricolour being given any status by the repeal. It will no longer be an offence in itself to interfere with the display of the Union flag on private property—such as might have occurred under the Act — but any such interference would involve the commission of other criminal or civil offences, such as criminal damage, so the peaceful display of the Union flag or any other flag will continue to be protected. The police will also retain their general duty under common law to take whatever steps are necessary to prevent a breach of the peace arising from the provocative display of any flag or emblem.

No hon. Member familiar with Northern Ireland will have any illusion about flags being an emotional issue. It is extremely easy to stir up all sorts of misunderstandings and rumour. This Act will be totally redundant, and its repeal makes no difference whatever to the present position. I hope that the people of Northern Ireland will understand that when some people seek to excite their emotions about the matter. Undoubtedly in the past the

Act has been a source of great grievance for some people in Northern Ireland and it has long been felt by many, not least by the Standing Advisory Commission on Human Rights, that its repeal was long overdue.

A further criticism is that this Order enormously increases the powers of the police and my powers as Secretary of State. The draft order confers no new powers on the police, though it puts the existing power under common law to impose conditions on open air public meetings on to a statutory basis and redefines the grounds on which certain of their powers may be exercised. The only new power conferred on the Secretary of State is a power to exempt specified classes of processions from the notification requirements of article 3.

This exemption power is relevant to an anxiety that was expressed by the Salvation Army. Part II requires organisers of public processions to give seven days' notice to the police rather than the five days' notice that was previously required under the 1981 order. This requirement for advance notice applies to all public processions except funerals, but there is provision for the Secretary of State to exempt by order other classes or descriptions of processions. This provision could be applied, for example, to the regular Salvation Army processions which obviously contain no risk of public disorder. I mention that point because I know some people criticise our procedures and say that there is no opportunity for views to be taken into account. The House will know that this provision arose specifically as a result of representations by the Salvation Army and others, and we were certainly ready to meet their concerns with the amendment that is included in the draft order.

This order is different in one respect from previous Northern Ireland legislation and from legislation that applies in Great Britain. I refer to the requirement to give notice for processions which are customarily held in a particular area or along a particular route. Earlier I said that part of the purpose for the giving of notice is to give reasonable warning to the RUC, because its officers need reasonable notice to organise the extra duties that may be involved. Such duties may arise whether the march is customary or not. However, we know that in Northern Ireland traditional parades can, unfortunately, become the focus of disorder, although that is not necessarily the intention of the organisers. For that reason we feel that it is necessary to include customary parades in the ambit of the requirement to give notice.

One other concern arose during the consultation. It is about the incitement to hatred and the arousal of fear provisions. This matter was raised by the National Union of Journalists and others, who said that the provisions might interfere with the normal activities of the press in reporting events in Northern Ireland. I can assure the House that this is certainly not the intention, nor is it the effect, of the new provisions.

This matter arose during consideration of the Public Order Bill and my right hon. Friend the Home Secretary, in Standing Committee G, on 22 March 1986 said, as reported in column 860, that the British Guild of Newspaper Proprietors had expressed similar fears about the equivalent provisions of that Bill. As a result, the Bill was amended on Report to include the words,

"having regard to all the circumstances".

This provision enables prosecuting authorities and the court to distinguish between legitimate reporting and comment, on the one hand, and inflammatory material, on the other. The relevant wording of the Public Order Act is replicated in this draft order.

The House will also note that the draft order maintains the power that the Secretary of State enjoys to ban a procession in consequence of information furnished to him by the Chief Constable or for any other reason. I find it extremely difficult to conceive of any occasion when I would think it possible or appropriate to exercise that power without information and advice from the Chief Constable. At the same time, the House will understand the ultimate responsibility that I bear for order in Northern Ireland, and will understand why it is sensible to retain that ultimate responsibility if for any other reason I thought that it might be desirable to ban a procession. I tell the House bluntly that I find it virtually inconceivable that such power would be excercised without the good advice of the Chief Constable of the Royal Ulster Constabulary.

One criticism is that, by this order, we are seeking to snuff out the traditional rights of protest and assembly that should exist in any civilised democratic society. I make it quite clear that that is in no sense our desire or intention. Incidentally, in one of the pamphlets that I have seen circulating in opposition to the order there is a suggestion that there is a distinction between the time requirement that is shown in the Public Order Act, which is six clear days, and the requirement in this order, which is seven days. I am not responsible for all the draftsmen. They have different ways of saying exactly the same thing.

The requirement to give notice might appear to infringe the opportunity for genuine spontaneous demonstration. The order takes into acount circumstances in which a demonstration is genuine and it is simply not practicable for the required notice to be given. A reasonable and practicable provision is included.

A further charge involves the registration of bands. That feature is different in the order. Of course, anybody who knows traditional Northern Ireland marches will know that the number and type of bands differ from those that one might expect in other parts of the United Kingdom.

The registration of bands is not new. It was introduced into Northern Ireland legislation in 1971. The proposals for registration have never been implemented. I make it absolutely clear that the Government have no intention of doing so at present. At the same time, I recognise and welcome the recent announcement that the Orange order is to introduce a charter for the conduct of bands participating in Orange parades. I am sure that that is a responsible and sensible piece of self-regulation which should be likely to meet the situation.

The truth about the order, unlike the misrepresentations that have been put out about it, is that, in part, it follows a number of the Chief Constable's recommendations about public order. It carries forward the improvements contained in the Public Order Act 1986 for England and Wales, with the modifications that are needed for the special circumstances of Northern Ireland. It involves the development of policies and the guidance and important role played by Sir John Hermon as Chief Constable. In successive annual reports, he has advised of the need to find a more sensible and more orderly way in which the good traditions of marching can be protected

[Mr. Tom King]

and in which some of the elements that seek to disrupt and abuse such privileges and opportunities can be sensibly dealt with.

Society in Northern Ireland has paid a heavy price for disorganisation, disruption, human conflict and, undoubtedly, the resources that have been involved year after year in trying to bring order into certain areas in which it has been seriously disrupted. The order contains nothing that any responsible person in Northern Ireland need fear.

Mr. Martin Flannery (Sheffield, Hillsborough): The order occupies approximately 21 pages. One almost hopes that the debate will not be too lengthy, but how in heaven's name can one get through this matter in a short time? Why it is an order and not a Bill?

Mr. King: The hon. Gentleman may have heard my opening remarks in which I made it clear that, under the procedure that the House adopts in the system of issuing proposals for a draft order for consultation, the opportunities for formal consultation are clearly established. In seeking to maintain the consistency of Northern Ireland legislation in this field, the Order in Council procedure has been followed. I make no secret of the fact that I should have liked to see the possibility of developing alternative procedures. It is a pity that the House has not addressed that matter.

As long ago as February 1986, my right hon. Friend the Prime Minister specifically offered Unionist Members and other hon. Members the opportunity to discuss the procedures under which Northern Ireland legislation is handled in the House. It is a great pity that that opportunity was not taken. It is worth noting that those who make allegations about the order outside the House as though it is the end of civilised life in Northern Ireland as they know it are not prepared to take the opportunity to raise any points arising from it, either inside the House or during the consultation period. The reality is that they are either grossly negligent about the interests of their constituents or are wholly exaggerating their fears. The order consolidates in part what the House discussed at considerable length in relation to the Public Order Act 1986. In certain other respects, it carries forward and clarifies a certain amount of the existing Northern Ireland legislation.

Although I entirely accept the hon. Gentleman's point about the length of the order, my illustration of its components will help to clarify it. I make no secret of the fact that—I say this quite straightforwardly to the hon. Gentleman — I should like to see discussions on alternative ways in which Northern Ireland legislation of such significance could be handled in the House.

Mr. D. N. Campbell-Savours (Workington): Does the Secretary of State accept that to make a charge of negligence is only to aggravate a condition? Surely he would wish to withdraw that charge.

Mr. King: I gave the House the opportunity to choose between the alternative conclusions. I leave the hon. Gentleman to make his judgment. I happen to believe in the House. I happen also to believe that we live in a parliamentary democracy in which arguments and disagreements are brought out into the open and issues are discussed. If the issues are about disorder — I do not often agree with the hon. Gentleman, as he knows—or if they are about how legislation is handled, it is a fair point to make, and the House should consider it. I respect the fact that he raised it.

I say clearly again to all hon. Members and to those who are interested in our proceedings that the order contains nothing that any responsible person in Northern Ireland need fear. Rather, it is to be welcomed by all who wish to see honourable traditions maintained and exercised, free of abuse, intimidation and fear, and who recognise the need to support the RUC and for it to have the necessary and appropriate powers to maintain the peace and to protect the law-abiding people of Northern Ireland. I commend the order to the House.

8.39 pm

Mr. Peter Archer (Warley, West): In replying to my hon. Friend the Member for Sheffield, Hillsborough (Mr. Flannery) the Secretary of State was very frank. Let me be equally frank. I found much of what the Secretary of State has just said very persuasive. The division across the Dispatch Boxes tonight arises not from what he said; nevertheless, it is of the Government's own making. It is the clearest example for a long time of the unsatisfactory procedure by which we legislate for Northern Ireland. If ever there were legislation that was not appropriate for an unamendable order, it must be the provisions that we are now discussing. The Opposition accept that there is a need for reviewing the public order provisions which exist for Northern Ireland. The differences between us and the Government may fairly be said to be largely matters of judgment—where the balance should be struck between the various interests and the various rights that have to be protected.

But this is an area where balance is all-important, where it is vital to examine the details of how a provision will operate and what its impact will be in various situations. If this had been a Second Reading debate, we might have been able to say, "Let the Bill proceed; we shall discuss our reservations and anxieties in Committee; then, on Third Reading, we shall assess what progress has been made towards a consensus on the controversial issues and whether we can accept the final edition." But that option has been denied to us. We are presented with a sealed package containing a variety of provisions, as my hon. Friend the Member for Hillsborough said, with little in common, except that they may all be described as relating to public order and we are told to take it or leave it.

Perhaps it was naive of me, in the light of our experience with the Government's business managers—I accept the distinction between the Northern Ireland Office and the Government's business managers — to expect something better, but I really did expect something better. Together with the Minister of State, we have just taken part in the Committee stage of the Northern Ireland (Emergency Provisions) Bill. It was a refreshing experience. There were genuine discussions; minds actually met; and there was give and take. I doubt whether any hon. Member who took part in the Committee proceedings was not persuaded to a change of mind on some question by the arguments.

We are not wholly happy with the outcome; there are still differences between us. But we enjoyed the experience —a novel one in Northern Ireland matters—of seeking together after truth instead of proceeding to an all-or-nothing vote. I had hoped that the Government would

want to repeat that experience—if not by way of a Bill, as I understand that there are constraints on time, at least by way of a preliminary debate that would permit a test of feelings in the House on some of the controversial issues, before the House was presented with the final draft.

I am sure that I am not betraying any confidence—in fact, I think that the Secretary of State implied it—if I say that that possibility was explored through that mysterious process which we call "the usual channels". However, I suspect that the Government lost interest when they failed to reach an agreement on our procedures which would include the two major Unionist parties. That was the reason which the Secretary of State gave a moment ago to my hon. Friend the Member for Hillsborough.

But the hon. Members of the two Unionist parties are not the only Members of this House who want to discuss matters relating to Northern Ireland. They are not the only Members of this House who represent constituencies in Northern Ireland. I very much regret that those hon. Members have not thought it right to come to the Chamber and participate in this debate, unsatisfactory though it is, and to express the views of their constituents. But it seems to me that it is even more regrettable that the Government have allowed that fact to preclude any experiment with our procedures. If abstentionism is seen to operate as a veto over any development, there is a clear bonus for abstentionism.

While I am still on the Second Reading part of my speech, may I take up something that the Secretary of State said a moment ago about consultation. There was a very short period for consultation. There are some problems relating to public order, which, as he said, are peculiar to Northern Ireland.

We accept that the provisions cannot be identical with those which apply to the rest of the United Kingdom. That is the very reason why it was necessary to have separate consultations in Northern Ireland. But there are many groups in Northern Ireland who are concerned with the same issues as concern groups in Great Britain. They want to demonstrate about boycotting South African goods, or about particular accident black spots, and they are entitled to express a view as to where the balance should be struck between those rights and the rights that are brought into issue by the special situation in Northern Ireland.

The time allowed after the draft was published to circulate members to convene meetings, to draft submissions and to get them agreed was six weeks, including the Christmas holiday. That is not genuine consultation. It was an invitation to come to the party, addressed to those who could not hope to make the journey before the gates were closed. I hope that the Government will take that on board for the future. Those of us who would like there to be discussion in Northern Ireland of what we would regard as the stuff of politics elsewhere had hoped that those groups would be encouraged to express a view. In many cases their view was excluded.

As for part II of the order, we are concerned about the fact that there is no limit on the categories of procession which may be the subject of conditions imposed by the police or of prohibition by the Secretary of State. There is power to prohibit a school crocodile or a funeral procession. It is only for the purpose of the provisions about the giving of notice that there is any limitation on the categories of procession in question. *[Interruption.]* If I mistake not, the Secretary of State is a little surprised to hear that, but if he reads the order he will see that that is what it says. Even those categories are much wider than the categories that are subject to the equivalent provisions in Great Britain. The Public Order Act 1986, to which the Secretary of State referred limits those categories in section 11 to processions intended

> "*(a)* to demonstrate support for or opposition to the views or actions of any person or body of persons,
> *(b)* to publicise a cause or campaign, or
> *(c)* to mark or commemorate an event."

For the equivalent provisions in this order, the term "procession" is all-embracing, subject only to very limited exceptions. Those exceptions are to be found in article 3(4). There is only one specific exemption. That is the one to which the Secretary of State referred. A requirement of notice does not apply to a funeral procession, although the police may impose conditions on it and the Secretary of State may direct that the deceased shall not be accorded a funeral procession at all.

The other provision in article 3(4) empowers the Secretary of State to exempt the provisions of a specific class or description. I hope, as he pointed out, that the Secretary of State will at once exempt obviously innocuous processions like those of the Salvation Army. But there is no general exemption for the school crocodile. Is it seriously intended that notice must be given before a class of schoolchildren can move from one building to another, or will that be one of the exemption orders that he makes? If so, perhaps the Minister of State will tell us so at the end of the debate.

Mr. William Cash (Stafford): The right hon. and learned Gentleman has referred to article 3(4). It is arguable that greater latitude is here given by the Secretary of State under article 3(4)*(b)* for precisely the opposite reasons from those given by the right hon. and learned Gentleman. Crocodiles of schoolchildren could just as easily be excluded from that category by the Secretary of State. It is a little disingenuous of him to say that it automatically follows that school crocodiles would be included when this power has been taken precisely in order to deal with innocuous occasions of that kind.

Mr. Archer: I hope that the Secretary of State will take careful note of what the hon. Gentleman has just said, because I echo it. But if the intention were to exclude school crocodiles, why not say so in the order and set everybody's mind as rest? We have specifically excluded funeral processions. What is so different about school crocodiles? I understand that it was the Salvation Army kind of situation that the Secretary of State had in mind. If he intends to exempt school crocodiles, the sooner he says so and sets our minds at rest the better.

What about trade union processions? To my knowledge, they have never been a source of violence or disorder in Northern Ireland. Are trade unions to be brought into these provisions by stealth, as they have been in previous legislation, simply because they are not included among the exceptions?

Article 2(2) includes a requirement that is absent from the Public Order Act 1986 which applies in Great Britain. As the Secretary of State has just reminded us, in Northern Ireland the notice must include the number of persons who are likely to take part in the procession. I assume that one reason for its absence from the Act is that it is virtually impossible for the organisers of a procession to know in advance the numbers likely to take part. Anybody who has

[Mr. Archer]

tried to organise a meeting of hon. Members in this House will know that there is no way of predicting how many are likely to turn up.

I confess that I am not sure of the consequences if the organisers get the numbers wrong. Article 3(5)*(b)* states that a person who organises or takes part in a procession

"which is held on a date, at a time or along a route which differs from the date, time or route specified in relation to it in the notice"

shall be guilty of an offence. There is nothing about getting the numbers wrong. Article 3(5)*(a)* states that it is an offence to organise or take part in a procession

"in respect of which the requirements of the Article as to notice have not been satisfied".

One of those requirements is that the numbers likely to take part shall be specified, but so is the date, the time and the route. Do the Government take the view that article 3(5)*(a)* does not apply to those requirements and that they have to be dealt with separately in article 3(5)*(b)*? If so, why do the words of article 3(5)*(a)* not mean what they appear to mean in ordinary English? If it does apply, why is it necessary to make special provision for failure to supply those details in article 3(5)*(b)*? If that is necessary, and as there is no provision in article 3(5)*(b)* for failing to specify the expected numbers, what is the sanction against someone who fails to specify the exempted numbers?

While the Secretary of State is sorting that out, before leaving article 3(5) I note that the order makes it an offence not only to organise a procession in respect of which the requirements as to notice have not been satisfied, but even to take part in such a procession. That is a clear contrast with section 11(7) of the Act which applies to Great Britain.

I appreciate that it is not always easy to identify the organisers when confronted by a procession. If there had been an opportunity to discuss the order in Committee and to suggest amendments, we might have explored how to meet that difficulty. But have the Government considered the consequences of what they are doing here for someone who is exercising his right simply to take part in an apparently lawful procession? That person has to ask to see a copy of the notice which has been given, to satisfy himself of its accuracy and that it was properly given, or risk being found guilty of an offence which carries a penalty of up to six months' imprisonment. That is such an incursion into a right which is taken for granted in a democracy that it cannot be acceptable.

Finally, among the provisions relating to the notice of processions, the Public Order Act permits notice to be served by post. No such facility is contemplated in this order. I understand that there may be a problem for those organising processions in England, if the route lies through the areas of two or more police authorities, but surely that is not the question. The question is whether the police can live with service of notice by post. In Great Britain they can. What is so different in Northern Ireland that police stations cannot be equipped with letter boxes?

I have just referred to the requirement of notice. The questions multiply when one turns to imposing conditions and prohibitions. They include not only processions, but open-air meetings. They are concerned not only with marching through an area, past people's homes, but with meetings in which people stay in the same place. It is true that the Act relating to Great Britain refers to assemblies, although it does not call them public meetings. The Secretary of State did not explain why there has been a change in terminology. An "assembly" is defined as 20 or more people. There is no similar limitation for the definition of a public meeting in the order. Presumably, it could be a public meeting, if the chairman and the secretary only were there.

I understand that in Northern Ireland, perhaps on a day for which a rally or a general strike has been arranged, a few people standing on a street corner in a housing estate may amount to an unspoken threat. If that is the situation that the Government contemplate in the order, they have not dealt with it. Although the definition in the order does not say one way or the other, I assume that a private conversation is not included, even if it is in a public place and attended by half a dozen people.

The term "meeting" surely implies an element of formal procedure, with a chairman and speeches, and it must entail a degree of prior organisation with invitations to the public to attend. So the provision misses what some may think should be its real target. I wonder why there has been a change in terminology from the word "assembly", which might have hit the target, but what it may well catch is a vigil outside a church or an industrial picket. Whatever the Government's intention, the order is not an appropriate vehicle for changing the law relating to industrial disputes. If the Government wish to do that, they should introduce an order dealing with industrial relations, when everyone is on notice as to what they are about.

The grounds on which a police officer may act in imposing conditions, and on which the Secretary of State may act in prohibiting a procession or meeting, go well beyond public order considerations. If a police officer has to decide whether to impose conditions because the procession may result in

"serious disruption to the life of the community,"

what he has to consider is its impact on such things as shopping or transport. That means that he must balance the right to shop against the right to demonstrate. In certain circumstances that judgment may have to be made. There can be no absolute rule either way because neither right is sacrosanct. A balance must be struck in each situation.

But that is a political judgment which cannot be struck by any rigid application of some rule, even if the order contained rules, which it does not. But the order states that that judgment must be made by a police officer. A police officer is not the right person to make such a judgment. Even if his decision is subject to judicial review, the grounds on which a review can be entertained do not extend to the courts substituting their judgment for that of the police officer. Even if they did, the court is hardly a more appropriate vehicle to make a political judgment than a police officer.

The Secretary of State reminded us of some of the things said by the Chief Constable. Last year the Chief Constable very fairly said that that is not a task for which the police should be made responsible. He suggested a tribunal. I would not go to the stake for any particular solution to the problem. But I am sure that, in Northern Ireland especially, no one will be satisfied by a political judgment which is made by the police. Indeed, that is not fair to the police.

Mr. Cash: I am not sure whether the right hon. and learned Gentleman is referring to the difference between

a public assembly and an open meeting. I believe that his first point related to the size of the meeting. He has now moved on to the question of the extent to which the police will make decisions. On that point, I refer him to section 14 of the Public Order Act 1986, in which it is quite clear that both provisions are on the same main point.

Mr. Archer: I was not making the point that there is a difference between who makes the decision here and who makes it under the Public Order Act, but I was making the point that, in Northern Ireland especially, political decisions should not be made by the police. I am not happy about the police making political decisions anywhere, but in Northern Ireland in particular it cannot be a way of increasing public confidence to know that a decision was made by the police. Moreover, it is not fair to the police.

The equivalent judgment in relation to a prohibition is to be made by the Secretary of State. That is right in principle; political judgments should be made by a politician who is answerable to the House. But it does not follow that the people of Northern Ireland repose complete confidence in an English Secretary of State. His judgment is not always seen as unquestionable so that further argument is precluded.

The right to judicial review would have enabled a court to inquire whether that judgment was based on accurate factual information; whether it took account of all relevant factors; and whether it was influenced by wholly improper considerations. More extensive use of the public review procedure in recent years has, indeed, restored some public confidence in administration, yet in article 5(3) we read:

"A recital in an order made by the Secretary of State under paragraph (1) as to his opinion and the information upon which that opinion was formed shall be conclusive evidence of the matters stated therein."

Presumably that is intended to exclude judicial review. It is a recital that the Secretary of State is to be deemed infallible, his powers are not to be questioned in the courts, and he is above the law. Why does the Secretary of State want to go out of his way to minimise public confidence in these procedures? Have the ineptitudes of the Secretary of State for the Environment and the consequent succession of chastisements he has received from the courts caused the entire Cabinet to resolve to place their activities beyond the reach of the law?

Next the order permits the Secretary of State to prohibit a procession or meeting if it is likely to cause

"undue demands to be made upon the police or military forces."

Clearly it would be a consideration to be taken into account if the police were precluded from protecting the public against crime. But what is an undue demand on the police must depend partly on what resources have been made available to them. It would be curious if the Government could reduce the rights of a citizen by reducing the resources available to the police. Our civil liberties would rest in the hands of the Chancellor of the Exchequer and, given the present incumbent, that would not inspire confidence. Yet that is what is what the order implies. I venture to predict that if that provision were challenged under the European convention on human rights, the Government may well find that they are in breach.

Before I leave part II of the order, I wonder whether article 4(1)*(b)* hits the target at which it is aimed. No one can have sympathy with a procession or meeting held to intimidate people, but I see two shortcomings in the test of intimidation. First, it is based on the purpose of the event, so the test is subjective: what do the organisers intend? Would it not have been better to speak of the likely consequence and so to introduce an objective test? Secondly, intimidation is defined as

"the intimidation of others with a view to compelling them not to do an act they have a right to do, or to do an act they have a right not to do".

Intimidation does not always consist of compelling people to do something. It may amount simply to placing them in fear. If, in consequence, they decide that they cannot face the situation any longer and they sell up and move away, those who organised the meeting may be able to say with truth that that was not their purpose and that all they meant to do was to terrify the local population. Had there been a Committee stage, we might have made that provision more effective.

Finally on part II, since there is a requirement that there shall be seven days' notice of the intention to hold a procession, should there not be ample notice to the organisers if conditions are to be placed on that procession or if it is to be prohibited? If they are to be told of these directives at the last minute when everyone has assembled that may well invite unnecessary trouble.

We welcome part III. The right of free speech cannot be absolute and one proper restriction is that it must not be abused to stir up tribal hatred or to arouse fear. The most obvious target in Northern Ireland will be people on one side of the sectarian divide, but there is a Chinese community there which sometimes feels anxiety and there are Indian families who could easily become a target. I understand that the legislation which exists in Great Britain against discriminatory behaviour—for example, in the supply of goods—has no equivalent in Northern Ireland. I hope that the Government will address themselves one day to that, but this, at least, is a beginning.

On the remainder of the order, we are pleased to see the Government implementing their promise to repeal the Flags and Emblems (Display) Act (Northern Ireland) 1954. That Act can render unlawful in Northern Ireland conduct which would be perfectly lawful in Birmingham, Manchester or Glasgow. It is intended to be discriminatory, and it is a pointless and provocative restriction on civil rights. We shall not mourn its passing.

Two articles require further discussion. Article 21 imposes sanctions on the wearing of a uniform, but there is no definition of that term. If in a public place in Northern Ireland I arrive wearing a Labour party rosette, is that a uniform? What if I wear a Labour party tie? What if, simply because it is fashionable amongst those of us who are bright and young, I wear a red jersey, particularly if, having regard to the bright spring sunshine, I add a pair of sunglasses? What of the French tourist whom we discussed in Standing Committee on the Northern Ireland (Emergency Provisions) Bill who turns up wearing a beret?

Mr. Seamus Mallon (Newry and Armagh): A brown beret.

Mr. Archer: I think we mentioned a red or black beret, but the possibilities are endless. I shall not embark on them.

However reasonably the courts construe the term, it is important that people should know clearly whether they are infringing the criminal law. They should know what

[Mr. Archer]

they have a right to do and what will render them liable to three months' imprisonment. That article requires further discussion.

As to article 23, I do not say that trespass should never, in any circumstances, be a criminal offence. But we should exercise great restraint in applying criminal sanctions to what has historically been a matter for civil litigation, particularly when we turn to article 24(2) and find that it carries a power of arrest without warrant.

The article applies to entry into any public building as a trespasser. It would apply to occupation in the course of an industrial dispute. Whatever the merits of limiting the actions of employees in such a situation, they require separate discussion and debate and belong in industrial relations legislation. Even if we are considering the right to carry out a political demonstration in a public building, I am not persuaded that tenants of the Housing Executive who feel so strongly about an issue that they would be moved to protest by visiting the official concerned therefore should be guilty of a criminal offence, provided that their entry and protest are without violence.

The reason why we cannot support this order is not that we do not believe that there are problems in Northern Ireland relating to public order; not that we object to every solution that the Government propose; not that we believe that all Northern Ireland legislation should be by way of a Bill with a formal Committee stage; not even the absence of proper consultation; but that the Government have wholly failed to distinguish between proposals that can be adequately discussed by way of an unamendable order and proposals which, by reason of their importance, their impact upon basic rights and the necessity of striking the right balance in each case, require fuller discussion in the House—the only forum in which they can be properly discussed. A Government who do not appreciate that distinction are not sensitive to the needs of a democracy and cannot be entrusted with the judgments entailed in this legislation.

I believe that many of our anxieties are shared by Conservative Members and we invite them to join us in the Lobby tonight.

9.8 pm

Mr. Michael Brown (Brigg and Cleethorpes): I agree with much of what the right hon. and learned Member for Warley, West (Mr. Archer) said about this being an order rather than a Bill. The experience of the Northern Ireland (Emergency Provisions) Bill, has been good. Although I did not serve on the Standing Committee, I am sure that my right hon. Friend and the Minister of State will agree that as a result of that process the Bill will be given Royal Assent as an improved Bill.

The legislative procedure enables hon. Members who are concerned about aspects of a Bill to express their concern and to press Ministers in detail by tabling amendments. If they are satisfied with the assurances that they receive from Ministers they can withdraw their amendments. At least the facility exists, even if hon. Members do not choose to press their amendments to a vote. The procedure enables hon. Members to seek assurances, undertakings and statements from the Government. It enables hon. Members who feel strongly about an aspect of a Bill to register their protest, while welcoming the Bill generally.

I find myself in such a situation with regard to the order. There is much in the order with which I am in agreement. There is much in it to commend it to the House. A certain amount of consolidation is necessary, and the order, rightly, does that and will ensure that we have one reference point in the future. I welcome that aspect of the order.

However, I am concerned about the repeal of the Flags and Emblems (Display) Act (Northern Ireland) 1954, although not to the extent of voting against the order tonight. That is the problem. The order is on a take-it-or-leave-it basis. If we wish to register a protest about some aspect, we can do so only by opposing the whole order. I do not wish to do that and I shall not do so later, but I am worried about the flags and emblems aspect.

I accept entirely the view that my right hon. Friend the Secretary of State expressed in his speech earlier, that there is no nasty dark plot behind this. He rightly drew attention to the fact that no cases had resulted from the 1954 Act since 1969. I accept that that is probably a largely redundant Act, but I question the wisdom of repealing it at this time.

A large section of the Northern Ireland community—the Unionist community in particular—for better or worse, rightly or wrongly, feel that the Government have let them down. I accept my right hon. Friend's statement earlier, but the perception among those on the other side of the water will be that this is some dark and devious plot. I and most hon. Members know that that is not so, but that will be the perception. I wonder whether now is the right time to repeal that Act. The Government have the difficulty of trying to secure agreement and support—I do not think that they will get it, but they will seek to do so—for the Anglo-Irish agreement. This will not help the Government in that task. We should let sleeping dogs lie when we need so much good will and when the Government are having great difficulty in obtaining support from the Unionist community in Northern Ireland for their Anglo-Irish agreement. It must surely be unwise to include that item in the order, although that, of itself, will not make me oppose the order later.

I understand entirely why my right hon. Friend has felt it necessary to require notice of demonstrations. I accept that he is introducing the measure on the advice of the RUC. The RUC has a difficult job in Northern Ireland at present and anything that it recommends to the Government must be taken seriously. There will be some concern in some parts of the Northern Ireland community about the extent to which legitimate protest is being frustrated. I was glad to have my right hon. Friend's assurance from the Dispatch Box earlier that the right of legitimate protest will not be limited. In a democracy, even in Northern Ireland where there are strains on the democracy, it must be right for communities to be able to register their protest peacefully.

My right hon. Friend said that the Government had responded to the consultation with regard to the measure whereby there will be the opportunity for spontaneous demonstrations. My right hon. Friend has on one occasion used the example of the welcoming of a football team, or something of that kind. Such a spontaneous public demonstration of support would not require the six or seven-day rule. However, if a senior politician representing the Irish Government went to Stormont to participate in some aspect of the Anglo-Irish agreement discussions, some people might want to demonstrate spontaneously

about intrusion by a foreign politician. Will that be caught by the order? My right hon. Friend shakes his head and I am grateful to him for that. He has reassured me that that will not be the case.

Much in this order needs to be implemented. I support it but I regret that we legislate for Northern Ireland in a different way from the rest of the United Kingdom. The experience of the Bill recently before the House was good because it resulted in full discussions on all aspects of the Bill. Hon. Members were able to respond to those concerns in a very positive way.

I wish it were possible for this order to be the subject of a Bill instead. Nevertheless, I shall support it.

9.16 pm

Mr. Seamus Mallon (Newry and Armagh): I preface my remarks by saying that, like the Secretary of State, I have been astounded. I did not realise that there was so much concern for civil liberties in the north of Ireland until the debate on this order started.

I think that we must look at it—and I choose to do this—from three angles, because, unless we do, we shall not be dealing with it in the proper way. We must look at it in the context of what is happening in the north of Ireland and the quality of life that we are experiencing there; we must look at it from the point of view of the rights of the individual; and, equally important, we must look at it from the point of view of the rights of the community.

I have heard the term "civil libertarian" used more often in the past three or four weeks than I have ever heard it in northern Irish life. I hope that I speak in this debate as nothing other than a civil libertarian. I came into politics through street protest, through a civil rights organisation, and I wish to preserve the absolute right to make a peaceful protest for every single person in the north of Ireland. But I say that with the civil libertarian conviction that those who are charged with administering society have a responsibility to protect the weak, the defenceless, the most vulnerable people, and not in any way to bolster the bully, the bigot or the triumphalist. That definition of a civil libertarian approach is one that I hope I shall be able to express in my remarks on the order.

I must examine the order in the context of Northern Ireland in the recent past. Listening to the Secretary of State and the right hon. and learned Member for Warley, West (Mr. Archer) I began to wonder whether I was living in a different world; I began to wonder whether I was imagining things that have happened over the past two or three years; I began to wonder whether I had been dreaming about last summer and the summer before and the summer before that. There was an air of unreality about it, and that centred on two things.

I do not wish to do a disservice to the Secretary of State, but I think that he was slightly disingenuous when he made his remarks about the way in which processions and marches take place in the north of Ireland. I have no objection whatsoever to people marching, for whatever reason, provided that they do not do it to insult another section of the community; provided that they do not do it in such a way as to bring disruption to the lives of ordinary people; and provided that it is not a coat-trailing exercise — a way of inflaming passions within the community.

I say that very clearly because the reality is that we do have a triumphalist approach, we do have a display of atavism right from Easter Monday to 22 November, which I personally cannot believe the north of Ireland can stand much longer, not just in terms of the disruption of people's lives or the fear and tension that it creates, but in terms of the cost to the Exchequer and, as a result of that, to the community.

I could understand the great desire to hold marches, processions and public meetings if they were held to celebrate something, to bring joy to the community, not, as unfortunately many of them are, as a statement of ascendancy by one section of the community over the other. I see no excuse for allowing a small or large section of any community to create that tension, fear and community upheaval on an on-going basis without being able to defend the right of the weak and vulnerable people within our society who suffer as a result.

I do not want to labour the House with details or examples. I shall refer specifically to Portadown, a place which over the years has experienced curfews for four or five days running because of the insistence of Loyalist marches through the Obin street area and the Gervaghy road area where there is no support for those who are organising the marches. I use the word "curfew" consciously because the protection afforded by the security forces for the marchers — not to protect the people who should be protected—takes about four days to set up and dismantle. Can we ask people to continue like that, especially as there is an acceptable alternative route for those marchers to which no-one would object? The alternative route is shorter and more direct. It is there; let it be used.

I think of people in Rathfriland who, at certain times in July, are in such fear of their lives that it is unbelievable. I take this opportunity to pay tribute to the Secretary of State and the Minister of State for the way that they got to grips last year with that tribal night when the ritualistic attacks took place.

I think of people in places such as Cookstown and Dunlow where they have to undergo an exercise in intimidation on a bi-yearly basis. Those people deserve our consideration. They deserve our consideration in civil libertarian terms and I must say, having experienced this sort of thing first hand in the north of Ireland for many years, the lives of ordinary people who want simply to live out their lives in peace during the summer months are much more of concern to me than where the full stop goes in this order or where one word might replace another.

As the Secretary of State has said, we have 2,200 marches in a year. That is a large number of marches. The Secretary of State understated the situation. I believe that it was he who confirmed that of the 2,200 marches, about 186 are contentious and involve considerable controversy. Those controversial marches have caused great suffering and cost to the community. For example, the *Official Report* shows that the demonstration that took place on the so-called day of action on 3 March 1986 cost £470,000 in police overtime alone. That is £470,000 of our money. If it cost that in police overtime, what did it cost overall and in terms of claims against the Northern Ireland Office?

Another example from the *Official Report* shows that between May and September of 1986 it took 334,000 police man hours to police that sort of march. To my reckoning —it is a conservative reckoning—that would work out somewhere in the region of £8 million. I can think of a lot of things and a lot of people in the north of Ireland who could do with £8 million. I think of the number of schools

[Mr. Seamus Mallon]

it would build and the facilities that could be put into hospitals. I think of the number of tables on which £8 million could put food where at present there is simply no food.

We cannot allow to continue — we must rethink — anything which has this cost in human suffering, disruption and financial loss. If we are to be serious about it, now is the time. I dislike many things in this order but I shall have to swallow them. Against that I have to weigh my own views and prejudices. I have to think of the welfare of old people in Portadown during 1987, 1988 and 1989, and of young families living in Kilkeel under the type of physical attack that they experienced last year. I have to think of watching a man and his family in their house in Keady which was set on fire during a procession. The police and fire brigade could not get into the house and only by the grace of God did that family get out.

I have to think of a working man coming home from a 12-hour stint in Belfast, having driven 40 or 50 miles, being caught up in a parade in his own village night after night, having to leave his car and walk another one and a half miles home after a hard day's work. I have to think of the quality of our lives which are scarred by violence, eaten into by unemployment, and which must be protected from bigotry, triumphalism and coat-trailing exercises.

Secondly, I focus on the rights of the individual. It is essential that each person has the right to peaceful protest. Any attempt to remove that right will be counter-productive. Every person in society must have the right to free speech and to hold meetings where he can peacefully propagandise his own views. But he cannot do that at the expense of the young, the old, or the families of the community. We take a very simplistic and sincerely naive approach and we react as refugees from the reality of Northern Ireland if we do not face the problem and deal with it.

The Secretary of State could have been a little more honest when he referred to the differences between this order and the Public Order Act 1986. This order is substantially different in many ways, as it has to be, for very good and valid reasons. The Secretary of State has power to ban or re-route marches. If that power does not reside in the Secretary of State there is no ultimate protection for the community. The police, rightly, regard these marches as operational concerns and, like every other body of professionals, they are jealous of their ability to handle situations, some of which perhaps they cannot deal with. It is essential that that power resides in the Secretary of State and is used wisely and when necessary.

We have read and heard about static assemblies or outdoor meetings. I do not know if it is called a public meeting in this order. I remember seeing on television the Secretary of State being a victim of the actions of a static assembly. On Thursday last week I drove a carload of young people to a youth forum in my constituency to discuss unemployment. We came across a static assembly. It was not static for very long because concrete blocks came through the window of my car, which was seriously damaged and almost destroyed. Luckily, none of the young people was killed. They were going to a meeting to discuss how they might deal with unemployment and ways of creating peace. That is the reality of a static assembly.

I ask the right hon. and learned Member for Warley, West to accept that people come out of the woodwork at night, or at some other time, do what they have to do—it is not always good — and disappear. In such circumstances, there must be the type of latitude that will allow the person on the spot to make a decision. That person on the spot will be a policeman.

Mr. Archer: Perhaps I did not make myself clear. I suggested what I thought was a method of making these provisions more effective in relation to that situation.

Mr. Mallon: I accept the right hon. and learned Gentleman's point. I simply wanted to say that these things happen in such a way that no type of plan can cater for them.

There are four reasons why the powers under the order are in many ways much stronger than I should like: first, to prevent public disorder; secondly, to prevent serious damage to property; thirdly, to prevent serious disruption to the life of the community; and fourthly, to prevent intimidation of others. We must ask whether those are valid conditions. I believe that they are.

The order refers also to incitement to hatred or fear. But there has not been one conviction under the Prevention of Incitement to Hatred (Northern Ireland) Act 1970. The Standing Advisory Commission on Human Rights has said:

"By contrast in Great Britain not only has the law been strengthened since its original introduction but it has been applied and successfully enforced on a number of occasions".

There is a strong case for strengthening the law on incitement to hatred. The Standing Advisory Commission on Human Rights said:

"though there should be a presumption in favour of freedom of expression, every democratic state has had to recognise and define for itself permissible limits which may be placed upon freedom of expression in the interests of a greater good".

I put that in the context of the responsibilities under article 20(2) of the international covenant on civil and political rights, which states:

"Any advocacy of national, racial or religious hatred that constitutes incitement to discriminate, hostility or violence should be prohibited by law."

It does not say "may be", "might be", but "shall be". It is in those terms that I welcome this part of the order.

The standing advisory commission has summarised the reasons why this action is necessary in the north of Ireland and I should like to give examples which might bring us towards reality. First, religion and politics in the north of Ireland are so closely intertwined that there is an extra emotional dimension to the political arena. This stems from sincerely held political beliefs. Secondly, there is the effect of statements on the public. I should like to try one such statement on this public — the terms used by a politician in the north of Ireland who was sitting on an area board dealing with education. He said:

"They"—

meaning Catholic members of the community in the north of Ireland—

"should acquire an incinerator and burn the lot of them as they are only Fenian scum".

Those words were quoted at his trial on 2 October 1986. I know the effect that has on me and the effect that it will have on many right-thinking persons, but what effect will it have on hot-headed young people in the cauldron that exists in the north of Ireland?

The third reason the standing advisory commission gave was polarisation of society. Again I would like to use a quotation from an hon. Member speaking in Cookstown

in 1986. The massive contribution made by the hon. Member for Antrim, North (Rev. Ian Paisley) towards the end of polarisation in the north of Ireland was:

"No self respecting Unionist should trade, buy, socialise or have anything to do with members of the SDLP or alliance party."

The fourth reason given is conformity with international obligations and I have already spoken about that. There are two key changes. First, in relation to the requirement to prove intent before convictions could be obtained in relation to the Prevention of Incitement to Hatred (Northern Ireland) Act 1970. Now the offence can be proved if there is likelihood of hatred or fear being aroused having regard to all the circumstances. Those people who make utterances of the type that I have quoted are well aware of the significance of such utterances. The final say rests with the courts and it will be interesting to see how they deal with the order.

I voice my concern about sections 10, 11, 12, 13 and 14 in relation to the media. The power of the media is of particular significance after what happened in Glasgow over the Zircon affair. Everyone must be concerned about that. We must protect the rights of the media to report what has happened and what has been said. We must ensure that there is no pressure from any source upon the media. I know that the BBC and the Independent Broadcasting Authority are excluded from this legislation, but what will happen with regard to Radio Telefis Eireann? That broadcasts to the north of Ireland and it is bound by section 31 regulations preventing people from paramilitary groupings appearing on it. It is crucial that we defend the right of the press and the media whether electronic or written in every way that we can.

With regard to the repeal of the Flags and Emblems (Display) Act (Northern Ireland) 1954, unlike a previous speaker I do not see it as an emotional matter. It is an anachronism and a deplorable relic from a discredited regime. As it is written it is an insult to one section of the community and has been inoperative for a long time. It has succeeded in doing nothing but giving offence and allows people to surround flags and emblems with emotive connotations.

I have seen enough of what I would call brush-handle politics in the north of Ireland. Brush-handle politics means that one gets the flag, which it is assumed one respects, ties it to a brush handle and uses it as a means of annoying people who represent the political opposition. That happens with the Union Jack and with the tricolour. I believe that those people who use it for political, sectarian or religious purposes are demeaning not only themselves but the flag which they purport to respect.

I believe that that Act should be replaced by tolerance. I hope that it will be replaced by a new tolerance for the other tradition and for the symbols of the other tradition which may sooth the fears the other tradition may have about its position in Northern Ireland. I believe that if that tolerance comes out of consideration of this order it will represent an advancement on the present situation.

Reluctantly I shall vote for the order because I believe that it is the only way open to me to protect the well-being and the lives of the very old and the very young in the community from the excesses and triumphalism that they must endure each year.

9.40 pm

Mr. William Cash (Stafford): I voted in favour of the Anglo-Irish Agreement and I never had any doubt that that agreement was the right way in which to tackle the problems of Northern Ireland and Southern Ireland. That was my view at the time of the vote.

The order has been brought before us under a procedure which differs from the public Bill procedure. I have considerable sympathy with those on both sides of the House who have expressed the view that it would be better if we could manage to produce a more satisfactory procedure for dealing with legislation affecting Northern Ireland. I have suggested in the past that we should have a Select Committee on Northern Ireland, or alternatively the ability to refer legislation of this sort to something in the nature of a Special Standing Committee. It seems imperative that such legislation should be examined thoroughly on a similar basis to that which exists for other legislation that is considered in the House.

Many who normally attend debates of this sort but who are not present this evening would argue for consistency in the legislative process, but the circumstances prevailing in Northern Ireland are quite different from those which pertain in the United Kingdom as a whole. It is equally true that the Official Unionists are deeply divided between themselves. I deplore the fact that they are not present this evening to consider the order. The Official Unionists are deeply divided and there are signs that soon there will be a severe split between them, leading to the Democratic Unionist party breaking away in a manner that will be potentially dangerous for the Province.

The proposals that are before us have been deeply and seriously misrepresented by those who oppose the principle of the Anglo-Irish Agreement. If we are to have marches — there are proper circumstances in which marches can take place in Northern Ireland—they must take place in a responsible and orderly manner. There is no doubt that, despite the instances given by my right hon. Friend the Secretary of State, there have been a number of occasions, especially at Portadown, when the degree of civil disorder that transpired was so bad that new legislation was required. Much of this legislation is based upon the original legislation of 1970 and the Public Order Act 1986, and I welcome the provisions that are set out in the order. There is no doubt that we must have regard to the special circumstances of Northern Ireland in dealing with extremely difficult problems.

It seems that the Flags and Emblems (Display) Act (Northern Ireland) 1954 had become an anachronism, and it is as well that it is dealt with in the order. There has been criticism that public processions are not defined in a way that limits them to the sort of processions, apart from funeral processions, that should be covered. The fact is that there is and has been a significant misuse of the rights that exist. Therefore, it is right for the Secretary of State to extend to all processions the requirement to give notice of public processions, and I fully support the proposals in the order to that end.

There has been discussion about public meetings, about whether the size of a public meeting is sufficiently well defined and, by analogy, about whether it would be more appropriate for the definition of an assembly as set out in the Public Order Act 1986 to be applied in the order. When we consider the legislation which we passed recently affecting the rest of the United Kingdom and the

[Mr. William Cash]

circumstances in which legislation has to apply in Northern Ireland, the distinctions which have been drawn are entirely justified. I would go further and say that the powers which the Secretary of State has taken to himself are required because in the tragic circumstances which apply in Northern Ireland it is necessary to have a full-back provision.

The definitions of "fear" and "hatred" in article 8 regrettably have to apply to religious belief. The conditions which we hoped would have improved over the past 15 years have so markedly not improved that these definitions are required.

The order has been accused of doing many things, but it will provide for greater consistency in the legislation applying to the United Kingdom as a whole. There are differences but they are justifiable. We all regret that there is such a tragic situation in Northern Ireland, but I believe that the order will go a long way to improving it. The Anglo-Irish Agreement is still in place and it is clear that it will remain in place. The determination and courage of the Ministers who have had to maintain that policy are to be greatly applauded.

9.47 pm

Mr. David Alton (Liverpool, Mossley Hill): Universal opprobrium has been heaped from all parts of the House on the use of unamendable orders. I associate myself with those remarks, but I think that the hon. Member for Newry and Armagh (Mr. Mallon) made the point eloquently when he said that the situation in Northern Ireland is not normal. So it is inevitable that procedures that none of us likes very much sometimes have to be used in the context of Northern Ireland.

I understood from what the Secretary of State said that he was willing to have discussions with hon. Members from other parts of the House, even perhaps in the absence of Members of the Unionist parties, about reintroducing more normal procedures in the use of Bills so that we can have proper debates, with amendments being tabled. That would mean that we would not be faced with the stark choice, as we will be when we vote tonight, of being for or against an order about which we all have reservations.

My right hon. and hon. Friends in the alliance parties will support the Government tonight because we recognise the realities which were spelt out by the hon. Member for Newry and Armagh and which apply in Northern Ireland, although I understood and accept some of the points made by the right hon. and learned Member for Warley, West (Mr. Archer). He made an eloquent Second Reading speech and also dealt with some Committee points. If we could have had a Second Reading debate and a debate in Committee, I think that some of the differences between the two front Benches could have been ironed out and probably no Division would have been necessary. Any worries that we may have about the use of unamendable orders cannot surely match the deep repugnance that all of us must feel for the bigoted and menacing shows of strength that the Secretary of State described. I found it staggering that 2,200 marches have taken place in Northern Ireland in the last year.

I welcoming the order, I should like to thank the Secretary of State and the Minister of State for the response to the representations made by me and by my hon. Friend the Member for Isle of Wight (Mr. Ross) in response to the invitation to take part in the consultation process. The letter that the Minister sent to us on 18 February answered a number of our reservations and worries. His assurance that spontaneous action would not be covered by the terms of this order, should effectively ensure that punitive action is not taken against innocuous groups of residents who wish to make some point about a burning local issue or against groups like school crocodiles mentioned by the right hon. and learned Member for Warley, West.

In our representations to the Minister and in the speech by my hon. and learned Friend the Member for Montgomery (Mr. Carlile) on Second Reading of the Public Order Bill, we spelled out the inevitable concern of Liberals about striking the right balance between public order and the right peacefully to protest. We also place our longer-term trust in the confidence and trust of the community rather than in increased powers. The emphasis should be on a return to normal policing as quickly as possible. To facilitate that the time is ripe to establish more formal and mutually beneficial links and relationships between police at sub-divisional level and locally elected representatives and other responsible organisations and groups.

We should like to see established statutory police liaison committees, perhaps along the lines of those that have operated for many years in Derry, that contain an elected element and have a statutory right of consultation on marches and demonstrations. Members of these committees should be required to make a declaration committing themselves to democratic methods and a renunciation of violence. I should like to see experiments in community policing in areas where that is possible. The Royal Ulster Constabulary should consider having open days so that the public can obtain a clearer idea of the nature of police work.

All these trends can be encouraged, but we accept that they cannot be realistic at the moment because of the situation in Northern Ireland. We want to see as much movement as possible towards normalisation, and we do not want to see a reduction in civil liberties as a result of the present strife in Northern Ireland. That is why we also want the Goverment to consider complementing the kind of measures they are introducing by, for instance, establishing a wholly independent police complaints board.

We would also like to see the incorporation of a Bill of Rights—even in lieu of incorporation into the statutes for the rest of Great Britain—in the laws of Northern Ireland. We would like to see that backed by a commission on human rights. Although that kind of legislation will not necessarily be a panacea, it will safeguard the sort of civil liberties and civil rights that quite properly have been raised by hon. Members in this debate.

The issue of marches is the primary concern of this debate. We recognise that many of the marches are intimidatory and offensive, and are designed to create tension and to whip up unrest. Their use by extreme elements has been a chief cause of the never-ending hostility between the two warring tribes. Marches often incite and offend and that inevitably leads to retaliatory action. We have heard something about that in the debate.

The motives of people outside the House who are opposed to these orders were well summed up in remarks by the hon. Members for Antrim, North (Rev. Ian Paisley) and for Belfast, West (Mr. Adams). Their words

demonstrate the reasons why those hon. Members are opposed to the order and perhaps why hon. Members in the House ought to be united in supporting the order. In the *Irish News* of 26 February the hon. Member for Belfast, West said:

"'The real purpose of the Public Order Bill however is the further repression of Republican and nationalist expression. It will significantly restrict free speech and political expression and is quite specifically aimed at the traditional Easter commemorations.'"

His remarks — ironically, some might think — were echoed by the hon. Member for Antrim, North. The *Belfast Telegraph* states that, last month, he

"told a Press conference in Belfast that the new legislation on public order was designed to 'stifle' protest against the Anglo-Irish Agreement."

He is reported as saying:

"when the order became law there should be a 'simultaneous uprising' by loyalists in towns, villages and hamlets throughout Northern Ireland".

The article further states:

"parades and public meetings should be held as an act of defiance against the new measures, which, he claimed, were a direct result of the Intergovernmental Conference.

He said: 'This, the latest product of the Anglo-Irish Agreement, is an attempt to stifle completely the voice of protest, and to destroy civil and religious liberties in Northern Ireland.'"

I refute what the hon. Members for Belfast, West and for Antrim, North have said. It is significant that they are united in their opposition to the order. They recognise that if the ugliness of marches can be taken off the streets of Northern Ireland, and if some order can be put in the place of menacing and intimidating marches, the kind of extremism for which they stand can be combated. It certainly will lead to the normalisation of Northern Ireland that the Anglo-Irish Agreement is all about.

The kind of remarks that have been passed outside the Chamber are grossly irresponsible. As other hon. Members have said, those who make such remarks should be in the House of Commons to justify what they have said. Whipping up unrest and disquiet on the streets of Belfast is no task for a parliamentarian.

Mr. Archer: I agree with the hon. Gentleman's remarks about the comments of those who oppose the order from outside the House. In turn, does he agree that it does not follow from the fact that they gave unattractive reasons that there may not be good reasons for opposing the order?

Mr. Alton: In my earlier remarks, I recognised that some of the points that the right hon. and learned Gentleman put forward would normally have been met in Committee or on Second Reading. It is because of the unhappy way in which the order has been introduced that we cannot debate the minutiae. The order is like a curate's egg. There are matters in it of which we approve and others of which we disapprove. The balance of judgment of my party is that the order should be supported, not least because of the kind of remarks that were passed outside the House and the signal that might be sent to the hon. Members for Belfast, West and for Antrim, North, if we were seen to be in opposition to the order.

We, in common with Labour Opposition Members and other hon. Members who have spoken tonight, are pleased about the decision on the flags and emblems legislation. The other piece of legislation that is normally coupled with it is the Public Health and Local Government (Miscellaneous Provisions) Act (Northern Ireland) 1949, Section 19(4) of that Act deals with the erection of street signs in Gaelic as well as in English. Is it the Government's intention to bring in an order which might deal with that offensive piece of legislation as well? It has quite justifiably — like the flags and emblems legislation — given cause for concern in the minority community in Northern Ireland over many years.

The people of Great Britain are growing increasingly weary of the outpourings of hatred in Northern Ireland. The measure deals firmly with the perpetrators of bigotry and prejudice, and represent positive progress towards the creation of a community in which both traditions will learn to respect and tolerate the other. For those reasons, we shall vote in the Government Lobby this evening.

9.58 pm

Mr. Harry Cohen (Leyton): The order gives the opportunity to raise serious public order issues. I wish to raise one such matter — a monstrous travesty of public order committed by the state authorities. In the autumn of 1982, a shoot-to-kill policy was activated by the security forces in Northern Ireland. A special squad, the RUC mobile support unit, set up ambushes and went on a shooting spree. The 12 October 1986 edition of *The Observer* described three murderous events. On 11 November it stated:

"As they closed from behind, the MSU man stretched out of the passenger window, pouring shots into the Escort from his machine gun . . . The scene, one policeman described as 'like the Wild West' . . . The chased car careered into a ditch, riddled with bullet-holes. No fewer than 109 shots had been fired in a few minutes. Forensic evidence later proved that one of the men was shot through the heart, with his door open, presumably after the chase ended. Toman, McKerr and Burns were unarmed. All were dead."

The Observer, on 24 November, referring to what happened in a hayshed in Armagh, said:

"After the firing stopped, a 17-year old boy, Michael Tighe, was found dead inside. He was innocent of republican connections but had accompanied McAuley."

The MSU would not necessarily have realised that he was coming and an MI5 bug had, unknowingly to the MSU, been placed in the hayshed and this killing was taped.

Again, *The Observer* on 12 September said:

"A plain Peugeot had been trailing the unarmed Seamus Grew and Roddy Carroll's yellow Allegro all day . . . It went badly wrong. An army private crashed his automatic car into an RUC Cortina and broke a policeman's leg. Grew drove by what seemed to be a mundane road accident . . . They tore after the Allegro. As they slowed in front of it, the constable leapt out and pumped 15 shots in the direction of the passenger, Roddy Carroll. He killed him. He moved round to the driver's side and killed Grew, who was found not in the car but lying in the road with a bullet in the back of his head. What followed all these killings was the smooth process of cover-up and disappearance of individual responsibility via what was known as 'a Chinese Parliament.'"

At the opening of the adjourned inquest on 2 September 1983 the coroner stated that he was prevented from carrying out his statutory duty by the unexplained delay of the Director of Public Prosecutions. On 22 August 1984 he resigned, saying that he found grave irregularities in the police files on the killings of Grew and Carroll. John Stalker, Manchester's deputy chief constable, was then appointed to investigate this entire shoot-to-kill affair, but we all know that he was blocked. Senior officers ordered junior colleagues to lie during the internal investigations and threatened them with the Official Secrets Act 1911. The Chief Constable of the RUC, Sir John Hermon,

[Mr. Harry Cohen]

personally refused to hand over the tape of the Tighe murder. Later, when Stalker won authority for access to it, Hermon announced that it had been destroyed.

By any account these are startling revelations. In a democracy explanations could be expected, but answers from this Conservative Government have been hard to get. The Prime Minister has consistently refused to answer any questions directed to her, despite the fact that she has overall responsibility for the security services. They are all passed to the Northern Ireland Office, but its replies are scant indeed.

I ask the Government to list all the officers responsible for the operations and activities of the MSU in 1982 and to explain the functions of the MSU. The Secretary of State for Northern Ireland replied that it was not the practice to publish information on operational matters. I asked him to list each occasion when the RUC Chief Constable and his deputy were asked to make available the Tighe tape, and what was their response. I asked him also to explain the role of section E4A—surveillance—and essential witnesses to the killings and to say whether the Government had asked for a report about the apparent destruction of the tape recording. The Secretary of State said that he had nothing to add to his earlier reply.

In his earlier reply of 23 October 1986, the Secretary of State did not answer any of those vital questions. Instead, he stated that Mr. Sampson took over from Stalker and had completed the first part of his report dealing with the incident on 24 November 1982 in which Mr.Tighe was shot dead. He went on to say that Sampson's second report would address the associated issues connnected with all the cases that were under investigation but that it would not be published. Therefore, the whole disgraceful episode about the tape continues to be covered up.

Mr. Deputy Speaker (Sir Paul Dean): Order. I am listening carefully to the hon. Gentleman, but finding it difficult to relate what he is saying to the order. Will he please tell me which—

Mr. Cohen *rose*—

Mr. Deputy Speaker: Order. Will the hon. Gentleman please tell me to which part of the order he is relating his remarks?

Mr. Cohen: I apologise for jumping the gun before you had finished speaking, Mr. Deputy Speaker. I am referring to two parts of the order. Article 24 states:

"A constable in uniform may arrest without warrant anyone he reasonably suspects is committing an offence under Part II."

A constable might have that power, but he should not have the power to shoot, as has been the case. Part III is headed,

"Stirring up hatred or arousing fear."

I cannot think of anything more likely to arouse fear than those incidents. I should like to continue on that basis because——

Mr. Deputy Speaker: Order. Perhaps I can help the hon. Gentleman. He referred to article 24. That relates only to powers of arrest under this order. The hon. Gentleman went much wider than that.

Mr. Cohen: I take the point, but in that case only future events would count and we could not refer to anything in the past. That is the gist of what you are saying, Mr. Deputy Speaker, and surely that cannot be right. I hesitate to advise you of that, but surely we must learn the lessons of the past before we can relate them to this order. That is all that I am seeking to do. I must say that such action arouses fear and that relates to the article to which I have referred, as does the constable arresting and possibly shooting those people.

There were persistent "dirty tricks" allegations during the Stalker affair, the whole purpose of which was to delay the investigation into the RUC's role in the unlawful killings. In the face of that, the Government have been cynically opportunist and have not shown any interest in that allegation.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. Gentleman again, but I cannot relate what he is now saying to this order, which is the Public Order (Northern Ireland) Order 1987. The hon. Gentleman must relate his remarks to the order; otherwise he is being unfair to the House and to other hon. Members who wish to speak.

Mr. Cohen: I have attempted to raise this issue since before Christmas last year, and this is the first opportunity that there has been to raise it. It is a matter of public order and several articles relate to it—for example, carrying an offensive weapon in a public place. What were used in those cases, it not offensive weapons? Powers of entry and search are also referred to. A hay barn was entered and Michael Tighe was murdered. That aroused fear. That must be relevant and we should receive answers from the Secretary of State on those points.

The state has not brought anyone responsible for the killings to justice; and while the Director of Public Prosecutions normally decides upon prosecutions within about 10 weeks, it has been several years in this case. The conclusion can be drawn that the Government have been happy with the delay. They have been waiting for the trail to go cold, as perhaps it leads much higher up—not just to the Chief Constable, but to Downing street or the Northern Ireland Office which may, very likely, have been involved in the original policy decision for shoot-to-kill.

The leading article in *The Guardian* of 15 December 1986 stated:

"Officers up to the rank of Chief Superintendent were expected to be charged by March with offences likely to include conspiracy to pervert the course of justice."

That has not happened but, if it did, it is hard to believe that the buck stops at chief superintendent level. *The Guardian* continued:

"London and Dublin are understood to have agreed that Sir John was not responsible for any officially sanctioned shoot-to-kill policy . . . but he has several questions to answer about what took place after."

The question remains; if he did not sanction it, who did? The Secretary of State should give us those answers.

That it can be suggested that the Chief Constable, or his deputy, did not know what was going on is incredible, and, even if that is the case, it smacks of negligence on an enormous scale. Furthermore, their roles in respect of the destroyed tape could have been rapidly ascertained by the Government. Again, if it was destroyed by negligence or design, or simply salted away, they had responsibility for its safe keeping, and resignations should have been asked for by the Government. They should still be forthcoming.

Amnesty International has taken up this matter.

Mr. Deputy Speaker: Order. I have advised the hon. Gentleman that he must relate his remarks to the order.

I realise that he feels strongly about this, but any remarks must be related to the business that is before the House. With respect to the hon. Gentleman, I do not think that at the moment he is making any effort to relate his remarks to the order. I feel sure that he will now do so.

Mr. Cohen: I am trying hard to make my remarks relevant, particularly to the aspect of arousing fear. The order talks about recordings and a tape recording is involved in this case, so I should have thought that the case was relevant.

Amnesty International has take up this matter. Its September 1986 communiqué states:

"Over the years Amnesty International has been concerned about incidents in Northern Ireland in which members of the security forces shot people dead in circumstances that gave rise to accusations that these killings were premeditated. There have reportedly been 34 fatal shootings by police or army personnel in Northern Ireland since the autumn of 1982, in 18 of which the persons killed were unarmed.

The organisation believes that it is the Government's responsibility to ensure that effective procedures and safeguards are instituted against the occurrence of such practices and that, if such practices occur, effective mechanisms are instituted to investigate and establish facts and make them public. In the organisation's view, the mechanisms existing in Northern Ireland used to investigate these incidents, such as police investigations, inquests and criminal proceedings, have not produced sufficient evidence and clarification to eliminate the possibility that unlawful use of force has been used by the security forces to kill people deliberately."

That is about order in Northern Ireland, Mr. Deputy Speaker.

"Amnesty International is also concerned that the laws and regulations governing the use of lethal force in law enforcement offer less protection against unjustified use of force than do international standards."

Clearly, in this matter Amnesty is showing the same concern with Britain as it would to some of the appalling state tyrannies around the world which we all deplore.

Shoot-to-kill is a despicable policy. It dispenses summary injustice, and innocent individuals are included for its instant death sentence. The killings have had horrendous personal consequences, but they are also appalling for police, public relations and respect for the law. Decent people expect the police to uphold civil liberties and, above all, the right to life. Only civilised policing practices are wanted. Britain should immediately come into line with international standards and shoot-to-kill should for ever be confined to the dustbin. To reach that stage the truth about the 1982 killings should now be fully disclosed by the Government.

10.12 pm

Mr. Clive Soley (Hammersmith): Several hon. Members have said that the order needs to go to Committee, and I agree with them. However, it is important that the House should consider a further reason for that which is that, if several provisions in the order become law and are challenged in certain circumstances in Northern Ireland, it will almost certainly end up with the United Kingdom again being found guilty at the Court of Human Rights. As in recent years the United Kingdom has been found guilty more than any other Western European country, that must be a matter of grave concern. As I proceed through the order, I shall select one or two of those issues. That alone is a reason for considering it in more detail than we are doing tonight and for warning the Government by voting against it.

I accept much of what has been said, especially by my hon. Friend the Member for Newry and Armagh (Mr. Mallon), about the reality of life in Northern Ireland. I can well understand the feelings of the communities there towards the order. If as a result of the inadequate supervision of the order through the House we are once again found wanting at the Court of Human Rights, sooner or later the Government will have to alter the legislation. That is to the advantage of no one.

I join my hon. Friend in congratulating both the Government and the RUC on facing up to Unionist demonstrations there last year for the first time. That came as a great shock to the Unionist community because it had always assumed that the RUC would automatically protect Unionists who were demonstrating, but would not do likewise for the Republican Catholic community. For the first time they came across the reality of a change in the behaviour of the RUC. Although there is still a long way to go, it would be churlish not to recognise that change, particularly in view of the pressure that was put on those RUC officers—the threats to their lives and physical assaults on them. That also needs to be borne in mind.

I remind the Minister that the order, although it has much in common with the Public Order Act that was passed for the rest of Britain, contains major differences. In his closing remarks, will the Minister tell us whether the order will affect the right to picket in the same way that section 14 of the Public Order Act in Britain did? My understanding, on looking through the order—albeit more quickly than I would like—is that it affects the right to picket because it deals with what are called open-air meetings and assemblies. A picket is an assembly, and if it is outside it can be defined as an open-air meeting. The Government must tell us whether the provisions replicate section 14 of the Public Order Act and whether they should, therefore, insert the same safeguards that the Opposition managed to insert in that measure which defines an assembly in the open as being, I think, 20 or 25 people. That was the figure that we managed to squeeze out of the Government.

I shall consider a couple of items in the order. One of the differences between the order and the Act is that the rank of the police officer involved is different, and I welcome that. In the British Act it involves an officer of any rank. A police constable may have the power to limit numbers and decide the route. In the order, in certain circumstances, it is the rank of sergeant, and in other circumstances it is the rank of inspector or above. That is welcome.

Under article 3(2) notice must be given and more detail must be given than under the equivalent Act here. One of the matters that must be assessed is the number of persons who are likely to take part in a public procession. It troubles me—we have not gone through this in the detail that we should—that that is one of the matters of which someone could be found guilty. A reasonable court would make a reasonable judgment about that, but I am afraid that we are not talking about reasonable courts and reasonable judgments; we are talking about an order which has the force of law.

The only qualifying part of article 3, as to making judgments about dates and times, routes and the number of persons who are likely to take part, is that a person had "neither suspected nor had reason to suspect, the failure to satisfy the requirements . . ."

[Mr. Clive Soley]

That is a mild check to put on the administration when it is finding an individual guilty of an offence under that article.

The point that troubles me is one that troubled us before the Act was passed in Britain, and it occurs in article 4, which deals with imposing conditions on public processions and open-air public meetings. Sub-paragraph *(a)* says,

"it may result in serious public order disorder"—

that is fair enough—

"serious damage to property"—

that is fair enough; but then there is the deadly point—

"serious disruption to the life of the community."

Those people who followed the original Act through the House and much of the evidence that was given in Committee will know that the Association of Chief Officers of Police, when asked what it meant by

"serious disruption to the life of the community."

came up with the answer, "A demonstration that can lead to buses being delayed and having to be re-routed." The danger of that definition is one of the matters which are open to challenge in the European Court. The European Court will accept restrictions on the right to demonstrate, the right of assembly and so on, but those restrictions have to be much more serious than a serious disruption to the life of the community, which can be interpreted as making shopping or travelling to and from work more difficult than it is normally.

It is worth bearing in mind that, although many people regard demonstrations as disruptive, a farmer in Leicestershire, on discovering that his farm was one of the proposed sites for the NIREX exploration for burying nuclear waste, said that he had always felt angry about people who demonstrated and marched, but now he felt the same way himself. The message is that in any democratic community this is a vital safeguard. It is a pressure valve against more restrictive practices being imposed on a society.

Another thing that troubles me greatly is that the police are being asked to define the circumstances. That is dangerous. Only the other year Sir John Hermon said—my right hon. and learned Friend the Member for Warley, West (Mr. Archer) referred to this—that he did not think that the police were necessarily the most appropriate body to decide the route, time, place and number of people on marches and demonstrations.

I entirely agree with that for two reasons. The first is one of principle. The police, as the agency which enforces the laws of the state, should not be the organisation that decides whether and in what circumstances people can march and demonstrate. We must remember that we are talking about the ability to restrict the numbers of those who can march.

Secondly, and realistically in terms of Northern Ireland, if the police decide such issues they are put in the party-political firing line. They will be seen, as they were clearly seen by the Unionist community last year, to be doing the work of Dublin and London. Virtually every Unionist alleged that.

I am not suggesting that the Secretary of State for Northern Ireland has an easy job, but it is up to him to take that responsibility on his shoulders. That responsibility should not be devolved to the police who then have to go back to live in their own community and be accused of enforcing Dublin's and London's law. That is why the RUC come under so much pressure in such situations. That expectation should not be pressed upon them.

Article 5 prohibits public processions and open-air public meetings and is another area which could easily be challenged in the European Court. For example, it says:

"the holding in any area or place of any public procession or any open-air public meeting is likely to cause . . . serious disruption to the life of the community; or"

this was not in the British legislation—

"undue demands to be made upon the police or military forces".

Imagine going to the Court of Human Rights in Strasbourg and trying to defined a position in which it was argued that people could not have the right of assembly, which is guaranteed in the human rights charter and in the United Nations charter, because it placed undue demands on the police or military forces. The Government could not conceivably expect to win that case, and if they cannot expect to win it they should not leave the order unamended. We shall have to change it, and it is no good having to change it in the way that I have described.

I welcome strongly part III relating to stirring up hatred or arousing fear. There has been some difficulty over definition. We had similar problems on racial hatred in the legislation for the rest of Britain, but this is an honourable and good attempt which I want to encourage.

One area which will get the Government into trouble comes under part IV, "Miscellaneous public order offences". Clause 20, entitled

"Obstructive sitting, etc., in public place"

says;

"A person who, by sitting, standing, kneeling, lying down or otherwise conducting himself in a public place, wilfully obstructs or seeks to obstruct traffic or wilfully hinders, or seeks to hinder, any lawful activity shall be guilty of an offence."

I have to say again to the Minister that in Northern Ireland of all places to put that in an order is virtually to invite people to kneel in prayer across the road. What we shall then see is police officers or the military carrying away those people kneeling in prayer and arresting them.

Mr. Scott: Why have they not done it for the many years that this has been an existing part of Northern Ireland legislation?

Mr. Soley: That is a very fair point. The reason why—and this will come as no surprise to the one and only Unionist Member who has been present, the hon. Member for Londonderry, East (Mr. Ross), who was sitting next to me and talking to me about this only a few moments ago—is that they know what is in this order. They are also saying, and they make no secret of it, that they will do their best to make sure that it does not work. I am not putting it in their minds; they are pointing it out to me. That is the difference, and that is why I think that the Minister has to take this on board.

I am utterly amazed and very impressed by article 18, because here I find riotous or disorderly behaviour in a public place attracting a sentence of six months' imprisonment or

"a fine not exceeding level 5".

What do we find in the British Act of Parliament for rioting?—10 years. The moral of the story is that if people want a riot they should hold it in Northern Ireland. We had to get the riot sentence down from life to 10 years in Britain, and that is still twice as long as in almost any other country. All the Commonwealth countries and even

the European countries have much shorter periods unless the rioter is found also to be in possession of a weapon such as a gun or a knife. Otherwise the longest sentence that I can recall in a Commonwealth country is about three years and in a European country about 10 years; and then, as I say, the rioter has to be in possession of a weapon. Therefore, in a sense, the Government are being much more realistic about Northern Ireland, but I think that there a message to be conveyed to the Home Secretary, who clearly does not have the same view as the Secretary of State for Northern Ireland.

Finally, the repeal of the Flags and Emblems (Display) Act (Northern Ireland) 1954 is very welcome and long overdue.

As has been said, there are many good parts in this order, but there are one or two parts that will almost certainly get the Government into trouble. I say quite categorically that I do not want to see that happen. I think that public order in Northern Ireland is very much more difficult to deal with, for all the reasons that my hon. Friend the Member for Newry and Armagh set out. It is so much more difficult to deal with that we need very different approaches to it. But to do it in this way, which is likely to bring us before the European Court, to be found guilty and have to change the order, and in a way that invites the Unionists, by their own statements, to challenge it, cannot be the best way of legislating. We may well rue the day that we passed an order of this complexity and length after a three-hour or four-hour debate on the Floor of the House. I can understand the Government's difficulties, but unless they take on board some of the points that have been made they will have to change this order sooner or later.

10.28 pm

Mr. D. N. Campbell-Savours (Workington): I want to raise five aspects of this order: part III,

"Stirring up hatred or arousing fear";

article 9, on threatening behaviour, including by servants of the Crown; article 22, on the carrying of weapons, which would be an offence under this order and indeed has been an offence under a number of orders preceding it going back to 1969; the distribution and publishing of written material, under article 10 of the order; and breach of the peace and riotous behaviour, again by everyone including servants of the Crown.

I particularly want to raise the whole question of enforcement of this order and all orders preceding it which include the same or similar articles, because I think that in carrying this order tonight hon. Members should be conscious of the failure of the Government to bring prosecutions for offences that have previously taken place under these articles. I would have thought that the failure to prosecute on previous occasions would weigh heavily in the minds of hon. Members who have to take a decision tonight in the Division Lobby.

I wish to raise all those articles and part III in general in the context of the allegations that have been made by Major Colin Wallace and Captain Frederick Holroyd, who were working actively in Northern Ireland in the mid-1970s. They have both made a number of major allegations in the press, on radio, on television and in correspondence with Ministers and Members of the House. They have named names, given dates and identified places. They have identified the existence of letters, they have identified witnesses and they have made innumerable statements concerning a campaign of what they call "destabilisation" against the Labour Government of the mid-1970s and politicians of all political persuasions in the House of Commons, but, in particular, politicians in Northern Ireland, equally of all political persuasions. They have referred to a campaign of dirty tricks by the Army, the Royal Ulster Constabulary and security services, using paramilitaries in campaigns of murder and kidnap.

All those matters are dealt with under the four articles that I identified in the order. All those articles have been in existence, as I understand it, in previous orders that have been approved by the House of Commons and been the subject of repeated debate over the years, yet no action is taken.

I do not know whether what those men are saying is true or false. Indeed, I am not convinced that even Ministers know, and I am pretty sure that there are no hon. Members who know. We have not been told, and the only sources of the information are Mr. Wright in an Australian court, Mr. Wallace, Mr. Holroyd and a few other people who refuse to identify themselves publicly, although they have written privately to individual hon. Members setting out their experiences in this area.

Colin Wallace was a senior information officer in Northern Ireland and his work in Northern Ireland has been the subject of credit paid by a great number of people. I do not want to go through them all, because I know that we are short of time. However, the Minister knows that many people are on record as saying what an allegedly excellent man he was in the carrying out of his duties in Northern Ireland. One senior officer who worked closely with him at Lisburn said that he regarded himself as always on duty, working at least 90 hours a week, and by 1974 had taken no leave for six years. Someone else said of him that he had a knowledge of the Irish situation which was totally unique in headquarters and surpassed—

Mr. Bernard Conlan (Gateshead, East): I know that my hon. Friend is going to name names——

Mr. Campbell-Savours: I am not going to name names.

Mr. Conlan: If he is not, that is fine. However, I was going to suggest that if he is going to name names, he has to have the approval of the people concerned.

Mr. Campbell-Savours: I am sure that my hon. Friend would pay me the credit of knowing the procedures of the House of Commons.

Mr. Mallon: The hon. Gentleman has referred to the credit with which the person of whom he spoke was regarded in the north of Ireland. Would he include that person's knowledge and possible involvement at administrative level in the Kincora boys' home scandal as being to his credit?

Mr. Campbell-Savours: I did not want to stray too much into that area, but I am perfectly willing to answer my hon. Friend. I do not know, and nor does he. That is the trouble with the whole affair; we do not know. That is why——

Mr. Mallon: The hon. Gentleman does know the people involved. If he really wants to do a service to society in relation to what he knows, let him get up and name those people who blighted the lives of young people in the Kincora boys' home. I challenge him here and now to give that information to the House.

Mr. Campbell-Savours: Much as I would like to be able to please my hon. Friends, I am bound by the strictures of Mr. Deputy Speaker in his intervention to a former hon. Friend of mine who spoke during the course of this debate. If I were to veer into these areas in great detail—which is why I answered my hon. Friend in the way I did—I am sure Mr. Deputy Speaker would be the first to tell me that I am out of order. I have all those names in my possession. I do not reveal them because I do not know the truth. It might well be a slur on the character of those people who have been identified to me if I were to reiterate their names during the debate this evening.

In the light of the experience of hon. Members over the last few months, who have made a point of criticising my activities, I am sure they would be the first to commend me on taking this approach this evening. I wish I could respond to my hon. Friend in a more favourable way, but these matters will surface, as inevitably they must. That is why he, certainly I, many of my hon. Friends, the hon. Member for Southend, East (Mr. Taylor), Conservative Members and others have asked for a full judicial inquiry into all those allegations that have been made by Mr. Wallace.

Mr. Wallace has a credibility problem, because he was convicted at Lewes Crown court of the manslaughter of a 29-year-old Brighton antique dealer, a charge that he has always denied. Mr. Wallace appeared, protested his innocence, tried to appeal, but was refused leave. He went to the Police Complaints Authority. He alleges he was framed. In July 1985 the Prime Minister asked the noble Lord Trefgarne, who was then at the Department of Defence, to reply to some of Mr. Wallace's allegations.

Mr. Deputy Speaker: Order. The hon. Gentleman said at the beginning of his speech that he would relate his remarks strictly to the order that is before the House. I cannot find any relation in what the hon. Gentleman is now saying to any of the articles in the order. I am sure the hon. Gentleman will bring himself into order.

Mr. Campbell-Savours: I am sure the Chair will understand that, having been drawn in the way I was to talk a little about the character of the people concerned, I had to balance my case by drawing on some other material which I had not wished to raise in any great detail during this debate. That is why I had to refer specifically to Mr. Wallace's credibility.

Mr. Holroyd served as a captain in the Army's military intelligence in Northern Ireland in the mid-1970s. He maintains that, following an argument between MI5 and MI6 in Northern Ireland and the replacement of MI6 by MI5, he was whipped out of Northern Ireland, placed in a military psychiatric hospital unit, where he protested that he should not be placed, and, indeed, was subsequently released therefrom.

An argument has been going on for six years between the hon. Member for Southend, East and the Ministry of Defence as to whether that period should be stricken from Mr. Holroyd's record in so far as he believes that it places an unreasonable slur on his character.

Mr. Deputy Speaker: Order. I still find it impossible to relate what the hon. Gentleman is now saying to the order before the House. The hon. Gentleman must relate his remarks to one or other of the articles in the order which we are discussing.

Mr. Campbell-Savours: Article 10 of the order deals with the distribution and publication of written material. I understand that article 10 has been in similar orders which have been previously debated and carried by a majority of this House, yet it has not been used in the prosecution of individual servants of the Crown who have carried out acts clearly in default of those articles on previous occasions.

The two gentlemen to whom I have referred, refer specifically to offences under that article. They refer to forged documents, one of which I have in my hand. This is a forged document in the name of my right hon. Friend the Member for Salford, East (Mr. Orme), who was then a Minister in Northern Ireland. It is allegedly a quote from a speech, which he never gave, to a Labour party conference. This document has been attributed to the security services. There was no prosecution of any officer in Northern Ireland concerning this document. I should have thought that Ministers would deny at the Dispatch Box that this document was produced by the security services. If they were to do so, there would be no cause for us to raise this matter during this debate.

I have another document, which again would be an offence under article 10. It is allegedly produced by

"Merlyn Rees, Stan Orme, David Owen, Paul Rose"—

to quote from the document. It is also a forgery. Why do Ministers not refute these documents? Why do they not deny that the documents could be sourced on the security services? That is a perfectly reasonable request. If Ministers were to to that we would no longer have to raise these matters in the public domain.

I have another document, entitled, "The Labour Movement. Economics — Master or Servant of Mankind?" which is allegedly by

"Denis Healey, Tony Benn and Stan Orme."

The sub-title is "Imperialism, Crisis and Revolution", document No. 2, 1971. It is another forgery. Who is producing this material? Publication of these documents is an offence under article 10 of the order. If they are forgeries, let there be prosecutions or let the Minister deny that the security services or servants of the Crown had any responsibility for them.

I have another document, publication of which would be an offence under article 10. Publication is also an offence under similar articles in the 1981 order and in the 1969 order which pre-empted both orders. This document is entitled,

"Vote Labour. Ulster is British. Internments, Special Powers, Discrimination, Intimidation, Assassination."

Someone printed that document. It is clearly not a Labour party document. We are entitled to know from where it came.

This is what Mr. Wallace and Mr. Holroyd were alleging. We can either turn our backs on all this and write it off as nonsense, or accept that the Government should make a statement and should not get a junior Minister to reply to an innocuous question placed on the Order Paper by simply saying, "There is nothing to be said." Why not have a substantial statement at the Dispatch Box so that we can deal with this nonsense, if indeed that is what it is?

Mr. James Wallace (Orkney and Shetland): I have listened to the hon. Gentleman, who has alleged that there are forgeries and asked why there have not been prosecutions. I am sure that he will be the first to accept that it is one thing to say that something is a forgery and quite another to pin a forgery on a specific person. One cannot say that there must be a prosecution without directing the comment at a specific individual. Does the hon. Gentleman have information about individuals and has he put it in the hands of the responsible authorities?

Mr. Campbell-Savours: According to Mr. Wallace, he provided information in November 1957 to the responsible authorities. He wrote to Mr. Harold Wilson in August 1977 providing information following the security services inquiry which was launched in May 1977. He again provided documents to the Prime Minister on 1 November 1984. The Prime Minister wrote to Lord Trefgarne asking for some response. Mr. Wallace maintains that a response from the Government was not forthcoming.

We do not know who produced these documents. We should know. Prominent people in the Liberal party and in the other half of the alliance have taken a great interest in this matter. People right across the political spectrum want to know what happened.

Mr. Nicholas Soames (Crawley): Name them.

Mr. Campbell-Savours: The hon. Gentleman intervenes, but he would do well to listen. One day they may try to interfere with him.

Mr. Mallon: I am grateful to the hon. Gentleman for giving way. Does he not find it strange that, to my knowledge, these gentlemen have not sent any information to Members from Northern Ireland? I would have thought that that would have been an obvious thing to do in relation to accusations concerning Northern Ireland. With regard to the Kincora boys' home, the two gentlemen were centrally placed to know what was happening there. I will

[Mr. Mallon]

start to believe some of what they say if they show, by their concern for society, that they are prepared to name the people who corrupted the lives of young people. If I have any reason to believe that the names, if given, are valid, I will not show the hon. Gentleman's rectitude or reticence.

Mr. Campbell-Savours: I am sure that the hon. Gentleman will accept that I am constrained by my previous experience from revealing names in the House. I ask him to take that on board when he passes judgment on my failure.

Mr. Mallon: It is not the hon. Gentleman's failure; it is their failure.

Mr. Campbell-Savours: They have identified the persons involved and they have been listed, but it is not for me to produce those names during the course of the debate.

Mr. Holroyd maintains that he was recruited by MI6 and he has drawn the attention of the House to many offences under various articles of previous orders which will be updated by this order. He made a number of allegations concerning the John Francis Green affair. He maintains that MI5 eased out MI6 in the mid-1970s and tried for quick military successes. As a result, 10 agents lost their lives in one week. He maintains that the SAS was employing Ulster Volunteer Force members to go over the border and carry out covert activity with the approval of MI5.

Last week Mr. Holroyd gave an interview to Radio Ulster on the "Talkback" programme. That was an important interview. The hon. Member for Crawley (Mr. Soames) should listen to the tape, as he may learn something from it. I pay tribute to that programme and its producers for the good work they have been doing in the past few weeks. During the course of the interview Mr. Holroyd said that two boys were set up for a murder carried out in the Irish Republic by paramilitaries. One would consider that an allegation of that nature is extremely grave. I do not know whether it is true, but I certainly believe that it should form part of a general statement by Ministers to the House of Commons. In that way we may learn the truth about the affair.

In the interview Mr. Holroyd claims that at least 70 people surround the Kincora and the general dirty tricks campaign——

Mr. Deputy Speaker: Order. The hon. Gentleman is straying again. I cannot relate his remarks to any of the articles in the order before us.

Mr. Campbell-Savours: I am trying desperately to keep in order; and I am sure that you, Mr. Deputy Speaker, are well aware of that.

Article 22 of the order refers to the carrying of offensive weapons and guns; article 9 refers to threatening behaviour; and article 18 refers to breach of the peace and riotous behaviour. All the articles are to be found in the previous order of 1969—as I understand from my hon. Friend the Member for Middlesbrough (Mr. Bell)—and the order of 1981 which covers the areas that I wish to comment upon.

Mr. Holroyd said that a number of bizarre incidents followed the tours of duty of intelligence and Army people who have been in Northern Ireland. He says that the security services were sanctioning the use of killer gangs to go over the border in areas reserved, with the agreement of the Republic, for paramilitary activities.

According to Mr. Holroyd, inquiries are taking place. Last week, therefore, I tabled a question asking the Secretary of State for Northern Ireland

"what investigations are currently taking place into murders and kidnappings by paramilitary organisations in the 1970s."

One would have thought that if there was nothing, the answer would have been "None". No, the reply given was:

"I shall reply to the hon. Member as soon as possible."
—[*Official Report*, 5 March 1987, Vol. 111, c. 658.]

Obviously something is happening, otherwise I would have a negative response. It may be that Mr. Holroyd is correct, but no doubt I shall get an honest answer from honest Ministers in time.

During the interview on Radio Ulster last week, Mr. Holroyd said that on one occasion he met Ned Garvey, a Garda commissioner in Dublin. It appears that he was in contact with his subordinates on a number of occasions. He said that the RUC tried repeatedly to cover up what was happening. I am told that two documents exist that will be of especial interest to hon. Members. They are forged bank statements. I have pressed carefully to ensure that the information that I am being given is accurate. They are forged bank statements in the names of the hon. Members for Antrim, North (Rev. Ian Paisley) and for Foyle (Mr. Hume). I informed the hon. Member for Foyle a week ago that it was likely that I would raise the matter in the Chamber.

Mr. Mallon: Was that the time they both bought a drink?

Mr. Campbell-Savours: I told the hon. Member for Foyle that I would be raising the matter when I was satisfied that the documents existed. I can say that they do exist and that they are forgeries. It is reasonable to ask who forged them. On 28 June 1974, the then Prime Minister announced that he was instituting an inquiry into a forged bank statement in the name of the then Mr. Ted Short. It was felt sufficiently important to warrant a statement to the House. If it was good on that occasion, why is it not equally good and important on this occasion? I hope that the Minister will address himself to that issue when he replies. If I agree to produce the documents, will he agree to make a full statement so that we can establish the truth?

I am now coming to the end of my contribution to the debate, which I have much truncated. Last weekend, *The Sunday Times*, in a report by Mr. Barry Penrose, stated that Mr. Haughey, who is now the leader of the Republic of Ireland, had listened to tapes on Radio Ulster, and that he had then made a statement to the effect that if he became Prime Minister he would establish an inquiry to ascertain whether there was any truth in the allegations of Captain Holroyd and Major Wallace. We understand that Mr. Haughey has been able to form a Government and is now effectively committed to an inquiry into the allegations of Holroyd and Wallace. It will be most curious if he is allowed to follow that route on his own while the British Government, against whose servants the allegations are being made, refuse to act. The Minister should address himself to that when he replies. It seems inevitable that Mr. Haughey will make representations to the British Government with a view to securing an inquiry in the United Kingdom.

If the Holroyd-Wallace accusations or allegations are untrue, if they are a tissue of lies, we have a duty to discover what is motivating those who are orchestrating the campaign. It might be that they want simply to undermine the Anglo-Irish Agreement, but there are those of us on both sides of the House who want to secure its future, if at all possible. There is, therefore, an even greater obligation placed on the Government to establish the truth. The effect of leaving these allegations unanswered in the public domain is to aggravate the possibility of the agreement working.

I urge the Minister to take the opportunity that is open to him to respond. If he cannot give us an undertaking that an inquiry will be set up, at least let him say that we are considering the possibility of setting one up so that at least Mr. Haughey knows that the British are capable of responding in a responsible manner.

10.54 pm

Mr. Stuart Bell (Middlesbrough): Since it has been referred to by my hon. Friend the Member for Workington (Mr. Campbell-Savours), may I say how warmly we on this side of the House welcome and congratulate Mr. Haughey on his election as Taoiseach of the Irish Republic today? We wish him well in his endeavours on behalf of the Irish people, in relation to the Anglo-Irish Agreement and in relations with Great Britain.

I congratulate my hon. Friend the Member for Workington on his grasp of the order. He was able to take us through the amendments and consolidation of the public order legislation, referring to the Public Order (Northern Ireland) Order 1981 and going as far back as section 9 of the Criminal Justice (Miscellaneous Provisions) Act (Northern Ireland) 1968. For that he deserves our congratulations, respect and support. No doubt the Minister will wish in his reply to refer briefly to that speech.

We have often had at the Bar trials within trials. Over the last half hour or so we have had a debate within a debate. I do not seek to follow my hon. Friend the Member for Workington, however great my esteem for him, but I wish to refer to the events which led the Government not only to review the public order legislation but to bring this order before the House.

Two specific events in Northern Ireland over the past year have pre-occupied the people of Northern Ireland, as they have pre-occupied people on the mainland. One, of course, was the marching season, to which the hon. Member for Newry and Armagh (Mr. Mallon) referred from his personal experience, and the other was the reaction of the Unionist community to the Anglo-Irish Agreement and their protestations at the time of its signing, and subsequently.

The marching season was long ago turned into a triumphalist parade by the majority towards the minority. The way the marches were routed was not to test the will of the minority but an attempt to impose a will upon the minority. Both sides of the House condemned that at the time and it is one of the reasons why we are considering this order tonight.

There is a curious and paradoxical dichotomy. On the one hand we have the attempt by the Government to bring Northern Irish legislation into line with that of the rest of the United Kingdom. On the other we have the effort to tailor it to the specific conditions that prevail in Northern Ireland. This is taking place without a single representative of the Ulster Unionists in their places. One is entitled to ask why the Unionists are not here. Is it because they do not want integration with the rest of the United Kingdom? Do they not want the laws to be the same in Northern Ireland as they are on the mainland? Are they integrationist? Are they Unionist? Do they really believe in the Union, or do they not? Do they not wish to maintain the specific and distinctive features which exist in Northern Ireland?

It is a matter of regret that they are not here. It is a matter of regret that we have this order rather than a Bill before the House. It is a matter of regret that there is no Northern Irish assembly to scrutinise these orders before they come here. It is a matter of regret that there are at least 14 empty places in the Chamber when matters relating to the rights of individuals within Northern Ireland are before the House.

It takes some little time to disentangle the various aspects of the order. Does it build upon the Public Order (Northern Ireland) Order 1981 to which my hon. Friend the Member for Workington referred? Can it be reconciled with the European Convention on Human Rights, a point referred to by my right hon. and learned Friend the Member for Warley, West (Mr. Archer) and by my hon. Friend the Member for Hammersmith (Mr. Soley)? Does it add to or detract from the distortions that abound already in Northern Ireland and which express themselves in the Diplock courts, the unashamed use of supergrass evidence in those courts and the emergency provisions legislation which we amended recently in Committee?

The hon. Member for Brigg and Cleethorpes (Mr. Brown) spoke about the constructive nature of the Committee and described how it went through many of the amendments in a sensible fashion. We pay homage to the Minister of State for his help in that Committee, not only in tidying up the legislation but in seeking to reduce what we saw as some of its worst provisions.

I shall turn briefly to the distortions in democracy as we know it in Northern Ireland. The Army is there playing a peculiar role — that of an army acting in a civil capacity by assisting the police, and also in a military capacity in combating terrorism. The Army is doing that with the assistance of the Ulster Defence Regiment.

No one would wish to see a repeat of the events that occurred during last year's marching season when homes of the minority community were pillaged and looted. The hon. Member for Newry and Armagh spoke about the village of Kilkeel in which some of these events took place. In other parts of Northern Ireland members of the RUC were forced out of their homes by intimidation because they had done their duty to the state by seeking to protect people from attack. The police themselves saw their homes attacked and damaged.

In his speech — which seems to have been made a long time ago — the Secretary of State spoke about intimidation. The hon. Member for Newry and Armagh also spoke about that. Intimidation is a tragic aspect of life in Northern Ireland and it is certainly heightened during the marching season. As I said earlier, there have also been protests against the Anglo-Irish agreement. The history of that agreement has been a sorry one in the sense of the reaction by the Unionist community, but the Opposition have always maintained, and the Government have said, that peaceful and constitutional demonstrations and

[Mr. Stuart Bell]

actions against that agreement are acceptable. We do not support the aims of constitutional opposition to the agreement, but we understand it.

The hon. Member for Liverpool, Mossley Hill (Mr. Alton) spoke about statements from Northern Ireland. Those statements do nothing at all to ease the situation in the Province. The recent statement that constitutional resistance is at an end may be hyperbole or rhetoric, but it does nothing to dampen the sense and the dangerous effervescence of violence that is part and parcel of the Northern Irish community.

My hon. Friend the Member for Hammersmith spoke about the European Convention on Human Rights. I shall speak briefly about the contention that articles 3, 4 and 5 are a breach of that convention. That view was carefully and solidly put forward by the National Council for Civil Liberties. The Government did the NCCL the courtesy of responding at some length to its arguments. Some of the points made by the NCCL were accepted in the Government critique, some were satisfactorily answered and others remain disputed.

Broadly, the Government's view is that article 11 of the convention specifically accepts that restrictions may be placed on the exercise of the rights of peaceful assembly if they are

"necessary in a democratic society in the interests of national security or public safety for the protection of health or morals or for the protection of the rights and freedom of others."

My hon. Friend the Member for Hammersmith spoke about the dangers that are likely to ensue if the order goes through unamended, as it must, and the danger that in future that might bring us face to face with the European Court of Human Rights. Although the Minister of State may not have a great deal of time available when replying, it would be of specific assistance to the Opposition if he were able to speak about that.

I mentioned earlier the speech by the hon. Member for Brigg and Cleethorpes about the Committee stage of the emergency provisions Bill. He also spoke about the Flags and Emblems (Display) Act (Northern Ireland) 1954. The hon. Member for Newry and Armagh also spoke about that Act and called it an anachronism. Section 2 of the Act empowered a police officer to require the removal of any emblem other than the Union flag if he believed that its display might cause a breach of the peace.

As the Secretary of State said, the Act is redundant because, first, its repeal was recommended by the Standing Commission on Human Rights. Secondly — I have another small plug for the Labour party—it has long been advocated by the Labour Opposition. I shall let the Secretary of State and the Minister into a little secret. It was part and parcel of our 1983 manifesto. We are glad that the Government are pursuing their own election commitments and those of the Labour party.

The essence of the order deals with the serious problems of Northern Ireland—problems such as public disorder, serious property damage, and serious disruption to community life of which we are aware and which we regret. Those matters were touched upon by the hon. Member for Mossley Hill and by other hon. Members. It is a great sadness for Opposition Members to know that the democracy that those in Northern Ireland should have and do have cannot be enjoyed to the full because of such disruptions.

The Opposition ask whether the order represents an accretion of greater power to the state. Does it take too much away from the individual? The hon. Member for Mossley Hill called it a curate's egg. That phrase went through my mind when I read the order and the notes. As my hon. Friend the Member for Hammersmith and my right hon. and learned Friend the Member for Warley, West said, many matters in the order are acclaimed and supported by Opposition Members, but we must look at two fundamental points. One is the balance of individual civil rights in relation to the powers of the state. In this connection, I refer to the Secretary of State, who has greater power in Northern Ireland than in this country. If we were dealing with a public order Act in our country, one might have recourse to local councils, but in this case one's recourse is to the Secretary of State.

The first matter that greatly concerns us is whether we have tipped the balance away from the individual in Northern Ireland towards the state. The second is whether the order should have been in the form of a Bill. My right hon. and learned Friend the Member for Warley, West made—without flattering him in any way—a remarkable speech. He had to encompass what, in effect was a Second Reading speech dealing with the principle, Committee stage speeches on various aspects, a speech on Report and a Third reading commendation. To do that in half an hour was a parliamentary feat. As the Secretary of State said, we lawyers will and should stick together.

The two questions that we have asked—first, whether the order goes towards the state as against the individual and, secondly, whether it should be a proper Bill—lead us to the conclusion that it is right and appropriate for the Opposition to divide the House.

11.8 pm

The Minister of State, Northern Ireland Office (Mr. Nicholas Scott): At the outset, I echo the congratulations expressed by hon. Members on the Opposition Front Bench and by my right hon. and hon. Friends to Mr. Haughey on his election as Taoiseach. I look forward to working with the new administration in Dublin, in the interests of all the people of Northern Ireland, and indeed, of the people of the island of Ireland.

I shall respond to most, if not all, of the points that are relevant to the order. Obviously, I mean no criticism of the Chair when I say that, at times, hon. Members seemed to stray slightly beyond the bounds of the matters that are directly relevant to the order. Before I refer to the detailed points that were raised by right hon. and hon. Members, I shall address the question why we are considering an order rather than a Bill. Of course, I recognise the legislative advantages that can flow from consideration of a Bill.

The right hon. and learned Member for Warley, West (Mr. Archer) and the hon. Member for Middlesbrough (Mr. Bell) kindly referred to the Committee stage of the Northern Ireland (Emergency Provisions) Bill. I think that this is the first time that homage has been paid to me on the Floor of the House; I hope that it will not be the last. I am grateful for the tribute. We had a good Committee stage on that Bill, and it has come out of Committee better than it was when it went in. However, we have to decide whether it is right in all the circumstances to legislate for Northern Ireland by Bill. On balance, the answer has to be no, not least because Parliament would be overwhelmed by that procedure.

Mr. Archer *rose*——

Mr. Scott: Perhaps the right hon. and learned Gentleman will allow me to finish this point, and then I shall certainly give way to him.

The difference between the emergency provisions legislation and this order and other orders that come before the House is that the Northern Ireland (Emergency Provisions) Bill comes into the category of legislation that has to be dealt with by Bill. Were we to deal with transferred and reserved matters by means of Bills rather than orders, we should be overwhelmed with them. In 1983, for example, there were 17 affirmative Northern Ireland Orders in Council; in 1984 there were 14 ; in 1985 there were 13; and in 1986 there were 19. Most of them made substantially different provision for Northern Ireland than for the rest of the United Kingdom. It would be quite impossible to ask the House of Commons to deal with all those matters by means of Bills.

Mr. Archer: We on these benches are certainly not saying that all Northern Ireland legislation should be dealt with by means of Bills. Our complaint is that the Government have failed to distinguish between the legislation that should be dealt with by means of Bills and the legislation that quite properly could be dealt with by order.

Mr. Scott: If the right hon. and learned Gentleman should ever come to this side of the Dispatch Box, he would find that it is not easy to draw a distinction between those matters that are dealt with by means of Bills rather than orders. We may all have different views about the relative importance of individual pieces of legislation. Very careful consideration would be needed before one began to go down that road.

Mr. Michael Brown: I take my hon. Friend's point that many additional burdens would be placed upon the House, but will he speculate on how many Scottish Bills have come before the House during the Sessions to which he referred?

Mr. Scott: Mercifully, that is not my responsibility. However, I take issue with my hon. Friend and, indeed, with the right hon. and learned Member for Warley, West who defined this as a take-it-or-leave-it procedure. I accept that now that we have reached this stage of the order it is unamendable and that the House has either to take it or leave it, but it is right to draw attention to the consultation procedures.

I do not believe that six weeks is too short a period. It is the normal consultation period on orders. Organisations and individuals who fall just outside the period of six weeks before they put forward their views always have them taken into account by Ministers before decisions are taken about the final shape of the orders.

I regret very much that there has not been the benefit of consideration of this order by the Northern Ireland Assembly. An important part of the consideration of this order ought to have been undertaken by that assembly. It was not our wish that the Government had no alternative but to dissolve the Northern Ireland Assembly.

There are opportunities to discuss in Committee forthcoming legislation affecting Northern Ireland. My right hon. Friends the Prime Minister and the Secretary of State for Northern Ireland have made it clear on a number of occasions that we are prepared to consider ways in which we can improve the consideration of Northern Ireland legislation by Order in Council. We are open to suggestions, through the usual channels, from Northern Ireland parties and from others. We understand the resentment that can arise about some aspects of the present procedures as they affect important pieces of legislation.

The right hon. and learned Member for Warley, West and a number of other hon. Members referred to the requirement to give notice of the number of people who are likely to take part in any procession under the parades and marches provisions of the order—article 3, which also deals with offences. This requirement is not unique to Northern Ireland. It is to be found also in the Civic Government (Scotland) Act 1982. The whole purpose of the information about the numbers likely to take part in a parade is to assist the police in planning the policing of processions and to give them advance notice of the organisers' judgment about the numbers likely to take part.

Article 3(5)*(a)* makes it an offence to take part in or organise a procession of which the required notice has not been given in the time and manner required. Article 3(5)*(b)* makes it an offence to organise or take part in a procession held on a date or at a time or on a route different from that given in the notice. Those matters are under the control of the organisers of a parade. We fully recognise that the numbers taking part are not under the control of the organisers. Therefore, it would be wrong to penalise the organisers if, for example, more members of the public turned up than they had estimated. That would not be an offence, but the other matters clearly would be under the order.

A point has been raised about including those who take part in the sanctions provisions of the order which, in a sense, is directed mainly against the organisers. However, in the special circumstances of Northern Ireland—the hon. Member for Newry and Armagh (Mr. Mallon) will certainly recognise this — it is necessary to make participants liable for an offence as it may well be impossible to identify the organisers of illegal processions. It would then be appropriate for the police to seek to make amenable any ringleaders whom they could identify in any particular parade. That is not a new provision; it has been part of Northern Ireland legislation since 1970.

The right hon. and learned Member for Warley, West and others have raised the question whether the police should be prepared to give advance notice of their intention to impose conditions. As a variation on that, some hon. Members raised the question whether it was appropriate that the police should be the people to impose those conditions and whether my right hon. Friend the Secretary of State or some other authority should have that duty put on them. However, that would be totally impracticable in the circumstances of Northern Ireland. Not infrequently, the police have to impose such conditions at the last minute, taking into account all the circumstances of the march, the likely reaction of the local community, the numbers assembling for the march and a whole range of other matters that only a senior police officer on the spot could properly take into account. It would be impossible to provide that flexibility of response if those decisions were to be taken in advance by policemen, and still less by Ministers or some other tribunal who might have that responsibility put upon them.

[Mr. Scott]

The right hon. and learned Gentleman also raised the issue of the wearing of political uniforms in a public place. Again, I make it absolutely clear that article 21 makes no change in the existing law in Northern Ireland. The wearing of political uniforms in public places or at public meetings has been an offence there since 1970. Indeed, the provision is based on the Public Order Act 1936. It would be for the courts to determine whether any particular item of clothing constituted a uniform within the purpose of legislation. The discretion and common sense of the courts about such matters is well recognised in the United Kingdom as a whole, and to seek to define rigidly what a uniform does or does not do would swiftly be overtaken by events.

Several hon. Members have referred to the European convention on human rights and its relevance to the order. As the hon. Member for Middlesbrough made clear, article 11 of the convention specifically recognises that restrictions may be placed on the exercise of the rights of peaceful assembly, if they are necessary in a democratic society in the interests of national security or public safety, for the prevention of disorder or crime, the protection of health or morals or the rights and freedoms of others. The Government's clear view is that the draft order is within the terms of the convention.

Mr. Soley: Will the Minister tell us what he thinks would not be breached under article 5, which states that undue demand could be made on the police or military forces?

Mr. Scott: I am not a lawyer, but where the demands of policing particular demonstrations or processions were likely to divert the police from other duties in the interests of public safety, we would have a good case for arguing that we were acting within the terms of the convention.

The right hon. and learned Gentleman asked whether the recital by the Secretary of State should be conclusive in terms of the courts. We are not fearful of any judicial review of a decision on these matters. In the special circumstances of Northern Ireland—this has happened more than once since I have had responsibility for these matters—it may be necessary to take decisions about political processions on the basis of information which it would be impossible to produce in court. Therefore, this is a proper provision in the order.

I was asked whether it would be right that notice by organisers should be served by post or in person. The legislation on this side of the water provides for such notice to be given by post rather than in person because a procession may well go through more than one police area. The whole of Northern Ireland is a single police area, so it is right that the notice should be given by the organisers to the nearest appropriate police station to the beginning of any procession, not least because that gives the organisers of the parade and the RUC a chance to get together and have an initial discussion about the parade, the likely scale of policing and the possibility of perhaps arranging with consent, rather than imposing, any conditions.

The hon. Member for Newry and Armagh said that he had to swallow hard about some of the provisions, but that on balance he came down in favour of them. All of us are nervous when we legislate on public order. Several times the point was made about the balance between individual freedom and the need to preserve public safety. We know how the parades and marches in Northern Ireland can lead to disorder, disruption, intimidation and damage and I believe that we have the balance in response to those dangers right.

The hon. Gentleman mentioned the question of the exemptions for the BBC and IBA under broadcasting provisions and asked about their application to Radio Telefis Eireann. The offence in relation to broadcasting under article 12 occurs at the point of transmission, not reception, so RTE broadcasts from the Republic are not within the jurisdiction of the Northern Ireland courts.

Mr. Mallon: The Minister will be aware that RTE also broadcasts and transmits from Belfast.

Mr. Scott: Although RTE records and transmits in Belfast, it transmits the programmes back to its headquarters in the Republic, and the actual transmissions emanate from the Republic. That is my understanding of the technical aspect of that question.

The hon. Member for Liverpool, Mossley Hill (Mr. Alton) said that he shared the general concern for human rights expressed by several hon. Members and went on to ask about the importance of the RUC's liaison with the local community. I wholeheartedly echo his anxiety and I long to see the early introduction of liaison committees between the police and the elected representatives and to see them flourishing and playing a useful part. However, until the elected representatives of the two main Unionist parties are willing to resume their full range of responsibilities in local government, those developments are unlikely to occur.

The hon. Gentleman also asked about street names and, by implication, wider matters about the role of the Irish language in Northern Ireland. The Government are still considering those matters.

Mr. Alton: The Minister will recall that I asked about the Local Government (Miscellaneous Provisions) Act (Northern Ireland) 1947, which outlaws the use of Gaelic signs on the streets of Belfast and is often linked with the Flags and Emblems (Display) Act (Northern Ireland) 1954. Can he tell us when he may introduce an order to deal with that prohibition?

Mr. Scott: It is not as simple as that. If one were to repeal that Act without introducing any sort of scheme, there could be anarchy in these matters. That merits careful consideration and we are giving it careful consideration, but it is too early to say exactly how we may move.

Before I close, I want to take issue with the hon. Member for Hammersmith (Mr. Soley). He was generous in his praise of the RUC and the way in which it performed in scenes of public disorder last summer. It is not true to say that that was the first time that the RUC had behaved in such a way. Throughout recent years, in the marching season, the RUC has distinguished itself and made enormous efforts, in an impartial way, to maintain public order on both sides of the community. It should not be suggested that that is a recent development in terms of the RUC's behaviour.

I should make it clear to the hon. Member for Hammersmith that pickets fall within the definition of open-air meetings. A police officer would be able to

impose conditions in the likelihood of serious public disorder if the rigorous tests in article 4(2) were met. That would apply to picketing and other matters.

The order addresses three important matters in Northern Ireland. It seeks to establish a set of conditions and responses for the police to the problem of parades and marches, which my right hon. Friend outlined at the outset of the debate. The vast majority of parades and marches in Northern Ireland pass off without serious disorder, but a minority can cause acute public order problems. The Chief Constable of the RUC has drawn attention to that in all his reports during this decade.

Part II of the order seeks broadly to follow the British legislation with regard to incitement to hatred, and in particular to remove the need to prove intent. We are seeking to remove from the statute book the Flags and Emblems (Display) Act (Northern Ireland) 1954, which is redundant.

I am as conscious as anybody that, when considering public order legislation, we have to find the right balance between individual liberties and giving the police the powers that they need to protect society or substantial minorities in a particular society, from disorder, disturbance and distress. In Northern Ireland the balance must be struck at a slightly different point. We all regret that, but it is a fact of life. The penalties of striking the wrong point on either side are great.

The debate has demonstrated the concern that is felt by hon. Members about the need to get the balance right. It has been a constructive and useful debate. However, I have not been persuaded that we need to withdraw the order because I do not believe that we have got it wrong.

I regret that it looks likely that we shall have a Division. I believe that there is a great deal of common consent in the House about what we need to do in the best interests of the people of Northern Ireland on the three matters under consideration. I hope that it will be possible for us not to divide the House because of the importance of this matter and the need, wherever possible, for the House to come to a consensus view about the actions that we should take in this sensitive area of individual liberty in Northern Ireland. I commend the order to the House.

Mr. Campbell-Savours: On a point of order, Mr. Deputy Speaker. Let it be shown that the Minister has refused to answer any of the allegations that were made during the debate.

Mr. Deputy Speaker (Sir Paul Dean): That is not a matter for the Chair.

Question put:—

The House divided: Ayes 160, Noes 106.

Division No. 114] **[11.28 pm**

AYES

Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Alton, David
Amess, David
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Best, Keith
Boscawen, Hon Robert
Brandon-Bravo, Martin
Brown, M. *(Brigg & Cl'thpes)*
Buck, Sir Antony
Carlile, Alexander *(Montg'y)*
Carttiss, Michael
Cash, William
Conway, Derek
Coombs, Simon
Cope, John
Currie, Mrs Edwina
Dorrell, Stephen
Farr, Sir John
Favell, Anthony
Fenner, Dame Peggy
Fletcher, Sir Alexander
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Franks, Cecil
Freeman, Roger
Galley, Roy
Garel-Jones, Tristan
Glyn, Dr Alan
Gow, Ian
Gower, Sir Raymond
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Hawkins, Sir Paul *(N'folk SW)*
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Ralph *(Norfolk, N)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Jackson, Robert
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Lamont, Rt Hon Norman
Lang, Ian
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lloyd, Sir Ian *(Havant)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Nicholas
McCurley, Mrs Anna
MacKay, Andrew *(Berkshire)*
Maclean, David John
McLoughlin, Patrick
McQuarrie, Albert
Major, John
Mallon, Seamus
Malone, Gerald
Marlow, Antony
Marshall, Michael *(Arundel)*
Mather, Sir Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Meadowcroft, Michael
Moate, Roger
Montgomery, Sir Fergus
Moore, Rt Hon John
Morris, M. *(N'hampton S)*
Moynihan, Hon C.
Murphy, Christopher
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Onslow, Cranley
Osborn, Sir John
Page, Richard *(Herts SW)*
Portillo, Michael
Powley, John
Raffan, Keith
Rathbone, Tim
Renton, Tim
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Scott, Nicholas
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Soames, Hon Nicholas
Speed, Keith
Spencer, Derek
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stradling Thomas, Sir John
Sumberg, David
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Patrick *(N'ich N)*
Thurnham, Peter
Tracey, Richard
Twinn, Dr Ian
van Straubenzee, Sir W.
Waddington, Rt Hon David
Wallace, James
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim

Tellers for the Ayes:
Mr. David Lightbown and
Mr. Tony Durant.

NOES

Adams, Allen *(Paisley N)*
Archer, Rt Hon Peter
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Beckett, Mrs Margaret
Beggs, Roy
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*

Campbell-Savours, Dale
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Conlan, Bernard
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Crowther, Stan
Dalyell, Tam
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dixon, Donald
Dormand, Jack
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Fatchett, Derek
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Forrester, John
Forsythe, Clifford *(Antrim S)*
Foulkes, George
Freeson, Rt Hon Reginald
George, Bruce
Godman, Dr Norman
Golding, Mrs Llin
Hamilton, James *(M'well N)*
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Hoyle, Douglas
Hughes, Sean *(Knowsley S)*
Jones, Barry *(Alyn & Deeside)*
Kilfedder, James A.
Lamond, James
Leighton, Ronald
Litherland, Robert
Lofthouse, Geoffrey
Loyden, Edward
McCrea, Rev William
McCusker, Harold
McGuire, Michael
McKay, Allen *(Penistone)*
McNamara, Kevin
McWilliam, John
Madden, Max
Maginnis, Ken
Maxton, John
Michie, William
Molyneaux, Rt Hon James
Nellist, David
O'Brien, William
Paisley, Rev Ian
Patchett, Terry
Pendry, Tom
Powell, Rt Hon J. E.
Powell, Raymond *(Ogmore)*
Prescott, John
Redmond, Martin
Robertson, George
Robinson, P. *(Belfast E)*
Ross, Ernest *(Dundee W)*
Ross, Wm. *(Londonderry E)*
Rowlands, Ted
Short, Ms Clare *(Ladywood)*
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smyth, Rev W. M. *(Belfast S)*
Soley, Clive
Strang, Gavin
Taylor, Rt Hon John David
Thompson, J. *(Wansbeck)*
Tinn, James
Walker, Cecil *(Belfast N)*
Wardell, Gareth *(Gower)*
Welsh, Michael
Winnick, David
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Frank Haynes and
Mr. Tony Lloyd.

Question accordingly agreed to.

Resolved,

That the draft Public Order (Northern Ireland) Order 1987, which was laid before this House on 19th February, be approved.

BUSINESS OF THE HOUSE

Ordered,

That, at to-morrow's sitting, the Motion in the name of the Prime Minister relating to the Motor Vehicle Industry may be proceeded with, though opposed, until half-past Eleven o'clock, and at that hour, if proceedings thereon have not been previously disposed of, Mr. Speaker shall put any Questions necessary to dispose of them; and if the Motion in the name of Mr. Secretary Channon relating to Industrial Development is then made, Mr. Speaker shall, notwithstanding the provisions of Standing Order No. 14 (Exempted business), put forthwith the Question thereon. — *[Mr. Portillo.]*

PRIVILEGES

Ordered,

That Mr. Solicitor-General be discharged from the Committee of Privileges and Mr. Attorney-General be added to the Committee.—*[Mr. Portillo.]*

Casualty Unit, Ancoats Hospital, Manchester

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Portillo.]*

11.40 pm

Mr. Robert Litherland (Manchester, Central): I welcome the opportunity provided by this Adjournment debate to raise the future of Ancoats hospital in my constituency.

On Monday 11 August 1828 Ancoats hospital opened its doors and established itself as a medical centre. On Sunday 1 February 1987 at 9 am the doors closed on the casualty unit, thus ending a magnificent period of medical history in that part of Manchester. Simultaneously, a number of local residents made the spontaneous gesture of occupying the waiting room and declaring a sit-in in an effort to save a hospital that was dear to their hearts and recognised as part of their heritage.

When one reads the history of Ancoats hospital, one finds that it was set up in 1828 for the purpose of providing a medical dispensary. The reason for that was that the poor had been subjected to the expense of their time and financial loss by having to travel considerable distances to the Manchester infirmary. That loss almost equalled the value of the medicine that was dispensed. Therefore, by establishing a medical dispensary in Ancoats that severe inconvenience for a deprived population would be removed.

Now, in 1987, the area is still suffering from acute deprivation and the people occupying Ancoats hospital are fighting for the same cause. They are fighting for the provision of a casualty unit for people who can ill-afford to travel long distances to receive medical treatment.

Those people have an affinity with Ancoats hospital. They are well aware of its magnificent reputation and are willing to foresake their normal everyday living activities just to sit-in and sleep in cramped conditions. Their purpose is to save a hospital of which they are proud. Those actions and their voices should be taken into consideration. They have a right to be consulted. Regrettably, consultation is not the strong point of the district health authority, and the local community and other interested bodies, including the trade unions and local elected representatives, were not consulted. Closure was a fait accompli.

It has always been recognised and accepted policy that adequate alternative arrangements would be made before the closure at Ancoats took place. My hon. Friend the Member for Manchester, Blackley (Mr. Eastham) would readily inform the Minister that that is far from the case and the casualty provision at North Manchester general hospital is, to say the least, in an appalling condition and totally inadequate.

The chairman of the district health authority has written to inform me of the intolerable burden now being imposed on the Manchester Royal infirmary and emphasises that this hospital cannot cope with the extra workload since the closure of the Ancoats casualty unit. The closure has inevitably increased the workload of the Manchester Royal infirmary, which has now become the only remaining city-centre accident and emergency department.

In 1986 the Manchester Royal infirmary treated 43,286 new patients and 7,071 follow-up patients—a total of

50,357 patients. In the same year Ancoats accident and emergency department treated 25,656 new patients and 11,611 follow-up patients — a total of 37,267. It is estimated that the additional resources needed by the Manchester Royal infirmary will cost about £189,000 if that hospital is to meet the extra commitments. Additional funding will be essential for new nursing, medical and clerical staff, security, consumables, wardrobes and extra beds for the in-patient facilities.

Sir John Page, the chairman of the regional health centre, informed me by telephone that he was urging the Royal College of Surgeons not to withdraw its licence from Ancoats, and that he was also consulting Professor Moore, the chairman of North Manchester district health authority, in an effort to delay the closure until alternative and adequate arrangements had been made. Regrettably the closure went ahead.

It is the easiest thing in the world to run down an activity by just starving it of resources. This is what happened at Ancoats hospital. Closure took place in spite of the fact that the building of a nucleus hospital on the site of the North Manchester general hospital, intended to provide a new accident and emergency department, will not commence for four or five years.

Closure went ahead in spite of a number of ambiguities in Professor Sherrard's report to the hospital recognition committee, which advocated the withdrawal of recognition. The report, seen from a different perspective, could have suggested that the upgrading of Ancoats hospital was essential. In any case, we submit that the Royal College of Surgeons took a hasty decision. Have they gone into it in depth and taken into consideration the view of the ambulance emergency service, which is in full support of the action of local residents?

In the past the ambulance emergency service relied upon Ancoats hospital, which had a stabilising unit and staff on hand specifically for such cases as heart failure. Regrettably, the ambulance service will now have to travel far longer distances and patients will have to be attended to while they are actually in the vehicles. It will be a struggle for ambulance crews to care for patients because they do not have trained staff and because they have depended on the existence of Ancoats emergency hospital to provide this back-up service.

Another stipulation that was laid down by the representative from the Royal College of Surgeons for approval of the casualty unit was the amount of time considered necessary for the arrival of an ambulance in response to a 999 call. This was given as 15 minutes. The ambulance service points out that it is now down to eight ambulances right across the city operating from 6 p.m. to 8 a.m., including weekends. The ambulance service states categorically that, with its limited number of vehicles, it could never guarantee arrival to a call within the time specified by the RCS.

I have received many letters of support for this aim. Mr. Dafforne, who was general superintendent and secretary of Ancoats hospital for 21 years and who feels strongly about the closure, has written:

"The Royal College of Surgeons requires a hospital to give a good general basis of experience to help the young doctors to qualify for the RCS exams if they so wish. Ancoats Hospital has provided that for decades and has thus been recognised in the past by the RCS.

Two or three years ago the so-called planners and bureaucrats removed General Medicine and General Surgery from Ancoats. So for the first time since 1872 Ancoats ceased to be a general hospital.

Likewise, East Manchester has lost its general hospital and had to depend on Crumpsall Hospital for all hospital services except orthopaedics and a little ENT unit."

Dafforne said that north Manchester general — Crumpsall hospital—

"serves North Manchester well, but never has it and never will it serve East Manchester."

In a foreword to a booklet to mark the 150th anniversary of the hospital, the revered Sir Harry Platt, professor of orthopaedics surgery, president of the Royal College of Surgeons and honorary surgeon of Ancoats hospital, said:

"I count myself one of those on whom, in his formative years, Ancoats conferred many blessings. So, with others, I salute our hospital in this year now one hundred and fifty years old; but young in spirit and in endeavour, and with a great future before it."

Another contributor to the foreword said:

"Finally, I hope and pray that Ancoats Hospital will maintain its spirit of "care" and long remain to serve the people of Manchester."

Sir Harry died recently, but I should have loved to know his thoughts on the closure. That pride continues with the latest generation. Young and old, people from all walks of life, are imploring the Minister not to hide behind the autonomy of the Royal College of Surgeons—the cover behind which the management has taken refuge—but to take action to re-open Ancoats casualty unit so that it can offer a vital service to an area of great deprivation and to the industrial and commercial sectors of Manchester. We trust that the Government will not do a Pontius Pilate on this matter and say that they have no responsibility over the Royal College of Surgeons. The Government have a responsibility for proper health care. There is tremendous unity of will to keep the hospital open. Thousands of voices are echoing to Harry Platt's wish that Ancoats should have a great future before it. The people will look carefully at the Government's proposals. They will look carefully at the Government's reaction to this debate and to their plea. Ancoats still means a lot to many people. I ask the Minister to use her office to get the bodies involved together to consider re-opening Ancoats hospital.

11.53 pm

Mr. Ken Eastham (Manchester, Blackley) *rose*——

Mr. Deputy Speaker (Sir Paul Dean): Order. Does the hon. Member have the agreement of the hon. Member for Manchester, Central (Mr. Litherland) and of the Minister to intervene?

Mr. Litherland *indicated assent.*

The Parliamentary Under-Secretary of State for Health and Social Security (Mrs. Edwina Currie) *indicated assent.*

Mr. Eastham: I pay tribute to my hon. Friend the Member for Manchester, Central (Mr. Litherland) for his vigilance and attention to the difficult problem with which he has been dealing over the past few weeks. The dedicated staff of Ancoats have shown, with my hon. Friend, their determination to fight this battle with the Department and the regional health authority. My hon. Friend has received little consideration from the regional health authority in the representations that he has made. We are extremely disappointed and our only option is to turn to the Minister in the hope that there will be some form of reconciliation and reconsideration.

[Mr. Eastham]

The closure of Ancoats hospital will not improve the casualty services for the central or northern part of Manchester, which I have the honour to represent. The Minister will be aware from the brief that casualties will be transferred to the Crumpsall hospital in north Manchester, in my constituency. Crumpsall hospital is over 110 years old. It is obsolete and has many problems.

The closure of Ancoats hospital will compound those problems. It will also cause problems to casualties because of transfer difficulties. Time is of the essence when people are in desperate need of medical attention. When one considers the peak periods of traffic and the normal congestions, the resultant delays to some of the emergencies may be extremely important. There may be a price to pay—fatalities.

If the regional health authority decided to go ahead to close Ancoats, one would have thought that proper prior arrangements would be made. However, no such arrangements have been made. All that has been said is that Manchester Royal infirmary and Crumpsall will take the extra casualties.

In my correspondence with the regional health authority I have already pointed out the problems at Crumpsall. It has said that it intends to allocate an extra £250,000 to improve the inadequate casualty provision at Crumpsall. It would have been logical if, first and foremost, the authority had made arrangements concerning the building needs and then made the decision to transfer casualty services. Unfortunately, the authority has allocated the money far too late and one wonders what will be obtained for that £250,000.

Mr. Michael Portillo (Enfield, Southgate): The Minister will not have much time to reply.

Mr. Eastham: The Minister will have plenty of time; we are dealing with only one hospital.

I hope that the Minister will not say that the Government have allocated £17 million for the first phase of the rebuilding programme. We already know that. But it will be two or three years before Crumpsall will be in an adequate state. We are worried about the present position. Provisions are inadequate at the MRI and at Crumpsall and thus all kinds of stresses and strains are being placed on the services in Manchester.

I hope that the Minister will not say that the Government are improving the National Health Service in Manchester and the north-west — that is not true. Everyone in the city will condemn such a statement from the Minister. I hope that he will reconsider this matter with a view to saying that a mistake may have been made and a new instruction will be given to the regional health authority.

11.58 pm

The Parliamentary Under-Secretary for Health and Social Security (Mrs. Edwina Currie): I congratulate the hon. Member for Manchester, Central (Mr. Litherland) on his success in the ballot that gives us a brief opportunity to discuss what is happening at Ancoats and what the district and regional health authorities are proposing.

I join the hon. Gentleman in his tribute to Sir Harry Platt, who died recently. He was probably one of the most distinguished people in medicine and surgery that the country has ever produced. He was held in great affection and will be sadly missed.

I appreciate also the comments of the hon. Member for Manchester, Blackley (Mr. Eastham). I am sure that the issues that he has raised will be taken into account by the district health authority and the regional health authority in the formal consultation, which is yet to begin, on the proposals that are now before them.

Ancoats hospital was opened in 1828 and has seen various changes during its lifetime. The accident and emergency department was opened in 1971 and, as has been rightly said, in 1985 there were about 27,000 new attendances there and nearly 40,000 attendances in all. However, A and E is not the only work done at the hospital. The bulk of the work done there is trauma and orthopaedic, with over 100 beds, and it is highly valued. It is linked with the rheumatology work.

The problem that faces the district and regional health authorities is to determine how Ancoats is to continue serving the community of the hon. Member for Manchester, Central. It is a small site, and it is bounded on three sides by factories and the Rochdale canal. There are major roads—Old Mill street and Pollard street—at the back and the front of the hospital, and that rather limits what one might like to do in a modern hospital on any rebuilding. Secondly, although a housing estate is across the road, the area is zoned by Manchester city council as an industrial and commercial improvement area. Therefore, one might expect that the population shift that has rather denuded some of the area will not be halted and may well continue.

Most important, the hospital lacks the back-up facilities that a modern accident and emergency facility requires. There is no intensive care unit, no coronary care unit and no blood bank. There are no general surgery beds or general medical beds. All such patients requiring hospitalisation require transfer to other hospitals if they come in through the A and E department at Ancoats. They have required such transfer for some time.

There are other A and E departments in the north Manchester district, especially at North Manchester general hospital and Booth Hall children's hospital, both of which have been quite busy. Booth Hall typically deals with about 22,000 or 23,000 attenders and the North Manchester general hospital has been dealing with over 40,000. The facility at Ancoats has been one within the area but not the major one.

Ancoats cannot admit emergency cases to medical or surgical beds and the ambulance service tells us that it cannot guarantee that roads will be clear and that swift transfer will be possible. This obviously might involve some risk to patients. I take the points that the hon. Member for Manchester, Central has made about the ambulance service, and I have no doubt that any permanent closure proposals will take that into account.

In 1969, as the hon. Member for Manchester, Central probably knows, the DHSS issued a hospital building note. That was done under a Labour Government. The note gave guidance to health authorities on the planning of accident and emergency services, and there are two particular things that are of interest. It reads:

"An accident and emergency department should be part of a hospital which also provides supporting inpatient beds. The department is primarily concerned with patients who are victims of accidents, including head injuries and burns,

locomoter injuries, thoracic, abdominal and vascular injuries, sudden illness and poisoning . . . Many accident and emergency departments also deal at present with large numbers of casual attenders suffering from minor illnesses or injuries, though care of these should come increasingly within the province of the work of the general practitioner."

That was the guidance that was being issued nearly 20 years ago by a Labour Government. It still seems sensible, and it was an issue before the Ancoats A and E department opened in 1971.

Subsequent reorganisation, which the hon. Member for Manchester, Central rightly described, ended up with the swapping around of beds from the orthopaedic department at the North Manchester general hospital, with the general medicine and general surgical beds going to that hospital instead. As a result, the Royal College of Surgeons, over a period of about 18 months, has been protesting and stating that the surgical facilities are no longer up to the training standards that it would expect.

The hon. Member for Manchester, Central talked about the report of Professor Sherrard including ambiguities and being hasty. I think that the Royal College of Surgeons and I would reject those criticisms. It was hardly hasty as the discussions have been going on over about 18 months. As for ambiguities, I can do no more than quote exactly from the report that Professor Sherrard sent to the Royal College hospital recognition committee, which met on 30 September 1986. He started by describing the A and E department position as "somewhat anomalous". He said that it is "well furnished and equipped" and that it

"is clearly a happy department and the junior staff do acquire knowledge and experience largely by virtue of seeing many patients, together with some minimal tuition but the teaching is not adequate. It may well be improved when the new consultant comes into post"—

of course, we now have that—

"but the situation as the whole of the department is a very unsatisfactory one. At the weekends the SHOs are virtually on their own, and if they receive General Medical or Surgical patients in dire straits, there is no one but them to look after them or keep them alive, or even to decide about their transfer. I was told that ambulances could take as long as 2 hours to come for such a patient. The A & E SHOs themselves were very unhappy about the situation and it is probably only a matter of time before a serious problem occurs that might have medico-legal consequences. There is no feedback mechanism by which the Casualty Officers know whether the diagnosis and management they have made was correct in respect of non-Orthopaedic cases. There is no observation Ward . . . A possible rotation between the A & E Department at Ancoats and North Manchester General Hospital would improve things, but would still not make the Ancoats section acceptable or satisfactory."

He concluded his report as follows:

"Recognition should be withdrawn forthwith from the A & E posts when the holders who are about to commence in August 1986 have completed their term of appointment. The A & E service should cease by the closure of the department for that purpose and the patient load transferred, either to Manchester Royal Infirmary or to the North Manchester General Hospital. North Manchester General Hospital will need to have an immediate temporary expansion and SHOs at Ancoats could transfer to that hospital — which would be an improvement, both as regards training and economy."

Mr. Litherland: I also have the document from which the hon. Lady has been reading. Has she seen the letter which highlights the ambiguities in that report? If not, shall I send her a copy?

Mrs. Currie: I would be delighted to receive anything that the hon. Gentleman wants to send me. I merely say that what I have read is about as unambiguous as anything could be.

As on 25 November 1986 the Royal College of Surgeons withdrew recognition for the training of junior medical staff from 1 February 1987, the district health authority had very little choice, except as an emergency and on the temporary procedures, but to close the A and E department from 1 February 1987. Procedurally the closure is temporary while consultation takes place. I understand that the district health authority hopes to approve a document about the form of consultation at its meeting tomorrow.

I have to say to the hon. Gentleman that in these circumstances no junior doctor in those specialties can work in that A and E section. The only way it can be staffed with medical staff is by consultants and by general practitioners. Both of those possibilities, I understand, are covered in the consultation document of which I have had foresight.

It follows, therefore, that the old A and E department is not an option. No responsible authority and no doctor would or can ignore the Royal College of Surgeons. It is not a question of absolving myself from the responsibility. The Royal College of Surgeons sets the standards for us and we have to take note of them. We should be looking to the future and trying to ensure that the legitimate needs, requirements and requests of the hon. Gentleman's constituents are met, both for accident and emergency provision and for everything else.

My hon. Friend the Minister of State was apprised of the position when he was in the neighbourhood on 10 February. He met the leader of the protest group, Mrs. Anne Dobson. He is taking a close interest in what is going to happen.

The hon. Member for Blackley asked me not to say that we have a lot more money going into the neighbourhood. He knows that that is true. He knows that spending in North Manchester has grown from £47 million to £54 million last year. I believe he knows that £50,000 extra has recently been allocated for waiting list money in that neighbourhood, which will help a large number of patients, and £450,000 extra from the RAWP bridging fund to enable that district, and many other districts in that region, to catch up better than they have been able to do.

Last week my hon. Friend the Minister of State announced the approval in principle of a £17·5 million phase 1 redevelopment at North Manchester general hospital, and part of that redevelopment will be the new accident and emergency department. The extension will be opened in September, and in its consultation document the DHA proposes that that development should be its top priority. We hope that the result will be a vastly improved accident and emergency service for the north Manchester district that should take into account many of the worries of the hon. Gentlemen who have spoken in the debate.

Question put and agreed to.

Adjourned accordingly at ten minutes past Twelve o'clock.

House of Commons

Wednesday 11 March 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

GRAMPIAN REGIONAL COUNCIL (HARBOURS) ORDER CONFIRMATION BILL

Lords amendments agreed to.

Oral Answers to Questions

SCOTLAND

Golden Wonder Factory, Broxburn

1. **Mr. Robin Cook** asked the Secretary of State for Scotland what reply he has received from the management of the Dalgety group to his expression of concern at the social consequences of the closure of the Golden Wonder Factory at Broxburn.

The Parliamentary Under-Secretary of State for Scotland (Mr. Ian Lang): The managing director of Dalgety UK Ltd has made it clear that the company is not prepared to reverse its decision. However, he has expressed a commitment to considering alternative uses for the Broxburn facility which would alleviate the unemployment consequences of the decision to cease crisp manufacture.

Mr. Cook: Will the Minister recognise that many of us find it distasteful that a new management which has owned the company for only three months should, without consultation, dismiss a work force, some of whom have served the factory for 20 years? In his discussions with Dalgety, will he make it clear to the company that if it does not intend to run the factory as a crisp-making centre, it would be wholly unacceptable for it to refuse any genuine offer to take the factory over as a going concern and thereby save 350 jobs in a travel-to-work area where unemployment is already over 20 per cent?

Mr. Lang: I shall happily relay that message to the company. Like the hon. Gentleman, I regret the lack of prior consultation which is always desirable in such circumstances. However, I am glad to be able to remind the hon. Gentleman that there has been a net increase of 3,000 jobs in the Livingston area in the past two years, and that manufacturing employment remains at the 1979 level.

Sir Alex Fletcher: Does my hon. Friend accept that although Dalgety has every right to rationalise its own manufacturing capacity, it has no right to attempt to stifle competition by refusing to entertain offers from potential competitors, particularly in an area of high unemployment? Has my hon. Friend had a satisfactory response from Sir Peter Carey, the chairman of Dalgety and a former champion of regional policy?

Mr. Lang: I have been in touch with both Sir Peter Carey and with Mr. Maurice Warren the managing director of Dalgety UK Ltd. I must say that I have not had a satisfactory reply. I share my hon. Friend's view that it is desirable that the facility should be made available to an alternative user who will maintain employment in the area.

Mr. Dalyell: What exactly did Sir Peter Carey say?

Mr. Lang: Sir Peter Carey passed the matter over to Mr. Maurice Warren.

Mr. Allan Stewart: Is my hon. Friend aware that the Dalgety group also owns the Spillers factory in Barrhead which has an outstanding record in production, industrial relations and new investment? In his discussions with Dalgety, will he reinforce the Scottish Office commitment to the success of that factory and explore possibilities for expansion?

Mr. Lang: My hon. Friend is absolutely right to draw attention to the successful factories also operated by the group in other parts of the country. Major companies of this kind have made notable contributions to the Scottish economy.

Mr. Wilson: Is this not yet another case of a company in Scotland being closed down to facilitate company strategy elsewhere to the disadvantage of a Scottish work force? What industrial strategy do the Government have to deal with such cases?

Mr. Lang: The hon. Gentleman is absolutely wrong. Golden Wonder — Dalgety — also closed a factory at Long Buckby in the south.

Mr. Dewar: Does the Minister not agree that it would be shameful if Golden Wonder was to block any offer for the factory as a going concern? Will he take it from the Opposition that it is not good enough simply to say that he will relay the message from my hon. Friend the Member for Livingston (Mr. Cook)? That is all right as far as it goes, but we want that same message to come very forcefully from Ministers. It is quite unsatisfactory that the fate of 350 employees at the plant should be passed around like a paper parcel between executives in the way that the Minister has described. Can he assure us that he is making the point strongly to the company that the Government will deeply resent any attempt to block any purchaser who wishes to maintain the factory in its present industry?

Mr. Lang: I am sure that the company is in no doubt about the Government's view of the matter. My officials and the local authorities remain anxious to consult the company on the best alternative use of the facility.

Springburn

2. **Mr. Martin** asked the Secretary of State for Scotland what steps he is taking to bring more employment to Springburn.

Mr. Lang: The full range of the Government's employment, enterprise and training measures, which have recently been extended, are already available in Springburn. In addition, good progress is being made with

discussions on a local economic intiative, involving the Scottish Development Agency, based principally on measures intended to create new employment in the area.

Mr. Martin: By the end of the month, the work force in the main industry — railway workshops — will be reduced to 300. That contrasts with the community of 10,000 people who used to work in that industry. Last year, the Minister promised an initiative for Springburn, but not one job has come to my community. In Springburn and the surrounding areas, there are young people who have never had decent jobs. If the Minister will not deliver jobs, he should resign.

Mr. Lang: We are anxious to get the initiative off the ground and have been trying to do so. Broad agreement has now been reached on the component parts of the initiative, but as the hon. Gentleman knows it involves not only the Scottish Development Agency and British Rail Engineering Ltd, but the local authorities, the Manpower Services Commission and the Glasgow Opportunities Enterprise Trust. It has been difficult to get the scheme off the ground, but I hope that progress can now be made.

Mr. Henderson: In view of the long and historic association between Springburn and the railway system, does my hon. Friend believe that employment there would be greatly improved if British Rail would run an efficient, reliable, and clean service that met the needs of the people of Scotland?

Mr. Lang: My hon. Friend is right. It is also fair to say that the running of the engineering workshops must be a matter for BREL, and it is right for that company to try to provide a competitive and efficient service. It is the intention that part of British Rail's light maintenance of rolling stock should be carried out at BREL after 1 April.

Caterpillar Tractor Co.

3. **Mr. James Hamilton** asked the Secretary of State for Scotland if he will give the up-to-date position regarding the proposed closure of the Caterpillar Tractor Co, Tannochside; and if he will make a statement.

The Secretary of State for Scotland (Mr. Malcolm Rifkind): I regret to say that the company's decision to close the plant remains unchanged. Work is in hand aimed at exploring all possibilities for retaining manufacturing operation and employment facility. In this connection, officials of the Industry Department for Scotland and the Scottish Development Agency are discussing with Caterpillar the preparation of a detailed profile of the facility with a view to marketing it, if this proves necessary, to potential users within the United Kingdom and abroad.

Mr. Hamilton: Is the Secretary of State aware of reports that a circular letter has been sent to all the employees in the factory saying that if they do not stop their illegal sit-in they will receive notice to quit their jobs without redundancy payments? When will he have the meeting which he promised the workers he would have outside the factory? As it is in my constituency, I want to be at that meeting. Lastly, it is reported that two companies are interested in the factory. What is the truth of the matter and what are the prospects?

Mr. Rifkind: I do not recall agreeing to a meeting outside the factory. I told the workers whom I met last week and who invited me to visit the factory that I have no objection to visiting the factory but cannot do so while the unlawful occupation continues. I am sure that the hon. Gentleman understands the relevance of that consideration.

I am aware of the circular that has been distributed by the company. Obviously, the work force will wish to consider that factor. We must also consider the extent to which the attraction of alternative users of the plant, should that prove necessary, is being helped or hindered by the continuing occupation of the plant.

Mr. McQuarrie: Does my right hon. and learned Friend agree that the Caterpillar management's treatment of the work force, the Government and him especially, is disgraceful? Does he further agree, with regard to the comments that he made when he was subjected to that disgraceful treatment, that if there is any possibility of an offer being made from the work force or any other source, he will consider sympathetically giving Government aid towards getting the project off the ground and saving those 1,200 jobs?

Mr. Rifkind: The company's attitude to the work force is the cause of greatest concern because it was informed by the company that the plant had a future. I can happily confirm that if there were alternative proposals for the continued use of the plant, which would give it a prospect of viability, obviously the Government would be willing, in the normal way, to see whether some financial contribution through regional policy was able to assist the fulfilment of that objective.

Mr. Strang: Will the Secretary of State acknowledge that there was some surprise at the reported remarks of his hon. Friend the Member for Galloway and Upper Nithsdale (Mr. Lang) that the workers should give up their occupation so that officials could visit the plant? Is he aware that when he spoke of the determined efforts of the work force when he met it last week, he was reflecting the aspirations of all Scottish people? Will he assure the House that he stands by what he said to the work force last week and will continue to support the whole of Scotland in its support for the work force's stand?

Mr. Rifkind: I stand by everything that I said to the work force last week. Indeed, there was nothing inconsistent between that and what my hon. Friend the Member for Galloway and Upper Nithsdale has also said. We have emphasised that if it should prove necessary to seek to find an alternative user of the plant, the presentation of a profile of the plant becomes extremely difficult if it is not possible to visit the plant because its lawful owners are denied access to it. I know that the work force is having to consider the implications of those considerations. We are all anxious to make progress in this matter and one has to consider a sensible judgment as to whether continuing occupation of the plant is in the interest of the work force itself with a view to alternative users being identified and attracted to Uddingston to provide long-term employment.

Mr. Hirst: I assure my right hon. and learned Friend that the whole of Scotland admires the vigorous way in which he has stood up to the Caterpillar management. However, if the United States management of Caterpillar does not change its mind about the closure, can he remind the House yet again that the Government will spare no effort in making resources available to find alternative

employers to come to Uddingston? Does he agree that in those circumstances a prolonged occupation of the factory could deter an alternative employer?

Mr. Rifkind: I thank my hon. Friend for his opening comments and would add only that Mr. Gavin Laird and Mr. Jimmy Airlie expressed similar, if not identical, observations after my meeting with them. I certainly confirm the additional points made by my hon. Friend.

Sir Russell Johnston: May I press the Secretary of State on the question of assistance to alternatives? If, for example, no alternative buyer was found and a workers' takeover was demonstrated to be a commercial proposition, would the Secretary of State, in those circumstances, be prepared to produce money? Will he say to Caterpillar that it would be a clement act, considering the genuine criticism to which it has been subjected, if it released the tractor over which it is playing silly legal games?

Mr. Rifkind: The ownership of the tractor is a legal matter and it is not for me to comment on it. On the hon. Gentleman's earlier comments, we are interested in a long-term commercially viable proposition for the continuation of the plant and we would be interested in assisting any proposal that was likely to prove commercially viable so far as it was within our power to do so.

Mr. Dewar: In his initial reply, the Secretary of State said that the position of the employer, the Caterpillar Tractor company, remained unchanged and put considerable emphasis on the work being done to prepare a profile of the plant. Does that mean that he is still pressing the company for a change of mind? As a static position is of little help in that respect, is he taking any positive initiative to try to bring it about? As the time scale is important, given the genuine and general anxiety and, indeed, anger at the way in which the company has acted, will he undertake to come back to the House and, in the form of a statement, report progress so that we may know how negotiations with the company, if any, are progressing and, if the reply is disappointing, so that he will have a chance to outline the alternative proposals he has for the plant?

Mr. Rifkind: I have not accepted, and still do not accept, the inevitability of Caterpillar's withdrawal from the plant and I shall continue to use every opportunity to try to persuade Caterpillar to reconsider its decision. However, clearly, it would be foolish to suggest that it is likely to do so in the absence of any new information or new consideration. Nevertheless, one will seek to use any opportunity to persuade it to reconsider the decision it has reached.

It is also in the interest of the work force and suppliers to that plant to explore simultaneously other possible uses of the plant, because we must accept at least the strong possibility that there will not be a reversal of the decision by the ownership of the company. To put all our eggs in that particular basket might be an unwise proposition, most of all from the point of view of the work force itself.

North Lanarkshire (Unemployment)

4. **Mr. George Robertson** asked the Secretary of State for Scotland by how much unemployment in North Lanarkshire has risen since May 1979.

Mr. Lang: Between May 1979 and January 1987 unemployement rose from 15,531 in the former North Lanarkshire travel-to-work area to 35,089 in the new Lanarkshire travel-to-work area. As a result of changes in the travel-to-work area boundaries and in the method of the count, those figures are not comparable.

Mr. Robertson: While the outrage of Caterpillar dominates the dismal picture that the Minister has highlighted, is he aware that there are other examples in that area of conglomerates pulling out and abandoning ship, for example, Reyrolle Belmos in my constituency, where Northern Engineering Industries is simply abandoning the area, and 40 years of local history, and taking with it all the tools, machinery, drawings and brand names, as well as 300 jobs? It is also blocking any possibility of anybody else taking over the factory. For how long will the Minister and the Government allow our industrial life-blood to drain away before taking any action to stop it?

Mr. Lang: The company has taken a commercial decision based on its perception of the demand for its products in power stations, but I can assure the hon. Gentleman that our attempts to help the area are reflected in the substantial Motherwell and Coatbridge projects, with a budget of around £57 million in the Motherwell project, which has been extended to 1990. That has attracted £80 million of private sector finance and helped to create or safeguard more than 4,000 jobs.

Dr. Bray: Did the chairman of the British Steel Corporation volunteer the closure of hot-rolled coil capacity at Ravenscraig in the present Eurofer round? Has that offer now been withdrawn as contrary to the Government's commitments at Ravenscraig and elsewhere?

Mr. Lang: I am not privy to the deliberations of Eurofer, but the hon. Gentleman will be aware of the commitment given again recently by my right hon. Friend the Secretary of State for Trade and Industry, that we remain committed to a five-integrated-plant plan for BSC, and that nothing can be done to prejudice the subsequent decision before 1988.

Crofters (Community Charge)

5. **Mr. Donald Stewart** asked the Secretary of State for Scotland what representations he has received on the financial effect on crofters arising from the introduction of community charge.

The Parliamentary Under-Secretary of State for Scotland (Mr. Michael Ancram): My right hon. and learned Friend the Secretary of State has received representations on that matter from the Western Isles islands council, the Crofters Commission, the National Farmers Union of Scotland the Scottish Crofters Union and the Harris Council of Social Service, as well as from a number of individuals in the crofting areas.

Mr. Stewart: Is the Minister aware of the concern and resentment felt throughout the crofting community at the imminent disappearance of the rating control concession under the poll tax legislation? Is he further aware that the factors that gave rise to that in the first place still exist to the same extent, and were accepted by a previous Conservative Administration and, indeed, have been by all

Governments since? Are we to believe that the present occupants of the Scottish Office are more hard-nosed and uncaring than the Conservatives in 1956?

Mr. Ancram: I congratulate the right hon. Gentleman on his mischief in raising the issue, which he knows from the Standing Committee on the Abolition of Domestic Rates etc. (Scotland) Bill splits the Labour party in three ways. The present relief attaches to property rather than to the individual. The new charge that is being introduced is a personal charge, and the rebate system that we intend to introduce will make sure that those on low incomes are sufficiently protected.

Mr. Michael Forsyth: Will my hon. Friend confirm that when it comes to being hard-nosed towards crofters, the policy of a local income tax that is espoused by the Scottish nationalists and the Liberals would be far more damaging than the community charge because of the narrowness of the tax base? Is it not double standards on their part to complain about something that will be to the benefit of their constituencies?

Mr. Ancram: I agree with my hon. Friend. I would go further and say that the type of relief that is being sought by the right hon. Gentleman and by other hon. Members would be given to people in a specific category. Some of them might benefit from it and some of them would not need it. I call in evidence the words of Mr. Brian Wilson, who I believe is a Labour candidate. Writing in the *West Highland Free Press* on Friday 27 February, he said:

"It simply is not on to introduce, in 1987 a new scheme which gives the well-paid schoolteacher with crofting status a 25 per cent. tax rebate, while the pensioner next door in a non-croft house is hit for the full whack."

That is a sensible approach.

Mr. Wallace: Does not the example that the Minister has given underline the indiscriminate way in which the poll tax will affect people? A local income tax is by far the fairest way by relating liability to one's ability to pay.

Mr. Ancram: I should be interested to hear what figures the Liberal party can produce about how a local income tax would work. On the figures that we have produced, the impression is that anybody earning over £112 a week as a single earner would end up paying more in local income tax than he would in community charge.

Gross Domestic Product

6. **Mr. Fallon** asked the Secretary of State for Scotland what proportion public expenditure represents of the Scottish gross domestic product.

Mr. Rifkind: Identifiable public expenditure in Scotland in the financial year 1985-86 was 48 per cent. of Scottish gross domestic product at factor cost in the calendar year 1985.

Mr. Fallon: Can my right hon. and learned Friend confirm that for every £4 of public expenditure south of the borders about £5 is spent north of the border? *[Interruption.]*

Dr. Godman: The hon. Gentleman should get his hands out of his pockets.

Mr. Speaker: Order. The hon. Gentleman has as much right as a Scottish Member to raise this matter.

Mr. Fallon: To what does my right hon. and learned Friend attribute this extraordinary difference? Is it the automatic element in the block formula, or is it his own formidable lobbying skill at the Treasury?

Mr. Rifkind: I know that my hon. Friend visits Scotland quite frequently. He will know that although the population of Scotland is a relatively small fraction of that of the United Kingdom, the land mass of Scotland is a far higher proportion than the population would imply, and therefore requires somewhat disproportionate expenditure on, for example, roads and transport, and because of the special circumstances of the islands of Scotland, which have specific requirements. Therefore, rather crude comparisons of the kind that my hon. Friend makes are not entirely appropriate.

Mr. Roy Jenkins: As it is the Government's desire to reduce public expenditure as a proportion of gross domestic product, and as the Government regard public expenditure as an albatross around the neck of private industry, does the right hon. and learned Gentleman regard the public expenditure level in Scotland as an achievement or as a failure?

Mr. Rifkind: I can tell the right hon. Gentleman that the proportion that I mentioned has actually gone down over the last few years. Therefore, I consider the level an achievement.

Mr. Fairbairn: Does my right hon. and learned Friend appreciate that one reason for the excellent level of public expenditure in Scotland compared to that in England is that the mother of my hon. Friend the Member for Darlington (Mr. Fallon) lives in my constituency, and it is spent on her? I do not understand his complaint. Will my right hon. and learned Friend make sure that the message is spread that the quality of life in Scotland is infinitely better, thanks to him and his fellow Ministers, and that more people could live there and commute to the south than the other way round?

Mr. Rifkind: My hon. and learned Friend is correct. The definition of public expenditure that I used in my reply to my hon. Friend the Member for Darlington (Mr. Fallon) is of identifiable public expenditure as a whole and not merely that of the Scottish Office, and does include transfer payments of the kind to which my hon. and learned Friend refers.

Mr. Douglas: Can the Secretary of State confirm that we are talking about public authority current expenditure on goods and services and, of course, about gross domestic capital formation, and part of that is public expenditure?

Mr. McQuarrie: That is big talk.

Mr. Douglas: The hon. Member for Banff and Buchan (Mr. McQuarrie) says that that is big talk, but he ought to remember that, like me, he is only a wee fellow.

If the Secretary of State wants to go further, will he tell us about the jobs related to that public expenditure and the essential services and about the infrastructure that is created by it and which is essential to Scotland's economic progress?

Mr. Rifkind: Throughout the United Kingdom, public expenditure supports a certain level of employment. The hon. Gentleman will be aware that a previous Labour Government came to the conclusion that one could not

expect public expenditure to answer the questions of unemployment. The country as a whole now fully appreciates that.

Scottish Development Agency

7. **Mr. Knox** asked the Secretary of State for Scotland what has been the total expenditure by the Scottish Development Agency since its inception.

Mr. Rifkind: On the assumption that provision for 1986-87 is fully spent, the Scottish Development Agency will have spent at the end of March a total of £1·03 billion in the period since it was formed.

Mr. Knox: Can my right hon. and learned Friend say how much the agency has spent on average, each year, since the Government came to office and how that expenditure compares with the amount spent on average, each year, under the Labour Government?

Mr. Rifkind: I cannot immediately give an average figure, but what I can say is that, in constant prices, the gross expenditure of the Scottish Development Agency has gone up both in cash terms and in constant prices. I believe that that is a measure of the great significance that the Government attach to the role of the agency in dealing with the economic and infrastructure problems of Scotland. That important role was recognised in a recent review of the agency carried out some months ago.

Dr. Godman: It is reported that, following the deal with Trafalgar House over unused land, the Scottish Development Agency will spend several million pounds on the redevelopment of unused land for new industrial sites. I take it that that money is in addition to the financing of the Inverclyde initiative. Will the right hon. and learned Gentleman now sanction an increase in the staff of the Inverclyde initiative? Will he now respond to my request for consultancy support for the Inverclyde initiative?

Mr. Rifkind: The hon. Gentleman's latter point concerns detailed matters that are currently under consideration. I am sure that the hon. Gentleman joins me in expressing pleasure that the discussions, which the Government authorised the agency to have with Trafalgar House, have led to such a great success. I am aware that when the Inverclyde council came to see me it correctly pointed out that the availability of land for potential investors was the single most important consideration in achieving the regeneration of Inverclyde. Now that over 40 acres of land have been released as a result of the arrangements with Trafalgar House, it will enable the SDA, which in agreement with the Government, attaches great priority to the regeneration of the area, to prepare the land for potential investors from other parts of the country and from overseas.

Mr. Pollock: Does my right hon. and learned Friend agree that the SDA has an important, positive role in rural coastal seats, such as my constituency, and in the central belt? Is my right hon. and learned Friend aware that, at present, the SDA has undertaken to help to try to regenerate the somewhat parlous economy of Buckie, which is facing problems? Will he ensure that the agency is given adequate resources to do what it deems to be necessary?

Mr. Rifkind: I happily confirm what my hon. Friend said. The SDA has a role to play throughout the whole of Scotland. Indeed, it is estimated that some 25 per cent. of its expenditure is within the rural as opposed to the industrial areas of Scotland.

Mr. Canavan: What proportion of SDA expenditure has been spent on environmental, tourist, hotel and prestige projects, such as the garden festival, and how much has been spent on genuine public investment in industry? Such investment was one of the key roles for the SDA when it was set up by the Labour Government.

Mr. Rifkind: I believe that the hon. Gentleman is mistaken in trying to draw a distinction between what he chooses to call the genuine role of the SDA and that which he presumably believes to be of no great significance. He should be aware that, to many parts of Scotland, the tourist industry is of great economic significance. He will also appreciate that people are interested in finding jobs and his rather superficial and spurious distinction is of little relevance to the needs of Scotland.

Mr. Maxton: In view of the answer that the Minister gave to his hon. Friend the Member for Staffordshire, Moorlands (Mr. Knox) can the Minister explain how it is that at 1986-87 prices SDA expenditure was £133·2 million, for the coming year it will be £131 million, while in 1979-80, the last year of the Labour Government, expenditure was £134 million? How does the present figure represent an improvement?

Mr. Rifkind: I must say to the hon. Gentleman that the last full year of the Labour Government was 1978-79 and the figure then was £124 million. I hope that the hon. Gentleman has noted the remarks made by a large number of American companies which have studied the role of the SDA and identified the SDA, as reformed by the present Government, as the most successful agency of its kind anywhere in western Europe. Those companies went on to say that the prospects for further investment in Scotland were splendid and could only be marred by the return of a Labour Government. That was not the view of politicians, that was the view of overseas business men whom we are seeking to persuade to invest in Scotland.

Mr. Kirkwood: In the absence of any properly co-ordinated rural development agency north of the border —as the Secretary of State will know, such an agency is available to places such as Northumberland south of the border — will the right hon. and learned Gentleman consider giving the Scottish Development Agency a modest increase in funds so that it can begin to play a part in the current debate in Scotland about new development and alternative uses of land in rural areas? With modest funds, a rural development agency in Scotland could provide significant help.

Mr. Rifkind: The Scottish Development Agency already carries out such a role. The hon. Gentleman should be aware of two proposals, development of rural area workshops — DRAW — and programme for rural initiatives and developments — PRIDE — which have already involved significant investment in various rural areas in Scotland, including, I suspect, the hon. Gentleman's constituency.

Mrs. McCurley: I congratulate my right hon. and learned Friend on yesterday's announcement about the Inverclyde initiative. I add my warm congratulations in

respect of the part played by the SDA in breaking the logjam in Inverclyde, which will enable the initiative to take off at a great rate.

Mr. Rifkind: I thank my hon. Friend. She is absolutely correct. All those who know Inverclyde know that non-availability of land was proving to be one of the most serious obstacles to progress. That obstacle has now been removed.

Fine Defaulters

8. **Mr. Norman Hogg** asked the Secretary of State for Scotland what proportion of the present prison population is made up of fine defaulters; and if he will make a statement.

Mr. Lang: The latest available figures are for December 1986 when approximately 4·5 per cent. of the average daily population in Scottish penal establishments were fine defaulters.

Mr. Hogg: I thank the Minister for that reply, but does it not show that there is a continuing crisis in the Scottish prison system? What steps is he taking to ensure that this problem is met, so that the offenders are dealt with under the original sentence that they receive and not under this secondary imposition? Surely, this displays a very unhealthy situation in the prison system.

Mr. Lang: The hon. Gentleman may know that about 78 per cent. of sentences passed in 1985 involved fines. The vast majority of those fines are paid. But it is necessary to preserve some sanction of imprisonment to sustain the credibility and effectiveness of fines. We have introduced fine enforcement officers in sheriff courts, and it is hoped that this will relieve the problem arising from fine defaulters.

Mr. John Mark Taylor: Does my hon. Friend agree that fine defaulters are customarily given every tolerance by the courts, so he can safely say that those who are in prison are those who are defiant or even contemptuous of their liabilities?

Mr. Lang: My hon. Friend has underlined the point that I made. We need the sanction of imprisonment to support the effectiveness of fines. Only about 7·5 per cent. of those who are fined end up in prison and they are there for only short terms.

Mr. Hugh Brown: Given the recent serious disturbances in the Scottish prisons, would the hon. Gentleman agree to some kind of inquiry — public or otherwise — to investigate the possibilities of reducing the number of fine defaulters in prison and of imposing more non-custodial sentences?

Mr. Lang: That point certainly justifies further exploration. As I have said, we have introduced fine enforcement officers. So far, there are 12 in place and there are to be three more. The success of this arrangement will be evaluated by the Scottish Office central research unit. During the past three years, community service orders have been used increasingly, and they should also help to relieve the problem.

Mr. Fairbairn: Will my hon. Friend look urgently at the possibility of having a much simpler regime for fine defaulters so that they do not have to go through the rigidity of admission and release, which is absurd for people who are merely being detained until they pay a fine?

Mr. Lang: Yesterday, my hon. and learned Friend the Solicitor-General for Scotland explained in some detail how the Debtors (Scotland) Bill, which is before the House, will provide for more efficient methods of arresting the earnings of a debtor in the hands of his employer. I hope that this, too, will help to relieve the problem.

Mr. Tom Clarke: Has the Minister considered the important report on this matter by the Association of Directors of Social Work in Scotland, which takes into account the fact that nearly half of those admitted to prison come from this category? Is the hon. Gentleman prepared to consider the alternatives proposed by the association?

Mr. Lang: I have just received that report, which is being closely studied. As the hon. Gentleman knows, it was published only a couple of weeks or so ago.

Food Aid

9. **Mr. Home Robertson** asked the Secretary of State for Scotland what estimate he has of the costs incurred by voluntary organisations in Scotland on the administration, distribution and handling of free food for the needy from European Economic Community intervention stocks.

The Parliamentary Under-Secretary of State for Scotland (Mr. John MacKay): Costs incurred for the delivery of foodstuffs to the charities' distribution points are, within limits reimbursable. I have no estimate of the other costs incurred by the voluntary organisations.

Mr. Home Robertson: Is the Minister aware that we welcome the admission by the Government that there are a lot of needy people in Scotland? We also welcome the principle of distributing the surplus food. Obviously we are all grateful to the voluntary organisations for the splendid job that they have done. However, will he accept that there have been significant problems in the distribution? In view of the substantial cost and the workload involved in the exercise for voluntary organisations in Scotland, will he make contingency plans for public agencies to fund and co-ordinate any future distribution?

Mr. MacKay: Perhaps I may first join the hon. Member in congratulating and thanking the voluntary bodies which have done such a splendid job in distributing the food. I have to remind him that it was a decision of the Commission that the best, quickest and most effective way of distributing the food would be through voluntary bodies and that FEOGA, for example, will reimburse the charities at a rate of £159 per tonne for the repacking into small packs and the transport of butter. There will also be reimbursement for the transport of boneless beef. The charities knew when they took over the job that they would be involved in costs. I believe that they have seen it as a worthwhile job and I do not think they will complain too much about the success of the venture.

Mr. McQuarrie: I am sure my hon. Friend will accept that the voluntary organisations, while they undertook willingly to carry out the work, have not got a bottomless purse. Will he try to ensure that the costs are reimbursed to the Salvation Army, Age Concern and similar organisations, because they do not have funds other than the voluntary contributions of many people? FEOGA and the Commission have plenty of money to reimburse these organisations.

Mr. MacKay: I repeat the point that I made in response to the hon. Member for East Lothian (Mr. Home Robertson) that there will be reimbursement for the cost of distribution to the main distribution points. That is probably the major part of the cost. The Commission has made it clear that the limited costs thereafter will have to fall on the charities themselves. As my right hon. Friend the Minister of Agriculture, Fisheries and Food said in the House the other day, we will be prepared to talk to any charities that have trouble.

Mr. Ron Brown: The Government believe in market forces. If we believe the various statements by individuals who allege that the EEC is wonderful, surely these foodstuffs should be made available in village shops. It is a question of cost. Surely prices should come down. Would it not be better if we withdrew completely from the EEC?

Mr. MacKay: I am not sure whether I have fully understood the hon. Member's question. The Government have long argued for a reduction in support prices under the common agricultural policy, but other member states have not been prepared to agree. Even if we got that, the elasticity of demand for foodstuffs in the European Community would still mean that we had a major surplus problem.

Mr. Bruce: Will not the Minister acknowledge that the problem is not simply one of cost but of physical human resources and that in many areas distribution has been patchy or non-existent because the charities did not have people on the ground? Will he recognise that in future it would be better if such distribution was co-ordinated by local authorities? Further, what will he do for those areas that missed out altogether, and for those individuals who were denied participation?

Mr. MacKay: I am sorry to hear that the hon. Member representing the Liberal party has so little confidence in the voluntary organisations. While I accept that distribution started off rather patchily my information is that it is now in full swing and that many people are giving a lot of time to getting the butter and so on to elderly people. I am sorry to see the hon. Member dissenting because in his constituency, as in others, many volunteers in, for example, the WRVS are doing an excellent job. I am prepared to pay tribute to them, if he is not.

Labour Statistics

10. **Mr. Foulkes** asked the Secretary of State for Scotland what are the five travel-to-work areas in Scotland currently with the highest levels of unemployment; and what special initiatives his Department or the appropriate Government agency has set up in each of the five areas concerned.

Mr. Lang: The five areas are Cumnock and Sanquhar, Forres, Girvan, Irvine and Skye, and Wester Ross. A special initiative for the Cumnock and Doon area is now well under way. All the other areas are assisted areas under the Government's regional policy.

Mr. Foulkes: That is certainly a list that one does not wish to be on. I regret to say that two areas in my constituency are in the top five. Does the Minister appreciate that 400 jobs in the mining industry in Cumnock and Sanquhar have been lost over the past seven years? Although we welcome what is being done following the Coopers and Lybrand report, it is in no way enough to tackle the enormity of the unemployment problem in the Cumnock area. Will the Minister ask the Scottish Development Agency to adopt one of the special initiatives that have been instituted in other areas in Scotland? Girvan, which is No. 3 on the list, does not even have development status. Will the Minister give serious consideration to Girvan's problems, make sure that it is awarded development area status as a matter of urgency, and find some special initiative scheme for the area?

Mr. Lang: I must tell the hon. Gentleman that we have no plans to reconsider the map in the immediate future. The maps were drawn up only two years ago. There is a necessity for stability to enable the situation to be properly assessed. The Cumnock and Sanquhar travel-to-work area straddles the boundary between the hon. Gentleman's constituency and my constituency. I know that he is appreciative of the speed with which the SDA has responded in the case of UK Opticals in Mauchline. I am sure that he will join me in welcoming the successful takeover of Brocks Fireworks in Sanquhar, which has secured a number of jobs, and the establishment of Fisher and Holden in Kirkconnel in my constituency, which has brought 100 new manufacturing jobs to the area.

Mr. Michael Forsyth: Will my hon. Friend confirm that unemployment in each area would be much higher if we were to follow the advice of the Labour party and close down nuclear power stations, thereby putting up electricity prices by 25 per cent., and to allow rates to rip?

Mr. Lang: My hon. Friend is absolutely right. Indeed, almost all the policies of the Labour party seem to be designed to raise unemployment and cause problems for the economy. I have not yet been able to see details of its policy for jobs, announced today. As far as I understand it, the Labour party relies largely on artificial, unproductive public sector jobs, which may be best characterised as postmen going around in pairs.

Mr. Lambie: As the urban travel-to-work area in my constituency is also on the list read out by the Minister, will he see that his officials in the Scottish Office and officials in the Scottish Development Agency realise that something is still needed for the Cunninghame area? Is the Minister aware that the Irvine area received a further blow to unemployment during the week, and one at the weekend, when Marlow Textiles went into receivership, causing the loss of another 100 jobs? Today I heard a rumour that Dawson International, in carrying out the process of rationalisation, is considering closing McKinnon's Textiles in Irvine, which will involve the loss of another 100 jobs. That cannot go on. I do not want the area to top the unemployment list. In spite of all the initiatives coming into the Cunninghame area, the Minister must ensure that officials do something, go to Irvine and try to get more jobs.

Mr. Lang: As the hon. Gentleman may know, I recently had the pleasure of visiting Irvine new town. I spent a considerable time in the area. The hon. Gentleman may welcome the fact that, last month, Scottish-based companies announced projects promising almost 2,000 new manufacturing jobs as a result of orders received. One major inward investment that was recently announced was the establishment of the Finnish paper mill at Irvine, which

will create up to 1,000 direct and indirect jobs in his constituency and a further 1,000 or more jobs in the construction period.

Mr. Pollock: Does my hon. Friend accept that the figure that he gave for Forres is artificially high because of the distortion caused by the presence of RAF Kinloss in the travel-to-work area? Apart from the assisted area status to which he referred, does he recall that, in Elgin last year, our right hon. Friend announced the extension of the Highlands and Islands Development Board boundaries to embrace the Forres travel-to-work area? That was a clear sign of the positive steps that the Government are taking to battle with the problem.

Mr. Lang: I am grateful to my hon. Friend for his welcome to our response in extending the Highlands and Islands Development Board area. It will enable the Forres area to have access to all the resources of the board. I hope that it will assist the unemployment problem in that part of his constituency.

Dundee

11. **Mr. Wilson** asked the Secretary of State for Scotland what steps he intends to take to maintain investment and employment in Dundee following termination of the Dundee project.

Mr. Lang: Development area status, supported by access to the full range of the Government's employment, enterprise and training measures, will help Dundee to attract new investment and jobs. Enterprise zone benefits remain in force until 1994 and major investment by the Scottish Development Agency in projects such as the technology park and the waterfront development guarantee substantial agency resources well beyond the end of the project.

Mr. Wilson: Is the Minister aware that the Dundee project, which is a major investor, comes to a close at the end of this year and that there is considerable worry in the city about what will happen after that event, in terms of the level of cash and the degree of attention that the Scottish Development Agency will give to the city? Does he not realise that unemployment is still at about the 15·5 per cent. level, which is extremely high, and that there is no sign of it abating?

Mr. Lang: The Dundee project has helped to create over 2,000 new jobs and bring over £40 million of private investment into the city. It has undoubtedly been a successful venture. The hon. Gentleman knows that the agency has already stated its intention to maintain an office in Dundee for the foreseeable future. I hope that the hon. Gentleman will give consideration to the Scottish Nationalist party standing down its candidate in Dundee, East as a contribution to its realistic approach to Dundee's problems.

SOLICITOR-GENERAL FOR SCOTLAND

Solicitors (Public Service)

37. **Mr. Foulkes** asked the Solicitor-General for Scotland what responsibility he has for the professional conduct of Scottish solicitors working in the public service.

The Solicitor-General for Scotland (Mr. Peter Fraser): Criminal conduct apart, my noble and learned Friend the Lord Advocate and I are responsible only for the professional conduct of solicitors employed in our own Departments.

Mr. Foulkes: Although I accept that the conduct of solicitors in the Solicitor-General's Department is impeccable, I am sure that the hon. and learned Gentleman will share with me the concern about disciplining solicitors in private practice. He will be aware that many complaints have been made for over a year against Mr. Graeme Adam, a solicitor, but that despite all these complaints Mr. Adam has consistently refused to turn up at auditors' hearings to deal with them. The Law Society has been totally powerless to act. In the meanwhile, Mr. Adam is practising as a solicitor. Is it not about time that the complaints procedure against solicitors was taken out of the hands of the Law Society and dealt with by a proper, independent complaints procedure?

The Solicitor-General for Scotland: I am aware of the case to which the hon. Gentleman refers, but I think that he readily appreciates that that is not a matter that comes within my area of responsibility. If there are problems over Mr. Adam's attendance before the auditor, I think that there are steps that can be taken. The hon. Gentleman is wrong to say that the Law Society is not anxious to pursue the matter. I understand that it is looking at the complaints that the hon. Gentleman and others have made about this particular solicitor. It is for the Law Society to deal with the matter rather than me, unless of course there are indications of fraud by him or any other solicitor.

State Security

38. **Mr. Dalyell** asked the Solicitor-General for Scotland if he will make it his practice, when the Crown Office or procurators fiscal are applying for search warrants in relation to offences under the Official Secrets Act, that all applications be made to a justice of the peace.

The Solicitor-General for Scotland: No, Sir.

Mr. Dalyell: May I ask the Solicitor-General a question of which I gave the Crown Office notice on Monday, to which I hope that there will be a considered reply? By what statutory provision or principle of the common law does he assert that the sheriff has legal authority to grant a warrant that Parliament specifically stated should be granted by someone else? [HON. MEMBERS: "Reading."] Yes, I am reading, because I had the courtesy to give the Crown Office notice.

The Solicitor-General for Scotland: As my noble and learned Friend the Lord Advocate indicated in another place last week, the sheriff possesses magisterial powers under the common law and statute in relation to the issue of warrants. He also said that he was satisfied that the proper procedures for obtaining a search warrant were followed in this case and that the involvement of the procurator fiscal and the sheriff was in accordance with the established law of Scotland. It is true that the hon. Gentleman gave something of advance and public notice of his supplementary question——

Mr. Dalyell: And to the Solicitor-General's Office.

The Solicitor-General for Scotland: Yes, and to my Office, but he went on to say that it was improper or wrong to go to sheriffs because they were beholden to Law

Officers and that it would be more appropriate to go to a justice of the peace. On proper reflection, I hope that the hon. Gentleman will realise that that was a wholly unwarranted slur on the sheriffs in Scotland.

Mr. Fairbairn: Will my hon. and learned Friend advise the hon. Member for Linlithgow (Mr. Dalyell) that if all warrants were granted by justices of the peace rather than by sheriffs they would be very much easier to obtain than they are now?

The Solicitor-General for Scotland: I do not know whether that is so, and I do not think that I can comment on my hon. and learned Friend's point. However, I have already said that I find it extraordinary that the general view seems to be that there is something improper about going to a sheriff to obtain a warrant. That is wholly in accordance with our law. What surprises me is that south of the border, when Opposition Members were contemplating the Police and Criminal Evidence Act 1984 in relation to journalistic material, they sought to ensure that warrants were obtained from more senior judicial office holders rather than from lower ones.

Mr. Dewar: As the Solicitor-General said something rather sharp about the remarks made by my hon. Friend the Member for Linlithgow (Mr. Dalyell) concerning sheriffs, will he take just a second to disassociate himself from the remarks made about justices of the peace by his hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn)? With hindsight, does the Solicitor-General not accept that there are lessons to be learned from the raid on the BBC premises? Was that not heavy-handed, coloured by political considerations and seen by many people as intimidatory in character? Does he agree that, in terms of the independence of the BBC, it is important that "The Secret Society" series of programmes should be screened as soon as possible?

The Solicitor-General for Scotland: The screening of the BBC's programmes "The Secret Society" is entirely a matter for the BBC. As my noble and learned Friend and I have already stated, all the material that the BBC requires for the screening of those programmes has been returned to it. The BBC accepts that fact. If, for some reason or other, the BBC chooses not to screen one or more of those programmes, that is its business. I do not accept that it was intimidatory. The hon. Gentleman first made those remarks when he had not even looked to see what the terms of the petition and the crave were.

On the first point that the hon. Gentleman raised, in relation to the granting of a warrant by justices of the peace, I accept that under particular statutes and, more generally, on occasions it is appropriate to go to justices of the peace. However, I dissent from the suggestion made by the hon. Member for Linlithgow (Mr. Dalyell) that there is something improper or wrong about going to a sheriff. Where a procurator fiscal is involved, that would be the most appropriate course to take.

Mr. Dalyell: On a point of order, Mr. Speaker. In view of the unsatisfactory non-reply to that question, I beg to give notice that I shall seek to raise this matter on the Adjournment.

Forensic Science Services

39. **Mr. Allan Stewart** asked the Solicitor-General for Scotland when he expects to receive the report of the Crown Agents' working party on forensic science services in Scotland; and if he will make a statement.

The Solicitor-General for Scotland: It is expected that the report will be submitted to Ministers by late summer. Given the ever-increasing importance of forensic science in the successful detection and prosecution of crime, I await with interest the conclusions and recommendations of the Crown Agent's working party.

Mr. Stewart: I am grateful to my hon. and learned Friend for that information. Can he say anything more about the focus of the working party's report? Will it concentrate on forensic science services in relation to drug offences or will it cover more general matters?

The Solicitor-General for Scotland: The working party will look at the arrangements for providing forensic science services in Scotland more generally. Clearly, with the increase in drug cases of which my hon. Friend is aware and concerned about, there has been some anxiety that there may be some delay. That matter is being examined as part of the working party's remit. However, I should like to emphasise that it is not a question of the standard or quality of the forensic scientists in Scotland. Rather it seeks to ensure that the provision is as adequately and satisfactorily provided as possible.

Dr. Godman: What part do the police surgeons play in the forensic science services? Is it not time that more women doctors were trained as police surgeons?

The Solicitor-General for Scotland: The specific matter of police surgeons is not part of the working party's considerations. However, I am aware that my hon. Friend the Member for Galloway and Upper Nithsdale (Mr. Lang) has given a parliamentary answer to the effect that although there are only a limited number of women police surgeons in Strathclyde, the Strathclyde police have taken steps to ensure that an additional number are acquired to assist in those sensitive cases in which it would be more appropriate for a woman doctor to undertake the examination.

Licensing Courts

40. **Mr. Henderson** asked the Solicitor-General for Scotland how many prosecutions have been mounted in the last 10 years against councillors who sit on licensing courts despite their spouses being licence holders and who fail to declare an interest when speaking against approval of a licence from another establishment in the same town.

The Solicitor-General for Scotland: There have been no such prosecutions under section 2 of the Licensing (Scotland) Act 1976. Such councillors are not disqualified by virtue of that section from acting as members of licensing boards or from taking part in proceedings before them.

Mr. Henderson: I am grateful to my hon. and learned Friend for his reply. However, does not that suggest that the position of licensing courts may be slightly different from other activities in local government? Will he bear this in mind when future legislation is considered to bring them into line, including cases in which a councillor may live with someone who is not their spouse, in another town?

The Solicitor-General for Scotland: Certainly the position under the Licensing (Scotland) Act 1976 is different from that which obtains under the Local Government (Scotland) Act 1973, where, in the case of married persons living together, the interests of one spouse, if known to the other, shall be deemed for the purposes of the section also to be an interest of the other. However, as my hon. Friend will appreciate, any change in local government legislation or in licensing legislation would be for my right hon. and learned Friend the Secretary of State.

Sheriff Courts (Reckless Driving Charges)

41. **Mr. Robin Cook** asked the Solicitor-General for Scotland if he has any plans to review the role of sheriff courts in hearing charges of reckless driving resulting in a fatality; and if he will make a statement.

The Solicitor-General for Scotland: Crown counsel carefully consider every case and decide, not only whether proceedings should be taken, but whether the case should be indicted in the High Court or the sheriff court.

Mr. Cook: Is the Solicitor-General aware that last year 601 people were killed on Scottish roads but that only two cases resulting in fatality were brought before the High Court? Will he acknowledge the widespread feeling in Scotland that this offence is not being treated with sufficient gravity by the Scottish courts? Will he take this opportunity to remind the courts that any legal proceedings arising from a fatality should be handled with dignity and respect for the feelings of the relatives of the victim?

The Solicitor-General for Scotland: I know that the hon. Gentleman appreciates that sentencing is not a matter for me. Following a recent meeting with him and a representative of the organisation SCID, I am aware of the concern that proper allocation of cases should take place, making sure where it is appropriate that they are heard in the High Court or before a sheriff and a jury. As I said then, that matter will be considered carefully by Crown counsel. I also said previously that steps will be taken to see what we can do to ensure that the parents and families of victims are dealt with sympathetically when cases come before the courts.

Several Hon. Members *rose*——

Mr. Speaker: Order. I shall take the application under Standing Order No. 20 first.

Westland plc (Share Transactions)

3.31 pm

Mr. George Park (Coventry, North-East): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the need for an inquiry by the Director of Public Prosecutions into share transactions in Westland plc."

The matter is specific because it refers to share transactions at a particular point in time which determined the outcome of the Westland deal. It is important because the voting decision, influenced substantially by anonymous shareholders, determined the future shape and ownership of Britain's only helicopter manufacturer, with all the implications for defence. It is urgent, because the House cannot wait for normal processes to elapse before a Select Committee report is debated, which could take several months.

Two elements arise in the Select Committee report. The first is the long-term issue of legislation; and the second —my reason for raising the matter—is the question of illegality and criminality, on which urgent Government action is required. I refer the House to the evidence to the Select Committee given by Mr. Wills, a member of the Stock Exchange Council, when he said:

"it screams concert party to me",

and to further written evidence from the Stock Exchange Council which stated

"that they found it difficult to credit that overseas buyers should consider it worth their while to pay much more than what a company appeared to be worth without some collaboration with one or other of the parties involved."

I submit that the latter issue of illegality and conspiracy requires urgent action and investigation by the police. I had hoped that there would be a statement today to say that criminals had already been called in, but it seems that the Government are unwilling to treat the criminals in the City of London in the same manner as other criminals. In the face of a commercial mugging, the Government apparently want to do nothing. Because of that refusal to act, I submit that the House needs to debate this matter under its emergency procedure.

Mr. Speaker: The hon. Member asks leave to move the Adjournment of the House for the purpose of disccussing a specific and important matter that he thinks should have urgent consideration, namely,

"the need for an inquiry by the Director of Public Prosecutions into share dealings in Westland plc."

I have listened with great care to what the hon. Member has said, but I do not consider that the matter which he has raised is appropriate for discussion under Standing Order No. 20; therefore, I cannot submit his application to the House.

Points of Order

3.36 pm

Several Hon. Members: On a point of order, Mr. Speaker.

Mr. Speaker: I will take Mr. Canavan first.

Mr. Dennis Canavan (Falkirk, West): I rise on a point of order, Mr. Speaker, which concerns an abuse of the procedure for tabling ten-minute Bills.

On Monday 23 February I went up to the Public Bill Office, and while waiting I discoverd that the hon. Member for Fife, East (Mr. Henderson) was sitting there. He informed me that he was waiting with the intention of presenting a Bill the following day for presentation on 17 March. It will not have escaped the attention of the House that 17 March, as well as being St. Patrick's day, is Budget day. The hon. Gentleman is a PPS to a Treasury Minister.

On the following day, no motion appeared in the name of the hon. Gentleman, but a motion relating to the Airports (Discriminatory Charges) Bill appeared on the Order Paper in the name of the hon. Member for Bristol, North-West (Mr. Stern), who, by coincidence, is also a PPS to a Treasury Minister.

If the events of last year are repeated, the motion will be withdrawn before Tuesday, thus allowing the Chancellor of the Exchequer a free run, and allowing him to kick off at 3.30 pm without interruption. It will then be too late for any hon. Members to fill the vacant slot.

What protection can you give, Mr. Speaker, to genuine Back Benchers against this abuse of the system, whereby Tory Cabinet Ministers are using their lackeys on a rota basis to outdo other hon. Members and put down bogus motions which they have no intention of moving? That is a dog-in-the-manger attitude, which deprives genuine Back Benchers of the limited time that is available for Private Members' business. I ask you to look into that.

Mr. Tony Marlow (Northampton, North): On a point of order, Mr. Speaker.

Mr. Speaker: Is it the same point?

Mr. Marlow: No, Sir—a different point of order.

Mr. Speaker: I shall deal with one point at a time.

The hon. Member for Bristol, North-West (Mr. Stern) has given notice of a motion under the ten-minute Bill procedure. I am informed that that is still on the Order Paper. The House will understand that I cannot look behind the notice of a motion and rule on the motives which may have caused the hon. Member to put it down.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): On a point of order, Mr. Speaker. The rules of the House must be obeyed. There are traditions in the House, which, with its long tradition, are of profound importance. There are certain areas in the House, are there not, Sir, where conversations that occur are meant to be private? Many of us were distressed to hear yesterday that conversations, in which comrades grabbed each other warmly by the throat, became public knowledge. Is it not an outrage that these friendly chats, which take place in the private areas such as the Tea Room or Annie's Bar, become public knowledge? Will you stop this abuse from occurring?

Mr. Eric Forth (Mid-Worcestershire): Further to the point of order——

Mr. Speaker: Order. I am not responsible for conversations in the tea rooms or outside this Chamber. I hope very much that the conventions and traditions of the House will be kept by hon. Members.

Mr. Tam Dalyell (Linlithgow): On a point of order, Mr. Speaker, arising out of questions. You will recollect that, about three weeks ago, a certain difficulty arose about a second Adjournment debate, for which I had applied, and there was a question of notice. On that occasion, Mr. Speaker, you said that you deprecated very much the fact that proper notice was not given.

Thinking that the business of the House would collapse yesterday, as, indeed, the Whips said that it might, I applied for a second Adjournment debate to give the Solicitor-General an opportunity to explain in detail the legal background on which he based his——

Mr. Speaker: Order. I heard the hon. Gentleman say that he would seek to raise this matter in an Adjournment debate. I know about his application for a second Adjournment debate yesterday, to which I agreed. It would have come on had the business of the House allowed. As it happened, the hon. Gentleman knows that the Northern Ireland order continued until 11.30 pm, which was its allotted time. There was nothing out of order in that. The hon. Gentleman must now try for another Adjournment debate, and he has already given notice that he will do so.

Mr. Dalyell: Further to the point of order, Mr. Speaker——

Mr. Speaker: Order. I do not think that I can help the hon. Gentleman. He correctly applied yesterday for an Adjournment debate, which was not reached. He says that he will apply again, and jolly good luck to him.

Mr. Forth: On a point of order, Mr. Speaker. Are you satisfied about the extent of confidentiality of meetings held in the Committee Rooms of this building? You will be aware that there was a crisis meeting of the parliamentary Labour party in Room 14 this morning. Are you fully satisfied that such matters as, for example, the reported threatened resignation of the Leader of the Opposition at that meeting this morning cannot possibly be leaked or overheard during the conduct of such meetings in Committee Rooms? Are you prepared to look into this, Mr. Speaker, so that when the Labour party, or any other party, holds such a crisis meeting, the matters conducted in the privacy of such rooms are kept absolutely secure?

Several Hon. Members *rose*——

Mr. Speaker: Order. I understand that crisis meetings are occasionally held in Room 14 on a Thursday. I read about them in the newspapers on Friday morning.

Mr. Dennis Skinner (Bolsover): Further to the point of order, Mr. Speaker. I know that you have already said that what goes on in the Tea Room or anywhere else is not really a matter for you, but you have claimed to be a fair man and we have heard the reports from Conservative Members. I rise in the interests of party balance.

I happened to hear the hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) on the radio the other day—*[Interruption.]*

Mr. Speaker: Order. The hon. Gentleman, who is becoming an important figure in the House on procedure, must know that he must not refer to a matter that happened several days ago unless it happened in the Chamber or other areas of the House over which I have control; I have no responsibility for what is said on the radio.

Mr. Skinner: The hon. Gentleman was repeating what he was alleged to have said in the precincts of the House — that he is fed up to the back teeth with his hon. Friend the Member for Derbyshire, South (Mrs. Currie)——

Mr. Beaumont-Dark: That was today.

Mr. Skinner: That is right.

—preaching to him and to other Tory Members about almost everything else under the sun. He said, "I am fed up to the back teeth with her telling me who I have got to take on holiday. I am fed up to the back teeth with her telling us about not smoking when she can't control her husband." Then he went on to attack the Prime Minister. That is an even better story. *[Interruption.]*

Mr. Speaker: Order. We have an important series of debates before us today and there is great pressure from hon. Members who want to speak in them. I cannot answer the hon. Gentleman's questions. On grounds of balance I have heard him, but I cannot hear any more.

Mr. Marlow: On a completely different point of order, Mr. Speaker. You will recall that on Monday night there was a particularly important debate about the regions which was shunted into a fairly short period. Three quarters of that time was taken up by Front Bench spokesmen. I was one of those who was fortunate enough to catch your eye, so I have no personal axe to grind. But my point is that the first speech, which came from the Liberal party, took something over 25 minutes. The second speech, which came from my right hon. and learned Friend the Paymaster General, took a similar period. Then there was another speech from the Labour Front Bench that took a similar period.

Mr. Speaker, we have a divided Opposition. We know that the Labour party is poised on a precipice of terminal decline. We are not quite sure as to the potential fortunes of the Liberal party and the Social Democratic party. Surely in these circumstances and with a split Opposition, it is sufficient for one opposition party to put the Opposition case and then for a Minister to put the Government case — *[Interruption.]* — and then allow Back Benchers a proper time to speak. I stress the point that only 25 per cent. of the time in that important debate was allowed to Back Benchers. I was one of the fortunate Back Benchers, but on behalf of other hon. Members, I wonder whether you can comment on that, Mr. Speaker.

Several Hon. Members *rose*——

Mr. Speaker: Order. The hon. Gentleman has raised a chivalrous point of order. I can tell the hon. Gentleman and the whole House that I am concerned about the time that is left for Back Benchers. The average Back Bencher will not speak more than four times in a Session—in a major debate. Last Session, thanks to the operation of the ten-minute limit, that number rose to six. However, I am very concerned about the time allowed for Back Benchers.

I frequently appeal to hon. Members to keep their speeches brief, and that especially applies to the debates that we are to have later today.

Mr. Harry Greenway (Ealing, North): On a point of order, Mr. Speaker. Am I not right in thinking that you have a responsibility to defend the dignity of the House and the dignity of hon. Members? When there is an attack upon the Father of the House, as there has been by the right hon. Member for Leeds, East (Mr. Healey)——

Mr. Speaker: Order. We have already heard about things that happen in rooms over which I have no control. The hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) quite rightly said that we have conventions in this place, that conversations in tea rooms and dining rooms do not become public. I agree with that.

Mr. Edward Leigh (Gainsborough and Horncastle): On a point of order, Mr. Speaker. May I refer you, to the strictures that you have often made in the House about the correct use of parliamentary language? I ask you to make a ruling on whether it is correct in parliamentary terms to talk about the ego and vanity of the Labour party as the leader of the Labour party did in a private Committee Room this morning. Is that parliamentary language?

Mr. Speaker: Ego and vanity have been perennial attributes in this place. Presentation of Bill.

Mr. Michael Brown (Brigg and Cleethorpes): On a point of order, Mr. Speaker. I do not want to raise——

Mr. Speaker: Order. Just let me deal with the Presentation of a Bill.

BILL PRESENTED

PRESCRIPTIONS (SCOTLAND)

Mr. Michael Hirst, supported by Sir Alex Fletcher, Mr. Donald Stewart, Mr. Allan Stewart, Mr. Hugh D. Brown, Mr. Albert McQuarrie, Mr. Tom Clarke, Mr. James Wallace, Sir Hector Monro, Mr. Alexander Pollock and Mr. Nicholas Fairbairn, presented a Bill to amend Part I of the Prescription and Limitation (Scotland) Act 1973; and for connected purposes: And the same was read the First time; and ordered to be read a Second time, upon Friday 3 April and to be printed [Bill 112.]

Mr. Michael Brown (Brigg and Cleethorpes): On a point of order, Mr. Speaker. I do not want to raise matters which have already been covered with regard to private conversations in the Tea Room. However, a point of order was raised by my hon. Friend the Member for Ealing, North (Mr. Greenway). The point is that the Father of the House was attacked in public, in Truro, by the right hon. Member for Leeds, East (Mr. Healey), who described the Father of the House — whom I regard with the same respect as you do, Mr. Speaker — as "an old man". Surely the right hon. Gentleman should come to the House and apologise to the Father of the House?

Mr. Speaker: I do not think that that is unparliamentary. I consider myself to be an old man.

Coal Mining Subsidence

3.48 pm

Mr. Frank Haynes (Ashfield): I beg to move,

That leave be given to bring in a Bill to change the system of compensation for coal mining subsidence.

Mr. Speaker, Sir — [HON. MEMBERS: "Speak up."] I know that I have a loud voice and that it can be heard from the Committee Rooms upstairs. I also know that it can be heard from here in the Tea Room — or so I am told. That does not make any difference with regard to the bogus points of order that were raised not many moments ago.

As a lad, in 1944, I started work at the pit. At that time, the workings of the pit were very old fashioned and there was not much mechanisation then. Advances were made in the removal of coal from the coalface. However, the old-fashioned system was good in respect of mining subsidence. Former colliers who serve in the House understand—*[Interruption.]* I wish that you would close the mouths of those public schoolboys over there, Mr. Speaker. The only noise that I can hear is coming from across there.

At that time, there was a certain amount of packing underground behind where the coal had been taken out, and it supported the ground about it. The result was that the ground did not fall in too much. Then we had high mechanisation for increasing productivity. Indeed I was one of those who enjoyed larger wage packets, because it all went together. The trade union and the National Coal Board used to work together in the interests of safety, production and earnings, but that got worse as time went on. Following the mechanisation of the pits, there was no packing behind after the coal had been shifted, so we had total caving in when everything fell. It was even felt on the surface. We were told at the time that it would all fall together, but it did not. It fell unevenly, and many properties in the mining communities were seriously damaged.

There is a serious problem of mine subsidence in Ashfield. I am pleased that the Under-Secretary of State is here to listen to what I have to say about this serious problem, because the Government encourage people to buy their homes. If mine subsidence affects a local authority property, the tenant will have no financial problems because the local authority will carry out the repairs after negotiations with British Coal. But the home owner must take the initiative if he wants to carry out repairs and obtain compensation.

I remember the Widdicombe report, which dealt with people in that category, suggesting that there should be much more fairness in the system. What is happening is that British Coal, and the National Coal Board before it, has for some time been telling claimants that they are out of time and that they will obtain nothing. It is shameful. After all, the industry caused the problem and I, my constituents and other hon. Members' constituents believe that it is the board's responsibility to put it right. I understand that the Government will introduce a White Paper on the matter. I should have thought that they would have done so before I introduced this Bill, but they have decided not to release it until after the Bill has gone through, as I hope it will, this afternoon.

I know of umpteen cases of people who have been refused compensation to repair their homes because the

[Mr. Frank Haynes]

board says that they are out of time. In the Nottinghamshire area, people were allowed to claim within 12 years following the ceasing of coal mining under their properties. Not long ago, the board shortened the period to six years. That reduction left people outside the limit, and now the board is telling people that they will obtain nothing. The Government should have made some representations to British Coal about the problem, bearing in mind the number of cases of which I, never mind other right hon. and hon. Members, have heard.

I have a whole file of cases which the Coal Board has refused. I can give two classic examples. There is a road in my constituency with about 100 properties on it. Claims on every one of those properties have been settled, except two, which have been refused. They were damaged at exactly the same time, but their owners are being told that they are out of time. That is one example of unfairness about claims. The other is an 82-year-old lady who, 10 years ago, made a claim to the board. The board said that it was no good settling because it was coming back. The result was that it did small repairs and, in the meantime, a new face was opened. The lady got in touch with me nine years and nine months after the board, after visiting her again, had told her that it would settle up. She got in touch with me because the board told her she was out of time. That is ridiculous. The board has already accepted liability.

All those claims should be settled in a proper manner. The board should accept its responsibilities and the Parliamentary Under-Secretary of State for Energy, on behalf of the Government, should be telling British Coal in no uncertain terms to get off its backside at Hobart house and get stuck in to sorting out the problems. I do not want to be running around my constituency doing the work of the Under-Secretary of State and British Coal. They are well paid. I hope that, following the Minister having listened to what I am trying to introduce today, the Coal-Mining (Subsidence) Act 1957 will be amended so that the problems can be sorted out and we will have a much fairer deal for the people that many mining Members of Parliament represent.

Question put and agreed to.

Bill ordered to be brought in by Mr. Frank Haynes, Mr. Ray Powell, Mr. Don Dixon, Mr. Jack Ashley, Mr. Lawrence Cunliffe, Mr. Dennis Skinner, Mr. Martin Redmond, Mr. Michael Welsh, Mr. Allen McKay and Mr. Terry Patchett.

Coal Mining Subsidence

Mr. Frank Haynes accordingly presented a Bill to change the system of compensation for coal mining subsidence: And the same was read the First time; and ordered to be read a Second time upon Friday 8 May and to be printed. [Bill III.]

ESTIMATES DAY

[1st Allotted Day] [1st Part] *considered*

SUPPLEMENTARY ESTIMATES 1986-87

Class VI, Vote I

Coal Industry (Grants)

[Relevant document: First Report from the Energy Committee (House of Commons Paper No. 165 of Session 1986-87.]

Motion made, and Question proposed,

That a supplementary sum, not exceeding £166,300,000, be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1987 for expenditure by the Department of Energy on assistance to the coal industry including grants to British Coal and payments to redundant workers.—*[Mr. David Hunt.]*

3.57 pm

Sir Ian Lloyd (Havant): I was a little surprised that the hon. Member for Ashfield (Mr. Haynes), whose every word reaches its intended destination, should have risked referring to the analogy of caving. So fragile is the geological and political underground structure that I would have thought that he would have preferred not to do that today. However, without wishing to disparage the serious points of his speech, some of which are likely to be referred to during this debate, I wish him well with his Bill.

I should perhaps ask the House to retune from Radio 2 to Radio 3. We are about to consider a series of Supplementary Estimates which occupy a fairly thick volume. That, as we all know, has for long been a rather impractical obligation, so we are obliged to pick and choose the items of expenditure that we subject to close scrutiny. Today it is the item of some £166 million of further assistance to the British coal industry. That not inconsiderable sum is in itself noteworthy, for the coal industry has had and continues to have a gargantuan appetite for public funds.

Technically, it is usual to move a nominal reduction in the amount, and it would have given me greater pleasure to do that, for our ultimate objective must be the elimination of all public support for an industry which, in due course, and sooner or later, has to become completely self-sustaining. Alas, that would have been inconsistent with the general thrust of the report that my Committee, the Select Committee on Energy, has just made to the House on the coal industry. In it we argued that if financial provision is to be consistent with the consequences of policy, that provision should be increased from its already formidably high level. As that was the case, it seemed to my Committee that we were justified in seeking this opportunity to explain to the House precisely why we had reached what, at least for some of us, was an unpalatable conclusion. The coal industry will continue to demand and justify such consideration and analysis while it continues to make such a large claim on the nation's resources.

Before coming to my main points, I wish to make two general observations. First, I should like to thank all the members of my Committee, its Clerks and advisers, who laboured so diligently, travelled so far and argued with such conviction to produce the report. Whatever our knowledge of coal mining may have been — some

members of the Committee had spent half a lifetime at least in the industry—our perspectives were widened. Those of us who saw a coal face or a longwall system in operation for the first time acquired a real respect for those who undertake that arduous, dirty, demanding and dangerous work. All of us were dismayed by the visible evidence of industrial dereliction and an almost tangible sense of despair in abandoned or declining coal mining areas. All were heartened by the sense of purpose and opportunity that new technology provided in mines both old and new.

Secondly, I should like to stress the general sense of disappointment over the highly selective and misleading way in which our conclusions were reported in some of the press, which seemed concerned only with those phrases or paragraphs in which the evidence that we received compelled us to reach conclusions critical of British Coal, the Government or the Secretary of State. It is not that we are unwilling to justify such conclusions, which came mostly from direct evidence rather than from our analysis or unchecked political prejudices. That is not the point. Such emphasis, however, detracts from the main analysis and conclusions of our report, which is but the tip of a very large iceberg of evidence.

I shall give the House but one example. The *Daily Telegraph*, referring to the Committee criticising the Coal Board for starting the 1985 pit strike, said:

"The . . . committee . . . united in a scathing attack on the handling of pit closures which led to the bitter year-long dispute."

Not so. Our emphasis was on all parties learning lessons and avoiding mistakes. There was no scathing attack. Our words, in paragraph 133, were:

"The 1985 strike was precipitated by the decision to bring forward the closure of Cortonwood colliery where the NCB was regarded by miners as having broken an earlier promise".

We say, in effect, "Avoid that in future if you can." We suggest attaching to that problem a notice saying, "Explosives: handle with care".

The press was also excited by the fact that the Committee was unable to agree all the analysis or conclusions. That, too, was incidental, for what we agreed was both substantial and significant, and provides a context in which the whole matter of current and future financial support for the coal industry can be judged. If the press seeks constantly to sensationalise Select Committee reports, it will trivialise them in the eyes of the public and Government. Governments of all parties, understandably, will react to the hostility of unfavourable press comments rather than the constructive analysis that such reports generally contain.

I do not ask the press to sugar the pill. What I ask is that it does not always coat it in cyanide when no cyanide is present. The system has strong critics, and some would gladly hasten its demise. It is my personal judgment that that would deprive the House, Government and the country of a valuable source of knowledge and objective policy appraisal.

So what did the Committee agree, as it is relevant to the Supplementary Estimate? I shall endeavour to summarise our main conclusions. First, after examining the market for coal—we realised that it is an immensely difficult task for all those who undertake it professionally—we agreed that the reduction of costs was critical and that it depended on three things: the continuing availability of large sums of capital; an adaptive and co-operative work force, which both sides of the Committee regarded as crucial; and the abandonment of those faces, seams and mines where, for one reason or another, the new management rules cannot be met. That was unanimous.

Secondly, we pointed out that major unresolved uncertainties dominated the industry's future and that the major uncertainty was

"the extent to which, and the speed at which, it will be able to grasp the further economies that are undoubtedly available to it."

That was also unanimous.

Thirdly, we agreed that the price of coal must respond to market realities in a market that included not only competitive coal but competitive energy, which is perhaps even more significant.

Fourthly, we concluded that British Coal's cost level target of not more than £1 per gigajoule for new capacity will, in all probability, have to be moved downwards. That has the consequence that more collieries will be at risk and that there will be greater social risk of closure.

Fifthly, we concluded that the present plans will produce a net increase in deep-mined capacity of 8 million tonnes by the early 1990s and that there was no convincing evidence of increasing demand. We looked at that very carefully. That led inevitably to our main conclusion that capacity reduction would exceed 2 million tonnes per annum. From that followed our next conclusion that the industry would have to manage a controlled reduction in its work force, with predictably large effects on both British Coal's corporate finances and the Treasury's liabilities. I shall return to that subject.

We concluded that British Coal's capital would have to be restructured and that, in the light of that analysis, a deficit grant in the range of £100 million to £200 million per annum would not be adequate; nor would a provision of £300 million to £750 million for the continuation of the redundant mineworkers payment scheme, because, if our analysis is correct—I believe that we were justified in it—we expect a higher level of redundancies. That lengthy analysis culminated in our conclusion that the Government's policy was "not fully credible". It is important to emphasise that the difference between "credible" and "fully credible" is small but important.

A further unanimous conclusion of the utmost significance was that British Coal should not be asked to evaluate pit closure economics from a social standpoint, which, we argued, must be the responsibility of central Government. We made further suggestions about the organisation of that assistance and its scale, but pointed out that, whatever the present mismatch between resources and problems might be, a resolution of the problem would require in addition a commitment of energy, imagination and purpose. Those three qualities are not financial, but they are in equally short, if not shorter, supply.

All that was the unanimous view of the Committee. Where did we disagree? We disagreed on what were in my judgment—hon. Members may have a different scale of values—two minor issues and one major issue. The first minor issue was whether the French power supply by the cross-Channel link should be terminated to help bring demand and supply into balance. The second was whether the adoption of new mining techniques, which we all witnessed in the United States, would prejudice safety. On both, we understand but do not share our colleagues' reservations. Doubtless they will say something about that if they catch your eye, Mr. Deputy Speaker.

[Sir Ian Lloyd]

The major disagreement was on a largely theoretical assertion of principle. The majority favoured the principle of opening the industry in due course, and in a marginal sense, to private mining. For the minority, that ran counter to deeply held political convictions. Nevertheless, the Committee's unanimous recommendation was:

"For the immediate future . . . BC should remain in the public sector."

One would not necessarily have judged that from some of the press reports. Obviously, there is no realistic prospect of a substantial supply of privately mined coal in the United Kingdom this century.

I shall now return to finance. Despite all the encouraging progress in the industry—and it is indeed encouraging—we are staring at an alarming slough of despond. If capital investment is included, the net cost to the taxpayer of coal mining in the United Kingdom was over £1·6 billion in 1984-85; well over £2·1 billion 1985-86, the strike year; still over £2 billion in 1986-87, and likely to remain there this year if the estimate is passed.

Inflation and all sorts of other things have produced an age in which large figures followed by noughts have almost ceased to have meaning. The net cost to the taxpayer of coal mining in the United Kingdom represents about £40 per head per annum for every man, woman and child in the country, or about £160 per annum per family. The total loans to the coal mining industry amount to £77 per head of population, or £308 per family. That helps to put the figures into perspective.

The achievement of true viability will require a turnaround of some £1·8 billion on a turnover of £5 billion. Despite truly remarkable progress since the strike, that remains a formidable challenge. It will not be met unless two things happen. The first is that the present rate of progress must be sustained and, if possible, accelerated. Secondly, there must be confidence within the industry and the coal mining communities that the social costs will be fairly assessed and generously provided. In saying that, I do not for one moment wish it to be inferred that I do not believe that the scale of provision has been very generous.

However defined, this is a colossal burden, but if, as has been argued, the yoke of support can be lifted, if the cost of that relief is a small further increase in a very large sum and if that will supply both the confidence and the resources required to achieve a final and permanent turnaround of this very expensive industry, then we must find the resources to do the job. I believe that that is the unanimous view of the Committee. Failure will leave the British people with this massive subsidy burden in perpetuity.

The acceptance of that burden would imply that British Coal should become a permanent section, not of the Department of Energy but of the Department of Health and Social Security. That would be the reality. It would be as painful as it is unnecessary. It would establish an alarming and most dangerous and controversial precedent. Today coal: tomorrow, who knows what? On what grounds would a Government be able to discriminate if they once accepted the principle that one industry, because of its economic position, its political clout or the social consequences of its decline, should become a perpetual pensioner of the state? There is no answer to that question, and that should be our warning.

4.14 pm

Mr. Kevin Barron (Rother Valley): I am pleased to speak in this debate, which will be short. I should like hon. Members to reflect on the fact that the Select Committee on Energy has had time away from the miners' strike to consider the arguments that were made at the time of the strike. It was with some disappointment that I left the Select Committee just as it was about to turn to that subject and to draw up the report that we are debating. I read with great interest one or two sections of the report that relate directly to that 12 months from March 1984 to March 1985 that will be remembered, perhaps for ever, or while there is a British mining industry.

I should like to examine the conclusions of the report about things that happened during that strike. The first matter is the colliery review procedure. I am sure that many people will know that trade unions in the mining industry argued that that procedure should have been introduced before the strike. The strike was sparked off at a colliery in south Yorkshire in the constituency of my hon. Friend the Member for Wentworth (Mr. Hardy). Hon. Members will be aware that if the review procedure had been in place the strike might never have happened.

During the strike, a colliery review procedure was introduced and the trade unions said that they did not believe it went all the way towards settling the problems in mining communities that were threatened by closure. This report says little different from what the unions said then. If the case that British Coal put throughout the strike was as good as the Coal Board said it was, then by now, away from the emotion of that strike and what was happening in the British coalfields, we should be able to say that one side was right and the other side was wrong.

The report says that due weight should be given to decisions. Two colliery group procedural reports on two working collieries, Bates colliery in Northumberland and Cadeby colliery in south Yorkshire, have found that those coal mines should have remained open. However, the colliery review procedure did not give that due weight before and during the strike.

The other interesting sector of this report is in relation to what should happen about closures. The hon. Member for Havant (Sir I. Lloyd) mentioned two things that had struck him when his Committee was taking evidence. One of them was about what happens at the coal face. He said that many members of the Committee saw for the first time working conditions underground. I should like to pull the memories of hon. Members back to the phrase that the hon. Gentleman used. He spoke of the despair in the British coalfields about the decline in the industry and the scars created by that decline. That is certainly not new and has not happened just since 1984. Perhaps one of the major causes of the miners' strike was that nothing was put in the place of coal mines that were closed.

Government Members have spoken many times since the strike about the decline in the coalfields, but the Government have done little to bring jobs to those areas. British Coal Enterprise Ltd. is expanding and I am pleased about that, but a very small number of jobs are being created to replace the ones that have been lost, even in the last two years. One of the most interesting parts of the report is its references to the economic decisions that British Coal has to take before closing a coal mine.

Social cost is the nub of what the miners' strike was about. Mining communities have been arguing about this

not just for one or two years, or since the strike, but for decades. They argue about the economic consequences of colliery closures and about how decisions are reached. I am pleased that the Select Committee decided to look into this in some detail. The Committee concluded that social costs should be part and parcel of colliery closures in the colliery review procedure, and should be a major part of the economic equation when deciding whether mines should be closed. I would have liked to see the Committee go further than that, but even that is welcome. However, at least the Committee looked into the matter.

In paragraph 131, the report says:

"although BC should be allowed to continue making decisions on pit closures on commercial grounds after a thorough and comprehensive review of the decision with other interested bodies, this should be done in the closest consultation with Government departments. If the macro-economic and social disbenefits of the policies of the management of a strategic industry like coal outweigh the benefits to society of those policies, then it is the job of government to right the balance by fiscal or other means."

It is my contention that that has never been the practice. That is why we had the miners' strike, which was all about the gap that is left when coal mines are closed. It was a lot easier in the 1960s, when employment prospects were so much better. At that time, people were not worried about redundancy or lack of job prospects. However, in the 1980s — especially the past eight years under this Government — there has been a massive increase in unemployment and obviously a decrease in job opportunities, especially for young people. Under those circumstances, it is part and parcel that any decisions on closures should be taken in consultation with Government Departments. I am afraid that the Committee's recommendation is not as strong as I had hoped.

Paragraph 133 of the report states:

"the board must recognise the special vulnerability of mining communities which we outlined in the introduction of this report, and must take local authorities"

into account. British Coal was a massive ratepayer to my local authority. It put tens of thousands of pounds into the local authority each year. The rundown of the coal mining industry in south Yorkshire, together with the accumulated cut in rate support grant, has meant that the local authority had to cut services in many areas. Thus the rundown of the coal mines has had an effect not just on coal mining families but on everyone throughout the community. That should be taken into account.

The Select Committee recommends

"that a special ministerial Cabinet Committee be set up and charged with this task—cabinet committees have been set up for many less urgent tasks in the past".

The task in question is the rundown of the British coal mining industry and its effect on regions and communities. I believe that that is one of the major conclusions from the report. The rundown of the industry affects the lives of thousands of people who work in the coal mines or who live in coal mining areas but are not directly employed in the mines. I hope that the Minister will spend a few minutes discussing that recommendation.

I do not intend to discuss the work practices in America. Those practices have been the subject of ample discussion in the House and in the Standing Committee on the Coal Industry Act of which I was a member. One of the most urgent matters for consideration relates to the new grant for coal conversion schemes. That grant is supposed to finish in April this year. The scheme represented a lifeline to the coal industry because it created new markets for coal, especially in industry.

The sad part about the ending of the scheme is that the grant has never been made available to the public sector. Paragraph 44 of the report contains an important recommendation:

"not only . . . that the Government reconsider its policy of discontinuing the coal firing grant, but that the scheme should be extended to the public sector so that hospitals, schools, swimming pools and other potential coal users can be aided in converting their old boiler stock to burning British coal."

A great deal of research has been carried out at Stoke Orchard by British Coal, as well as by the manufacturers of boiler equipment to ensure that coal is clean burn and easily usable and also to improve storage facilities. As a result, less work is involved in keeping the boilers going. The Government's failure to extend the scheme to the public sector is a sad judgment on the Coal Board and those in the industry who have been working to perfect the use of coal in boilers. I hope that the Minister will tell us what will happen in April.

Many hon. Members, on both sides of the House, believe that it is wrong to discontinue the grant on the basis of the recent drop in oil prices. Such a position may alter. Although I accept that the take-up of coal has reduced because of the oil price drop, to discontinue the coal-firing grant to all sectors is a disservice to the community. I hope that the Minister will consider the recommendations in the report.

I do not wish to go into great detail on the Select Committee report as I believe that other hon. Members will have the opportunity to discuss the different aspects of it. It is a wide-ranging report—indeed, we could talk all day about it.

The most important thing that we must do is to look after the well-being of the coal communities. That care has not been given for many years. It behoves us all to take cognisance of the paragraphs that I have mentioned—they are not as strongly worded as I would have liked—and to ensure that a Cabinet Committee or something similar is set up. I hope that such a Committee offers not merely words to the communities but action and grants to create job opportunities. Those opportunities are badly needed throughout British coalfields.

4.25 pm

Mr. Andy Stewart (Sherwood): I could not miss the opportunity to pay tribute to all those who work in the coal industry for achieving present productivity records that would have been considered unobtainable only 12 months ago.

The productivity increase of 23 per cent. in the past year is unmatched by any other industry, giving us unprecedented national levels of production, at over 3·68 tonnes per man shift. In my constituency of Sherwood, a productivity level of 5 tonnes per man shift has been reached. Those levels meet the objectives of the Select Committee report. The results ensure that the operating costs for this year will be 20 per cent. lower, in real terms, than they were before the damaging industrial dispute. They give us a guarantee of long-term success in the future.

Only last week, the chairman of British Coal announced that we are now the lowest cost producers in Western Europe, and that West Germany is our nearest rival with 75 per cent. higher costs. The Coal Board has

[Mr. Andy Stewart]

now recognised the need for competitive prices in relation to other energy suppliers. Therefore, it has reduced the cost of coal to the Central Electricity Generating Board by £4 per tonne. That has cut its sales realisation by £400 million, but it has meant that industrial manufacturers have found that their energy unit costs will be frozen once again. That will give manufacturers the opportunity to be successful against their international competitors.

British Coal hopes to contain its loss this year to £300 million. That shows that, without the dramatic cuts in oil prices, British Coal would actually have shown an operational profit of £100 million this year. There is no doubt in my mind that oil prices will rise rather than remain at their current level for any considerable time. That ensures and endorses my optimism in the future of the coal industry.

Nine major industrial companies share my confidence, since in the space of eight months they will confirm their proposal to convert to coal. In the light of that, I ask my hon. Friend the Minister to reconsider the continuation of the 25 per cent. grant for conversions of coal boilers for industrial use. Perhaps he would be persuaded if he knew that the recent proposals by the nine industrial manufacturers will result in the security of 1,200 jobs in the coal industry and many more in other industries as the conversion to coal will result in £90 million investment in British-made boilers and plant technology.

In addition, British Coal has recently placed orders with British manufacturers for contracts to the value of £50 million, including £1·5 million for safety boots and shoes. On my recent visit to Bilston Glen in the constituency of the hon. Member for Midlothian (Mr. Eadie) I discovered that Scottish boots are better than those issued in Nottinghamshire. If we had better boots, I wonder whether our productivity would rise even further.

We must not forget that industry is not the only sector to benefit from lower costs. In the weeks of severe weather during the winter, much concern was voiced for our elderly citizens, and it is important to note that frozen electricity prices will give much benefit to them as well as to other private consumers.

The National Health Service will also find the current prices advantageous, since British Coal is to continue to supply some 200 NHS hospitals. Energy requirements are high and it is vital that there is economy of use and strict cost control.

Mr. William O'Brien (Normanton): Would the hon. Gentleman care to comment on the use of imported coal by the NHS in hospitals in Yorkshire rather than British coal, to which the hon. Gentleman has been referring?

Mr. Stewart: I cannot comment on what is happening in Yorkshire. I have a big enough job commenting on matters relating to my constituency, which is the largest coal producer in Britain. There are 200 hospitals in Britain using British coal. This will save the NHS well over £2 million, which will be used for other patient care. If Yorkshire hospitals are using foreign coal, it is for the hon. Members who represent those areas to raise the matter with my hon. Friend the Minister.

I have illustrated the benefits that we all enjoy as a result of a successful coal industry, not only for consumers but for those who work in British Coal. Their financial rewards are complemented by the knowledge that they are enhancing job opportunities for others in the community. I am convinced that, if at the end of the coal dispute a certain political persuasion had prevailed over the miners in this country, electricity prices today would be at least 30 per cent. higher, with all the serious repercussions to the economy that that involves. Today's Estimates would not only be higher but would be totally unacceptable to the House.

The miners have demonstrated the way forward for the industry into the next century via the actions of the Union of Democratic Mineworkers and recently by the actions of the Welsh miners, accepting in principle 18 coaling shifts a week. They recognise that the £5 billion of capital investment in the mines must be utilised effectively. However, there is concern that localised stoppages lost British Coal 700,000 tonnes of coal last year. Surely the example set by the UDM and the Welsh miners is the way forward.

I strongly repudiate the Select Committee's view that there is uncertain long-term demand and its belief that structural change towards higher productivity and lower costs have some way further to run. I recognise that much of the report was written before this new era of prosperity for the coal industry had arrived. Nevertheless, the Select Committee introduced an element of doubt, quite unnecessarily. I want my hon. Friend the Minister to show his confidence to those who have brought such benefits to this country by ensuring that the CEGB places its new coal-fired boilers in position as soon as possible. We have a site in Nottinghamshire; the planning permission needs only to be resurrected; the coal is there; the infrastructure is ready; and the UDM will make it work. We need positive action now.

Those who work in the coal indusry have so far recognised the personal commitment that my right hon. Friend the Secretary of State for Energy has given to the industry's future by his positive actions. The industry's excellent condition is a sign of his success. The future for coal is guaranteed not by wishful thinking but by the positive action of those who work in the industry. Scientific knowledge shows that coal will replace other finite fuels in years to come. We must ensure that the industry is ready to meet that demand. Today's Estimates show that British Coal is heading in the right direction.

4.34 pm

Mr. Malcolm Bruce (Gordon): I think that hon. Members agree that, despite the difficulties facing the British coal industry, it is more robust than many people would have thought even a year ago. The Minister will not be surprised to hear that, although the alliance was rightly critical of the way in which the strike was conducted, it agrees that elements within the coalmining industry which were destructive to its future had to be defeated. They have been defeated and, therefore, the climate is much more favourable. We look to the Government to give British Coal the maximum following wind.

The Select Committee did a good job and, although there clearly were divisions, it managed to reflect in its report the genuine difficulties and dichotomy in the industry and the choices that must be made. Coal is a major resource for the United Kingdom and will be for generations to come. It is a strategic resource and therefore requires strategic forward planning. As the Select Committee acknowledged, it cannot simply be left to the whim of market forces. The Committee said that to

differentiate between simple planning and simple market forces is, by definition, to take a simplistic view of the coal industry. The Committee did a good job in identifying that.

The Government face choices with serious implications which must be taken fully into account. The most immediate one is obviously the future of generating capacity in the United Kingdom. Recently, the House debated the possibility of building Sizewell B. It would be foolish in the context of this debate to suggest that the building of Sizewell B and of a range of PWRs, which is clearly what the CEGB wants, will not have significant effects on the coal industry, just as any commitment to pull back nuclear capacity would have significant implications, in the other direction, for the coal industry. As the Committee rightly pointed out, this action cannot be taken in the short term because the industry cannot respond in the short term to such changes.

The circumstances and competitiveness of coal have changed substantially in recent months. Of course, this is only a short-term change — we do not know the long-term implications. Simple economics suggest that coal as a source of generating capacity looks very much more competitive than it did six or 12 months ago. The coal versus nuclear debate is not entirely realistic. I think that most hon. Members recognise that, even if the emphasis shifts, there will be a significant nuclear capacity and a coal-burn capacity for a long time to come. It is not clear what the real costs will be. The nuclear industry must take on board many significant changes concerning safety, which could seriously affect its costs. By contrast, the coal industry must take on board environmental protection from flue pollution, and costs are associated with that.

Reference has been made to the world market for coal, but the House should treat that with a little caution. The concept of a world market for coal is misleading. I understand that only 4 per cent. of world steam coal is traded and that, in polite parlance, this is known as overflow coal. Many of us would regard it as dumped coal. That is not a realistic point. But the comparative costs of producing the coal, most of which is traded domestically rather than internationally, are realistic.

I tried to find out from British Coal the extent to which it thought that it was faced with unfair competition. Although it was aware that certain countries such as South Africa and South America were said to be unfair — I have strong reservations for political reasons about whether we should trade in coal with South Africa — British Coal believed that there was insufficient evidence to be satisfied that competition was fair in regard to Polish coal. Poland is desperate for foreign currency and we cannot be confident that the price of Polish coal reflects the cost of its production. British Coal believes that in that context it is subject to unfair competition. The Government should investigate that to the extent that it is possible.

The other problem that affects coal and other energy commodities is the exchange rate. It was pointed out to me that the change in the value of the pound in recent months has affected adversely — by £3 a tonne — the competitiveness of British Coal. Given that coal is priced in dollars, the coal industry regards an exchange rate of about $1·40 as more congenial than the rate for the last few months.

As an aside — but an important aside because Ministers know that my colleagues and I have made the point frequently — I suggest that the argument that we cannot build a significant number of power stations based on too great a dependence on one fuel should be countered by moving much more rapidly into alternative energy sources.

I draw to the Minister's attention a report from the British Wind Energy Association. No doubt the Minister has seen it because it came out at the end of January. It claims that the experience of wind energy, which regrettably has been used more outside this country, particularly in California, than inside it, has proved that it is as cheap, if not cheaper, than other forms of power generation. The cost is as low as 2p per unit compared with 3p for most other forms of energy. As much of the technology associated with wind energy is British, we should be going further and faster in that direction.

Another sphere in which the coal industry needs to improve its competitiveness, and where the Government have a role to try to ensure that, is research into new methods of coal combustion. Clearly there is potential there. Benefits are being achieved but more resources could produce greater benefits faster. That would alter substantially the ability of the coal industry to compete. Given its constrained resources and its deficit financing, there is evidence that that area is underfunded.

The hon. Member for Rother Valley (Mr. Barron) referred to the phasing out of allowances for conversion to coal which the Government are suspending in June. The House should ask why this is so, what will follow and whether the Government are prepared to consider extending the scheme or introducing an alternative scheme which would extend to the public sector the option for conversion. Paragraph 44 of the report refers specifically to that and is worthy of being put on the record. It states:

"We not only recommend that the Government reconsider its policy of discontinuing the coal firing grant, but that the scheme should be extended to the public sector".

I ask the Minister to address himself to that in his reply. It would help the coal industry significantly and would be a legitimate way of giving an invigorated coal industry more help when it most needs it. It would also benefit the users and consumers of energy.

The Select Committee recognises, and I think the Government recognise, that our coal resources should be accepted as a strategic long-term asset which will require Government involvement at least for the time being. The House may be divided about how long that involvement should continue, but Government responsibility is clear. They must ensure that long-term considerations triumph over short-term pressures and that the coal industry is adequately funded. They have a responsibility to coalfield communities which are facing such painful readjustments. Many such communities need substantial investment to improve the environment and to be promoted as attractive areas. The dereliction of many of these areas does not make them attractive for alternative investment and they need resources to enable them to respond.

The House is pleased that there is a more positive frame of mind and a more positive attitude within the coal industry. It believes that the Government have a duty to give the coal industry proper and adequate support and to recognise that, whatever their medium to long-term objectives, right now they must give coal a realistic and positive chance to compete effectively and to provide the nation with the proper energy mix which it deserves and expects.

4.45 pm

Mr. Peter Rost (Erewash): I enjoyed the constructive contribution by the hon. Member for Gordon (Mr. Bruce). I agree with much of what he said. I was surprised to hear my hon. Friend the Member for Sherwood (Mr. Stewart) say that our report perhaps painted too pessimistic a picture of the future market for coal. I suggest to him that he should reconsider the report because there is a great deal more in the small print than the media have picked out.

We made a detailed analysis and took a great deal of evidence about the future range of the market. My conclusion was that we drew an optimistic picture of the future of the British coal industry, provided that it accepts a more realistic market climate and provided that the enormous progress in greater efficiency continues. That more realistic assessment of the industry came through strongly in the report. We took account of the latest developments and found them most encouraging. We acknowledged the success of the industry, the fact that management was able to manage, and the more constructive support from the miners themselves.

Certainly we acknowledged in the report the long-term importance of the coal industry. Indeed, if anything, we over-emphasised it, in that we believed that our coal resources have not been fully exploited and that the coal industry has not had the opportunity to develop as some of us believe it could have developed. The industry has not made the contribution to the economy or benefited consumers or those who work in it to the full extent of its potential. That was why as part of the inquiry we examined the structure of the industry. For example, we considered whether it was time to look again at the statutory constraints of the original nationalisation legislation passed in 1946. We came to some conclusions about that.

I hold the strong view that the coal industry need not necessarily and exclusively be within the nationalised sector. I support the main recommendation of the Select Committee that for the immediate future the industry should stay within the nationalised sector, but that does not mean that we should not at the same time stimulate and encourage the evolution and development of a private sector coal industry. The majority view was that the nationalised sector would benefit from the development of a little more competition from the private sector and from the participation, on a partnership basis, of private investment.

I maintain that if the Government's policy is to promote competition, private enterprise, employee share ownership, incentives and motivation, and to improve industrial relations—which I accept has been successfully pursued by the Government in the rest of its privatisation programme—surely, if that policy applies to Jaguar, British Aerospace, British Airways, British Telecom and so on, it should apply to the coal industry. The privatised coal and gas industries are successful. The electricity industry is no longer a state monopoly. The Energy Act 1983 freed the private sector to develop in competition with the nationalised industry. Why has British Gas been privatised? It is because the Government believe that that privatised industry, as with other privatised industries, will better serve the consumer, will give a better deal to those who work in the industry and will benefit the economy. Let us at least hope that my hon. Friend the Under-Secretary of State will look seriously at the constructive proposals in the report about restructuring the statutory framework.

In particular, the Select Committee cannot understand why the licensing of the private sector coal industry—such as it is allowed to exist—should continue to be under the patronage of British Coal. We believe that it should be within the power of the Department of Energy to issue licences, in the same way that it issues licences to the oil and gas industries. Moreover, we cannot see how one can justify the limited private sector that is allowed to exist having to pay royalties to British Coal. If royalties are to be paid, they should be paid by all coal producers—nationalised and private—to the Treasury. The limited and restrained private sector should not, in addition to having to obtain a licence from British Coal, have to pay royalties to its main monopoly competitor. The majority recommended that the present restrictions on private operators should be lifted.

I shall give one example of my experience. I apologise to hon. Members who may have heard it before, but it does not hurt to repeat it. One or two of the Select Committee members visited a private deep mine in Stoke. The company wants to operate two or three shifts in 24 hours to make the operation more viable. It cannot operate more than one shift because it is restricted to employing only 30 people. It is not viable to operate more than one shift in that mine unless the company is allowed to employ more than 30 miners. Meanwhile, ex-British Coal miners have been made redundant. They are willing and able and want jobs in the private sector, but cannot be employed. Thirty or 60 potential jobs are going begging in that area. Extra coal production at lower cost is being frustrated. That is just one of many examples. It seems to be economic Luddism of the sort that one would perhaps expect the Labour party to continue to encourage.

I hope that my hon. Friends will agree that that is not the sort of policy that we would expect this Government, of all Governments, to continue to promote. The Government are doing nearly all that they can to encourage private enterprise, the growth of the economy and job creation. That is just one example of how, if restraints were removed, the private sector could expand — modestly but constructively — and provide some competition to British Coal. It would help the consumer because it would offer an alternative source of production and would certainly help to lower coal prices.

There is a further example. The Select Committee recommended that if the British coal industry is to remain nationalised, we must encourage private investment. Again, it seems illogical for this Government, of all Governments, to continue to support a situation in which private British mining expertise must go abroad to invest in the coal industry because our legislation prohibits it from participating in the British coal industry. However, we know that, despite the enormous resources that the Government are injecting and have injected for new capital investment in the nationalised industry, it is still not enough and more could be provided.

New coal fields could be developed more quickly and more economically if the private sector—coal mining enterprises that have expertise that, at the moment, they must use abroad to create jobs and wealth abroad—could contribute to the British coal industry. I urge my hon. Friend the Under-Secretary of State to take that recommendation seriously.

No hon. Member—least of all myself—would argue other than that the coal industry is absolutely central to our future energy means. Indeed, we have the only major coal industry in Western Europe. We could play a bigger role in exporting coal to European countries, as we did many years ago, if we could only make our industry more competitive. We could expand production. It is short-sighted to hold back the industry by restraining it exclusively within the nationalised monopoly.

Let us remove some of the restraints, liberate the industry, let private enterprise play a partnership role, and let the private sector develop alongside the nationalised industry so that we can genuinely reap some of the advantages that this enormous resource could provide. The extra competition that it could create would help energy prices, the industry, the consumer, and, therefore, the whole economy. It would certainly benefit those who work in the industry. They would have an alternative source of employment. It would help the viability of jobs in the longer term because the industry would be given an opportunity to expand and to meet its full potential.

4.57 pm

Mr. Dennis Skinner (Bolsover): I listened carefully to the speech by the hon. Member for Havant (Sir I. Lloyd), who introduced the report of the Select Committee. He began his remarks by stating that we cannot have a coal mining industry that has to be subsidised. He used words such as gargantuan. He gave the clear impression that the coal industry, of all industries in Britain, is using taxpayers' money. It comes very ill from Tories to attack the coal mining industry for being subsidised to some degree when, only in the past few weeks, they wrote off £750 million for the Rover Group. Hon. Members must not get me wrong. I am not against the write-off of the £750 million. I know that it means jobs in the midlands and in other parts of the British Isles. I know that workers risk being thrown on the scrap heap. I know that they must call at the employment exchange and the jobcentre and that they must receive taxpayers' money from another source. It has never made sense to me to say, "Get rid of the subsidies. We want more people on the dole." Tories do not say that, but that is roughly what they are talking about. It is monetarism gone mad.

I want to dispose of the argument that we should assume in this debate that only the mining industry has had Government subsidies since the end of the second world war. When the hon. Member for Havant was supporting the right hon. Member for Old Bexley and Sidcup (Mr. Heath)—I do not think that he supports him now—when he was the Prime Minister of the day, many hon. Members will recall that one day the right hon. Gentleman came along to the House and said, "Oh, by the way"—I do not think he used quite these words but this is what he meant—"Rolls-Royce has gone bankrupt. I'm afraid we shall have to subsidise it, chaps." The Tories trooped through the Lobby to support the right hon. Gentleman. Some of them tried to escape. Some of the purists said, "I'm a monetarist. I'll have nowt to do with this." So some of them disappeared—but not many.

We on these Benches stayed behind that night because we thought that that was not a bad idea. A lot of jobs were affected in Derby, the midlands, Scotland and north-west Lancashire. We said that we would save those jobs, because we believed that if private enterprise could not do the job we should have to get Rolls-Royce into the public sector—and sharp. So let us have none of that nonsense about only the mining industry being subsidised.

Not so long ago the Government handed over roughly £5 million to Murdoch of the Wapping press so that he could go down into the enterprise zone. Was that a proper use of taxpayers' money? Was it right to hand over £5 million to Murdoch, who has made £50 million out of *The Sun* and invested it in Hollywood films? Was it right to hand over taxpayers' money to Murdoch to slag off the Government with the *News of the World* publication about Peter Archer and Victoria station? It is bizarre, but it was taxpayers' money. *[Interruption.]* I apologise; I should have said Jeffrey Archer. Let us get that straight.

Is it not bizarre to say that we cannot subsidise people's jobs? Fancy Members of Parliament saying that we cannot subsidise people's jobs. This place would close down tomorrow without taxpayers' money. The Prime Minister often refers to the next door neighbour as the one we collect the taxes from. Not so long ago on television she said, "Remember that the taxpayer is your next door neighbour." I wonder what would be the result of one of those clever opinion polls—or perhaps a real opinion poll—if people were asked, "Who do you think you ought to subsidise—miners or MPs?" It would be dodgy.

Sir Ian Lloyd: The hon. Gentleman would be out of a job.

Mr. Skinner: The hon. Gentleman says that I would be out of a job. The reason I understand his argument is because I do not want miners, steel workers, railwaymen, social workers and the hundreds of thousands who ought to be working in local government to be sacked. So let us have no more of that nonsense. The hon. Gentleman was one of those who cheered his Front Bench when they handed over £100 million to save Johnson Matthey Bankers—a big, fat subsidy. There has been no Select Committee. No hon. Member has got up and said, "Let's have a Select Committee to see whether the £100 million that was handed over to Johnson Matthey Bankers was well spent." No, of course not. There was no Select Committee on that, or even on the tax relief that the banks get.

Why are the Tories not complaining? The National Westminster Bank will shortly produce profits amounting to more than £1 billion, to be followed by Barclays Bank. They are friends. When I was looking at the small print I wondered how they had made all that money. It says that £160 million is being written off the National Westminster Bank's accounts because it is not going to pay tax; it has been put down to bad debts. Bad debts? So the British taxpayer—the next door neighbour that the Prime Minister talks about—is ladling out £160 million to the National Westminster Bank so that it can write off bad debts in this country and abroad.

If it had not been a Scottish Bill that was discussed yesterday, I should have raised the issue on that debtors Bill. But that is enough of that. Let us have no more talk about subsidies being paid only to the coal industry, especially when the Prime Minister has caused the cost of running 10 Downing Street to rise from £1·3 million in 1979 to more than £5 million now. She can talk about subsidies! She has caused the running costs of 10 Downing street to rise by up to 300 per cent.

Mr. Gerald Howarth (Cannock and Burntwood): Will the hon. Gentleman give way?

Mr. Skinner: Only very briefly, because my hon. Friends want to speak.

Mr. Howarth: The hon. Gentleman fails to point out that in respect of the accounts for No. 10 there is a new accounting practice that includes counting as the costs of No. 10 the costs of other Departments. That was not formerly the case.

Mr. Skinner: The hon. Gentleman means that the Prime Minister became so wary of these other Departments that she decided to have a foreign affairs adviser and another kind of adviser in No. 10. Why? She also has Bernard Ingham and his staff there, full time. The result is that No. 10 is costing the taxpayer—the next door neighbour taxpayer—300 per cent. more under the Prime Minister's administration than it cost under Uncle Jim Callaghan's—the man who has a book coming out very shortly, they tell me, but I do not want to advertise that fact.

I see that the Select Committee has dealt with the effects of nuclear power and with the side issue of a smaller work force and less production in the mining industry. Those who believe that the way forward is nuclear power must bear in mind that the cost is met by the taxpayer via the Ministry of Defence, but that cost is never calculated. I know that my hon. Friends will take up with zeal the point that the next Select Committee on Energy should consider how much taxpayers' money is going into the nuclear power industry.

I am pleased that my hon. Friends who served on the Select Committee divided the Committee on this issue. Many hon. Members know that I am not keen on Select Committees. They tend to be very sloppy, consensus-type Committees. However, my hon. Friend the Member for Pontefract and Castleford (Mr. Lofthouse) decided, along with his two colleagues, to oppose certain measures and recommendations. I applaud them for doing so. They managed to drag themselves away from the idea that they are all pals together, waltzing down the yellow brick road.

The Select Committee said that the coal mining industry cannot be privatised until the year 2000. I thought that that was rather surprising, when one considers some of the hon. Members who serve on the Select Committee. Therefore, I wondered whether it was possible that some of them had mining experience and whether they had been able to influence the Committee to a far greater degree than is usual. I agree with my hon. Friends that there should be no privatisation. That is why the Committee was divided. We have only to consider what happened in the mining industry before the war when it was privatised and to listen to the old people who are still around. They would tell us.

Mr. Geoffrey Lofthouse (Pontefract and Castleford): And so would some hon. Members.

Mr. Skinner: My hon. Friend says that some hon. Members would also be able to tell that story. I went into the industry in 1949, after nationalisation. They could tell us what happened under privatisation. The safety standards were abysmal.

Mr. Lofthouse: They were shocking.

Mr. Skinner: My hon. Friend says that they were shocking. He went through it. The owners did not care about life and limb. That is what would happen in future if the mines were privatised. We want no more nonsense about privatisation being the salvation of the mining industry, because it would result in more deaths and injuries than in any other British industry.

What else would it do? Those who have worked in the pits know the answer. The owners would immediately say, "Here's a nice easy seam, only 300 yards down." But looking at a coal mine a real planner would say, "If we are to maximise the output in this coal mine, we must think about the seam that is 400 yards down, and the next one that is 800 yards down, if we are sensibly to extract from the earth what has lain there for thousands of years."

Privatisation would mean easy profit and easy killings. The attitude would be, "Let us mine what we can get hold of first and to hell with all the rest of it." There would be exploitation, but a lot of coal would be lost for ever. Safety standards would fall and easy seams would be taken on.

As my hon. Friends know, we in the mining industry have had to fight for compensation for colleagues who have been injured and for widows of colleagues who have been killed. One can just imagine how, in this new, privatised, monetarist world, attempts would be made to get rid of trade unions—those which have represented the miners over the years—altogether. Imagine what paradise that would be for the lawyers——

Mr. Michael Brown (Brigg and Cleethorpes): Will the hon. Gentleman give way?

Mr. Skinner: No. My hon. Friends must have a chance to speak because they served on the Committee.

If the mining industry were privatised, there would be more casualties and longer hours——

Mr. Brown *rose*——

Mr. Skinner: The hon. Gentleman threatened to pack in his seat if it was decided to go ahead with the dumping of nuclear waste on his back doorstep. The threat is still hanging over his constituency, but he is still here. I would be more inclined to give way to him if he showed a bit of principle for a change but, like his hon. Friends, he does not.

There would be longer hours in the new privatised mining world. What else would ensue? More people would be on the dole, and more youngsters on tin-pot youth training and other Thatcher-devised slave labour schemes. In addition, more South African coal would pour into the country to service hospitals. Indeed, some South African coal is already going into Nottinghamshire and depriving Nottinghamshire miners of their jobs. *[Interruption.]* Some members of the UDM have said that that is happening, and, incredibly enough, they supported a motion that I tabled a few weeks ago. South African coal would be cheap to begin with, but once South Africa had seized the coal market it would call the price, as did the oil industry in the 1950s and 1960s. There would be no more nuclear power.

The report also recommends the allocation of an additional £166 million for the coal mining industry. The hon. Member for Havant said that that was a gargantuan amount, but I do not believe that. I would support the proposals more readily if I knew that more money was to be allocated on top of that to ensure that those who live in Coal Board houses and who are being preyed on by the speculators could live in better conditions. More money

should be allocated to further the cause of those of us in this House who since 1970 have represented the pre-1968 miners who are still doing without concessionary coal. Why does not the Minister get stuck into that? There are not many left in the country; a few in Lancashire, a few in Derbyshire and a few in other coalfields. We should make sure that those people — widows and ex-miners who were made redundant—are treated the same as the rest.

There should be more money to compensate for subsidence, as my hon. Friend the Member for Pontefract and Castleford said earlier. In addition, there should be action on the issue of the 450 sacked miners. I should like to think that we were going to support in the Lobby today a decision that those 450 miners should get their jobs back, as they undoubtedly will under the next Labour Government.

Mr. Bruce: It will be a long wait.

Mr. Skinner: The hon. Gentleman comes from Scotland. I have been looking at the polls and statistics for Scotland, and I can tell him that if he does not watch his back, the speach he made today may be his last speech. My information is that Labour is riding very high indeed in Scotland. The hon. Gentleman is a Liberal, and I note that his SDP colleagues have not graced us with their presence. I think that I know why. The SDP is not very keen on getting rid of nuclear power or on the hon. Gentleman's ideas about mining as expressed in his speech. In fact, they are not very keen on the Liberals. Members of the SDP are using the Liberals, and when they have used them they will dump them, just as the Tories want to dump the miners. The hon. Gentleman has plenty on his own plate, and he should deal with that before talking about the Labour party.

As my hon. Friends have said, unless some changes are made, our union representatives will have to go to court. The problem stems from the Government's sequestration policy. They say that they are at arm's length with the courts, but I do not believe that.

I want the Minister to bear in mind what the Lord Chancellor said last week about another issue. Unimar, one of the firms involved in Lloyds, cheated more than 1,000 people—nearly all of them Tories—out of their money on the insurance market. The Lord Chancellor—the top Tory in the other place — said, "We cannot really pursue this very complicated and complex financial matter." Millions of pounds were involved.

That was one of the biggest scandals in the City during the past 10 years. More than 1,000 people were swindled out of their money, but there is to be no sequestration. There is to be no hunting or hounding or rushing to Switzerland, because the Lord Chancellor believes that it would cost too much time and money to pursue the matter. This wonderful British justice of ours is to allow all those in Unimar and PCW to escape. They will not get their collars felt, or be hauled before the courts. If the Government can do that for City crooks, who represent the underbelly of the Tory party, they should stop this nonsense of dragging the NUM through the courts.

We have heard today about soaring productivity, a wonderful golden future for the mining industry and conciliation. If those words mean anything at all, the Minister and his right hon. Friends should stop their witch hunt of the NUM.

5.17 pm

Mr. Gerald Howarth (Cannock and Burntwood): We have been entertained by a good rant from the hon. Member for Bolsover (Mr. Skinner), who has clearly been practising in the Tea Room.

Mr. Skinner: Not with jackboots on.

Mr. Howarth: The hon. Gentleman does his practice with jackboots outside the Chamber. Clearly, the Tea Room provides the Labour party with an alternative to the hustings. They cannot face the people; they can only fight one another.

It will come as interesting news to the Leader of the Opposition that the hon. Member for Bolsover has made a most compelling case that, far from deserting manufacturing industry in this country, the Conservative Government have littered taxpayers' money throughout manufacturing industry. That was the point that he made. Perhaps he had better rush round to Miss Patricia Hewitt's office, or somewhere else where they specialise in leaking letters, and have a few words. The Leader of the Opposition should be aware that it is no good berating this Government for not supporting manufacturing industry, because the hon. Gentleman has produced a veritable catalogue——

Mr. Robin Squire (Hornchurch): A cornucopia.

Mr. Howarth: As my hon. Friend says, we have heard a cornucopia of examples illustrating the extensive support given by the Government to manufacturing industry.

The hon. Member for Bolsover was ranting, rather than delivering a speech, so let me tell him now that the figure for which he was searching was £2,900 million. That is the amount of money that has been diverted from the taxpayer to British industry in respect of the aerospace, steelmaking, shipbuilding and vehicle industries. Later this afternoon we shall no doubt debate the excellent support that Her Majesty's Government have given to the British vehicle industry.

Mr. O'Brien: I am grateful to the hon. Gentleman for making that point. However, can he explain how much of that £2·9 billion has been spent in the coalfield community areas, because that is what the report is about? Can the hon. Gentleman explain how much has been spent in west Yorkshire to replace the coal industry that has been devastated by the Government?

Mr. Howarth: I am not here this afternoon to be responsible for west Yorkshire. However, I advise the hon. Gentleman that the Government have made substantial contributions, in one form or another, to alleviate the distress——

Mr. O'Brien: In the south.

Mr. Howarth: British Coal Enterprise Ltd., with capital of £40 million at its disposal, is doing a fantastic job to try to regenerate jobs. Nobody underestimates the difficulty in those areas where there have been major shutdowns in coal capacity. The hon. Gentleman should explain and be aware of the fact that the coal industry is not alone in having to undergo restructuring. It has had to take place throughout British industry, largely as a result of the post-war conspiracy between previous Labour Governments and the trade unions, which has prevented the introduction of new technology and the elimination of

[Mr. Howarth]

overmanning that has so beset British industry since the war. It is only now that those structural changes are taking place.

If the hon. Gentleman comes to the west midlands, he will see that the area has suffered more than anywhere else. It has gone from the top of the earnings league to the bottom, but nobody in the west midlands complains. Instead, people say, "We recognise that we have a problem, but we are tackling it and, what is more, we are coming through it." The good news about this report is that the coal industry itself is tackling the problems. I shall discuss that later.

I am sorry that the hon. Member for Bolsover cannot take any more of my speech. He is not in his usual seat. I am delighted that he has moved to higher ground, next to the seat occupied by his right hon. Friend the Member for Cardiff, South and Penarth (Mr. Callaghan), a former Prime Minister, who will undoubtedly be a friend of his in the next general election. I am glad to see that the hon. Gentleman has not deserted us, but will remain to contribute to our discussions because he asked for more money for the coal industry. I find it extremely odd—I am sure that I am not alone among my hon. Friends in finding it so—that he wants more money for the coal industry. He has been a Member of the House for a long time. In those ancient, dim and distant days when there was a Labour Government—I cannot remember it but I believe that there was a Labour Government at one stage—the hon. Gentleman supported them.

Perhaps the hon. Gentleman can explain, not only to his constituents but to the country as a whole, why there were more pit closures when there was a Labour Government and why more people were put out of work in the coal industry when the Labour party was in office. Perhaps he could also advise us why the terms of compensation for redundant mineworkers were so poor. The answer is that Opposition Members are a bunch of hypocrites and that when in government they did not do half the job that this Government have done.

Mr. Barron *rose*——

Mr. Howarth: I shall give way to the hon. Gentleman in a moment. I continue by reminding the House—I am sure that hon. Members need to be reminded of this, after what they have heard this afternoon from Opposition Members—of the immense turnaround that there has been, thanks to the leadership of my hon. Friend the Under-Secretary and the Government.

Mr. Barron: I do not know whether the hon. Gentleman was present earlier when I spoke. However, I should like to say briefly that, when the mining industry went through restructuring because of the increase in the import of oil because it was so cheap abroad, there was a Government scheme for 26 weeks training for those who left the industry. Under the National Coal Board's enterprise scheme set up in the coal strike, three weeks' training is provided. For most of that time unemployment in coal mining areas was below 3 per cent. It is much higher now; the hon. Gentleman should know that before coming to these debates.

Mr. Howarth: I was here for the hon. Gentleman's speech and I do not disagree with much of what he said. I know that he makes strong representations on behalf of his constituents. I understand that he has been elevated to higher things and was unable to remain on the Committee. I am sure that the Committee was the poorer for the lack of his deliberations.

However, the hon. Gentleman has ignored the part played by British Coal Enterprise Ltd. to deal with the problems in the coalfield communities. As my hon. Friend the Member for Havant (Sir I. Lloyd) and others have said, it is not the responsibility of the coal industry to consider all the social consequences of its decisions. Of course it must take them into account, but it is there to run a business and it is the duty of Government to see where the commercial operation of a business so inflicts damage on local citizens that action needs to be taken. The Government have taken that action, and will continue to do so.

That seems to have disposed of the hon. Member for Bolsover, although I hope that he will come back and regale us with further comments.

Mr. Andy Stewart: Before my hon. Friend leaves the hon. Member for Bolsover (Mr. Skinner), I should like to say that he criticised people who receive subsidies, while his own brother is taking voluntary redundancy from the coal industry. Is not that taking a subsidy?

Mr. Skinner: He is a fireman.

Mr. Howarth: I am sure that the hon. Member for Bolsover will want to tell the House about that in his own time.

I move on, because I know that some hon. Members have not had a chance to speak yet who wish to do so. I start by congratulating my hon. Friend the Member for Havant and his Committee on producing an excellent report which, in my view, ranks alongside the 1983 Monopolies and Mergers Commission report as one of the great works on the coal industry—*[Interruption.]* If you think, Mr. Deputy Speaker, that I am only now embarking on my speech, I hope that you will——

Mr. Deputy Speaker (Mr. Harold Walker): Order. The hon. Gentleman said that he was just starting his speech. I thought that he had been talking for nine minutes.

Mr. Howarth: I undertook to make a short speech but the hon. Member for Bolsover enticed me down an avenue which perhaps I should not have gone down. I hope that I have been able to put the record straight about some matters that would not otherwise have been dealt with.

One of the features of this Parliament is the fact that so many coal miners and mining communities are represented by Conservative Members. It is now often the case that the Conservative party speaks for the miner more than the Labour party does. I have every confidence that, after the next general election, that will continue to apply. That is not a reflection on individual Labour Members who work extremely hard in their constituencies. Indeed, there is a certain camaraderie among those of us who have an interest in the mining industry. Opposition Members speak as sincerely about their views of the industry as I do about mine. It is more a reflection of the present state of the Labour party, which no longer speaks for the English working man, or for the many miners who now seek to buy their own homes, or who have bought their own homes, and who have benefited from the Government's policies on the mining industry.

The first success of the Government's policies can be seen in investment. The hon. Member for Bolsover should listen to this. It is no good his making a speech and then not listening to what other hon. Members have to say. From 1974 to 1979, total investment in the industry by the previous Labour Government was £1·5 billion, whereas between 1979 and 1986 this Conservative Government invested no less than £5 billion. Nothing so demonstrates the commitment of this Conservative Government to the coal industry than the efforts by the Department of Energy during the past eight years. Investment in new pits is now running at more than £2 million every working day and we know that in Margam there is to be a new £90 million drift mine which I hope will come on stream soon.

Secondly, productivity has increased by no less than 50 per cent. since 1979. Each year under the Labour Government productivity fell, despite the fact that in 1974 in the much-heralded "Plan for Coal" the target was a 4 per cent. per annum growth each year. Therefore, productivity is increasing dramatically, so much so that we are now the lowest cost coal producer in western Europe. Nevertheless, there is further to go.

I draw attention to the remarks of the chairman of British Coal to the Coal Industry Society:

"Out-moded restraints such as the 1908 Hours of Work Act and the 40-year-old five-day week agreement mean that highly expensive equipment is only operating for a third of the maximum time available. This is in sharp contrast to the position in other highly capitalised industries such as chemicals and steel."

It is greatly to the credit of the men in South Wales who have gone back on long-standing practices that they recognise that new investment will come only where there is a change in working practices to conform with those in other industries.

Thirdly, the Government should be given credit for the pay that miners now enjoy. It is much higher than it was under the Labour Government. Fourthly, and not least —I do not wish to be unduly divisive about this—the Government are to be given credit for standing firm in the face of industrial intimidation from the NUM. It was a tyranny and the Government did a great service to the country and indeed to the coal industry in standing firm against it.

I have no deep pits in my constituency and there have not been any for some time. My constituents work at the pits of Littleton, which is represented by my hon. Friend the Member for Staffordshire, South (Mr. Cormack), and Lea Hall, which is represented so ably by my hon. Friend the Member for Mid-Staffordshire (Mr. Heddle). The increase in productivity at Littleton has been 38 per cent. and at Lea Hall 24 per cent. Those figures compare with an average for the western area of 22 per cent. That is no mean achievement. At the same time, they have been able to reduce costs at Littleton by 16 per cent. and at Lea Hall by the same figure. The overall figure for the western area is 10 per cent. Output has increased by more than 20 per cent. at both pits. I am pleased to inform the Minister that Littleton colliery has just achieved a 1 million tonne per annum output for only the second time in 85 years. Output per man shift is averaging 3·44 tonnes, and in February 4·44 tonnes was achieved.

Most important, Littleton and Lea Hall are both profitable. The message to Opposition Members is that that is good news for the industry. My constituents are to be congratulated on their efforts, not only to withstand the strike, but to recover from it and produce those magnificent results. It is good news when men can see that, as a result of their efforts, it is not necessarily to dip into taxpayers' pockets, when they can say, "We can stand on our own feet. We are profitable. We are showing the way to recovery for the whole industry." It is a measure of the success of the industry in the western area that total output from its present 11 pits is approaching 10 million tonnes —just 1 million tonnes short of the output 12 years ago, when there were 24 pits. The western area is heading for a profit for the first time in 14 years.

I know that I have spoken for some time and I shall conclude by making two further points. I endorse the remarks made by my hon. Friend the Member for Erewash (Mr. Rost) about the need to introduce private sector involvement into the coal industry. There is nothing incompatible with congratulating miners in the nationalised British Coal on their achievement and welcoming the involvement of the private sector. Throughout industry, we have seen that private sector involvement and the move towards privatisation have had a galvanising effect on the work force. British Airways was a moribund, sleepy, nationalised state airline, losing £500 million, but now the work force is motivated to an extent which was unimaginable five years ago. It is greatly to their credit that the airline is now doing so well. I would like to see that ethos and esprit de corps introduced into the coal industry.

I hope that my hon. Friend the Minister will discard some of his caution, welcome the introduction of more private sector involvement and say that the way ahead for the coal industry must involve the maintenance of the highest standards, coupled with a determined and inexorable move towards privatisation in one way or another.

Subsidence affects all mining constituencies and is a major problem for British Coal. In paragraph 160 of its report, the Select Committee rightly states:

"British Coal currently pays some £90 million a year in repairs and compensation for all those affected . . . BC cannot plan sensibly either its finances or its mining developments with no idea of the size of the subsidence compensation payments for which it may be liable."

In paragraph 161, the Committee recommends

"that BC should no longer be liable for subsidence caused by historic mining operations."

I make a vehement plea to the Minister to take note of that. Whatever else he does in response to the report, I hope that he will feel able to act on that forthwith. He knows from my correspondence with him of the anguish of our constituents whose principal asset is their home —which they cannot mortgage to raise funds to invest in a business, to extend their property or for any other purpose that they have in mind because of the blight caused by the uncertainty of mining subsidence.

I thank my hon. Friend the Member for Havant (Sir I. Lloyd) for the lead that he has given on the coal industry. There is a long way to go, but the Government have done a magnificent job. If the Minister would tackle subsidence now and privatisation next month, that would be grand.

5.36 pm

Mr. Geoffrey Lofthouse (Pontefract and Castleford): For many months I have had the privilege of being a member of the Energy Select Committee which produced this report. As the hon. Member for Havant (Sir I. Lloyd) said, we have spent many hours on it and have travelled many miles. Some of our travels have brought me great

[Mr. Geoffrey Lofthouse]

pleasure. I have seen Conservative colleagues visiting a coal mine probably for the first time and finding great difficulty reaching some of the coal faces. The House will appreciate the pleasure I had in Wales when I watched the hon. Member for Littleborough and Saddleworth (Mr. Dickens) get halfway through a coal face, but no further. He had to be dragged back. I do not know how they would get on on a 9-hour shift at a coal face which some of them are advocating. They would find great difficulty indeed.

Nevertheless, we have made an honest endeavour to produce a responsible report on the future of the coal mining industry. Some people believe that over the past few years the financing of the coal industry could be described as rigged. Hon. Members will recall that, following the fall of the Heath Government in 1974, the Conservative party set up a nationalised industry policy group chaired by the present Secretary of State for the Environment. The final report was leaked to *The Economist* in May 1978. Although most attention has been focused on the right hon. Gentleman's plans to defeat strikes in the coal industry, he also proposed two financial rules for nationalised firms.

In particular, the chief inspector said that "totally inflexible" rates of return should be set for the nationalised industries and that these rates should be adhered to even if whole businesses were to be closed down as a result. It is interesting that setting the totally inflexible rate of return of 12·2 per cent. on the Margam project in south Wales was used to force the south Wales miners to accept the concept of a six-day week for coal production at the Margam colliery. I do not think that anybody would refute that. The Government's rigid financial rules became enshrined in a series of coal industry Acts from 1980 onwards. They were reflected in the 1983 Monopolies and Mergers Commission report and were built into the financial objectives for the coal industry, agreed by Ian MacGregor in 1983.

Since 1979, the coal industry's finances have been progressively rigged to make its results appear worse year by year. By 1982, the NCB began making a loss for the first time since 1974. There are three major factors behind that loss. First, the costs of contracting the industry were being loaded back on the accounts—for example, the cost of past employees' pensions.

Secondly, the agreements with the CEGB, cutting the price of coal in real terms, were forced on the industry from 1979. By 1983, the price of coal sold to the CEGB was cut in real terms by £2·25 per tonne. That reduced revenue by more than £150 million a year by 1983. Thirdly, Government grants were taken out of the profit and loss account and added as a deficit payment to the end of the balance sheet, contrary to continuing practice in the private sector. The new agreement with the CEGB has meant the transfer of profits.

The latest agreement with the CEGB, backdated to April 1986, means a cut in the price of coal by a further £3·80 per tonne. Since 1979, therefore, the industry has lost revenue of £6 per tonne on coal sold to the electricity industry—or some £500 million a year. A further £100 million has been lost through knock-on price cuts in other coal markets. If that had not happened, instead of making a projected £300 million loss in 1986-87, the coal industry would be making £300 million profit. Had that been the case, how many pits that were closed because they were uneconomic would have been able to survive because they would have been economic?

Indeed, Sir Robert Haslam has acknowledged that a £300 million annual profit would make the industry fully viable and that it would be able to generate its own investment funds. Instead, the Coal Board had to set off another severe round of cost cutting in the industry to claw back half the loss of potential profit in the current year. Furthernore, he admits that the now notorious Wheeler plan has been drawn up to push the industry past a break-even position into full financial viability. In the chairman's own words, the board wants to remove

"outmoded restraints such as the 1908 Hours of Work Act and the 40-year-old five day week agreement."

The board wants to shed another 50,000 mining jobs over five years. If the Minister does not agree, he should say so when he winds up.

The Supplementary Estimates add £95 million to the external financing limit. The Government say that the EFL for the industry for 1986-87 was set at £730 million before the oil price collapse. What the Government really mean is that it was set before the new agreement with the CEGB was forced on the industry. As a result, the industry lost £400 million in revenue. The Government are now proposing to increase the EFL by £95 million. That would add further interest payment burdens to the coal industry.

By contrast, it was announced last week that the CEGB expected to make £750 million profit in 1986-87. It is interesting to note how the *Financial Times*, published on 4 March, interpreted that announcement. It stated:

"Thanks largely to last June's revised understanding with the British coal industry, the CEGB this year expects to make about £750m profits, after depreciation and before interest."

On top of that creaming off of the coal industry's profits, the Chancellor announced in his autumn statement last November that the amount that the electricity supply industry in England and Wales would have to pay to the Government in 1987-88, through its negative EFL, would be increased by £237 million. For the first time, the electricity industry will make substantial corporation tax payments in 1989-90.

What is now known as the Ridley plan is being operated in top gear to cream off the wealth produced not only by the mining communities but by the electricity workers. It is operating at full throttle because this is an election year. However, electricity consumers have not received full benefits, as the Government pretend. Electricity prices for domestic consumers have merely been frozen, as this policy is aimed at raising Government revenue and destroying mining communities. Electricity prices were increased by 5 per cent. at the beginning of 1986-87. The later price reduction merely offsets that increase. The only real beneficiaries are the big business users of electricity, who have secured, collectively, a £50 million price cut.

Mr. Andy Stewart: And jobs.

Mr. Lofthouse: I am not disputing that. I welcome new jobs.

The Government might object that, if the new agreement had not reduced coal prices, the CEGB would have substituted oil or imported coal. That argument does not stand. Oil prices are so uncertain that Lord Marshall says that the CEGB does not intend to build any more oil-fired stations, and a huge oilburn by the CEGB would have lifted the international price of oil to such high levels that the policy would be counter-productive.

Secondly, as the *Financial Times* coal report demonstrated, in its evidence to the Energy Committee, imported coal is being sold at $10 per tonne, on average, less than its costs of production and transport. In other words, imported coal is being dumped at around £6 per tonne less than the price that it should have been sold at. At the same time, British Coal has been forced to cut its prices by £6 per tonne. If an import duty of £6 per tonne were placed on imported coal, the coal industry could be freed from the shackles of the CEGB agreement and it would be making a profit of £300 million.

To import massive volumes of coal is economic nonsense for other reasons. Huge balance of payment problems and large costs to the country will result from yet more pit closures, which will cost the economy and the Exchequer dear.

As to the Supplementary Estimate of £71·3 million for the redundant mineworkers payments scheme, the Government are proposing to add that figure to the provisions under the RMPS, because costs in 1986-87 are now expected to be much higher than the original estimate of £540 million. That is because 29,000 miners have been made redundant up to January 1987. The £1,800 million that was provided under the Coal Industry Act 1985 has been exhausted.

As a result of the huge increase in redundancies in 1986-87, the provision in the Coal Industry Act 1987 for the continuing costs of past redundancies will also be insufficient. The public expenditure White Paper has already estimated that, in the first three years, continuing payments will total £514 million. The maximum figure of £750 million which was provided for redundancies and redeployment is meant to last until March 1992. I must ask the Minister, are the Government planning to load yet another burden on the coal industry?

I will cut my speech short because I know that other hon. Members wish to speak. Nevertheless, the question appears to be, how many redundancies does the Minister expect over the next three years? The figure that I have been able to work out is about 30,000. I shall give him the opportunity to refute that or agree with it.

What I would call the minority report—the major amendments proposed to the report — was brought about purely and simply by our fear of the prospect of privatisation. People such as myself, who have had experience of privatisation of the mining industry, know a little about it. We fear that dramatic safety problems will be created by the privatisation of the coal industry. We have seen that before and we saw it in our visit to America. We established our evidence that the system in America of roof-bolting roadways was not the safest. That was confirmed by the chief inspector of mines. If British Coal continues its policy of using roof bolts purely for economic purposes, it will be going against the views of the chief inspector of mines, who feels that it is not the safest method, and British Coal always prides itself on providing the safest methods.

5.53 pm

Mr. Spencer Batiste (Elmet): I am grateful to you, Mr. Deputy Speaker, for calling me in this important debate. I shall be brief because I realise that other hon. Members wish to speak.

In the main this has been a constructive debate, except for the contribution from the hon. Member for Bolsover (Mr. Skinner), who spoke in his customary diplomatic and tactful manner. I am indebted to the hon. Gentleman for his suggestion that I should read the novels of Peter Archer. That was the one constructive suggestion that he made and was, I suspect, about as accurate as the rest of his speech.

However, he raised one fundamental point which underlines what I want to say in the first part of my speech. It is the difference between providing assistance for an industry, even massive assistance, to help it restructure itself so that it can stand on its own two feet, and providing long-term open-ended subsidy without taking the necessary and sometimes painful steps to put that industry right. In industrial terms, it is the difference between the hospital and the hospice. It was clear from the hon. Gentleman's contribution that he did not understand that difference, certainly in the way in which he contrasted the role of Government intervention in different industries.

Let me return to the point that I wanted to make, with what I have said as a preface. I was a member of the Select Committee when it started its report on coal and, like the hon. Member for Rother Valley (Mr. Barron), I had to leave it before it reached its conclusion. I am deeply indebted to the Committee for producing a report which will be extremely valuable to those who have the interests of the coal industry at heart. I am sure that the current hon. Members on the Committee will forgive me for saying that it is not so much their conclusions that are important — although they are interesting, but we shall all have our own ideas on them—it is the way in which they have pulled together evidence in such a careful, constructive manner and given their own careful deliberations in weighing that evidence that gives us a valuable source for considering the future of the coal industry. While I missed out on some of the pleasures of visits that took place in the preparation of the report, there is a lasting testimony before us which will act as a bible on the industry for many years.

The message that comes from the report is that there is wide acceptance of the important strategic need for coal at the centre of the country's energy policy. Many hon. Members have touched on that theme time and time again over the years—each of us, perhaps, from a different viewpoint—but it is clear that in a country such as ours there needs to be a diverse policy on energy. Coal must be at the heart of such a diverse policy.

It is necessary to achieve productivity improvements so that coal can compete effectively and be viable in its own right, rather than having to be propped up merely for the sake of diversity. The progress that has been made under my hon. Friend and the Secretary of State has been such that over the last year a month has rarely passed without one reading of a new record level of productivity being achieved in the industry. All hon. Members must congratulate the industry on that.

I am not sure that I go along with the Select Committee on its analysis of supply and demand, in particular on demand, because it is a notoriously difficult thing to predict a long time in advance. The evidence that it collected and its analysis of it is useful, but anyone who looks back 10 or 15 years at the development of energy demand in the world could say only that there are many factors which emerge which could not have been taken into contemplation at the beginning. I have no doubt that in the next 10 or 15 years other factors will arise which may cause us radically to review our assessment of demand.

[Mr. Spencer Batiste]

It is important for the coal industry that supplies should, in the words of my right hon. Friend the Secretary of State, and repeated in the report of the Select Committee, be "adequate and secure". If we have a native energy source which is reasonably readily available, that is its prime selling point to United Kingdom customers. It does not then matter to them whether there is political instability in the middle east; it does not matter whether there are problems with other sources of energy. Coal has the benefit of being here, being locally available and being relatively easy to supply.

It is with some concern, therefore, that I look at the one way in which the coal industry could defeat itself. I look to see what progress has been made in industrial relations since the end of the strike, and how the militancy that was so apparent in some quarters during that strike has been accommodated. On the whole, the industry's productivity record speaks for itself, but I am still concerned. My hon. Friend the Minister will know that towards the end of last year I visited the Selby coalfield so that I could report back first-hand to the House on how well that project was going. To my dismay and surprise, I was greeted by a halfday strike in opposition to my visit. I understand that my hon. Friend has had a similar experience at other pits. I understand that in the last month or so other people visiting the Selby coalfield have had similar experiences. The Opposition laugh at that. That is a tragedy, because not only did those one day strikes take place, but, a few weeks ago, the Selby coalfield went on strike for a week on the basis that the men should have had bonuses for the weeks when they had taken industrial action.

The mining industry should by now realise that its future depends above all upon the support of its customers. Nothing can destroy their confidence more than a reputation for unreliability. Let us hope that that reputation for unreliability has been firmly buried. The voice of realism is increasingly being heard from the shop floor in the mining industry, as it is in south Wales over Margam. I only hope that the invective directed towards south Wales from the president of the NUM, which in some ways is reminiscent of the invective that he loosed on Nottingham some while ago, will not be repeated but will be repudiated by all in the industry who have its best interests at heart.

My second point relates to something that has not been picked up significantly so far in the debate—new jobs. British Coal Enterprise Ltd. was set up to achieve various specific objectives within the coal community. Where there have been closures it was important that funds should be available to assist and help in the creation of alternative employment. There are different problems in different areas. *[Interruption.]* It is noticeable that whenever one talks about the successes of the mining communities the Opposition do nothing but barrack and harass speakers. They do it here and in the coalfields. It goes to show just how much they are really interested in constructive progress.

Mr. Barron: Will the hon. Gentleman give way?

Mr. Batiste: With great respect, I promised to be brief, so I shall not give way. I must press on.

My point is clear. British Coal Enterprise Ltd. has been successful in bringing investment and jobs to many areas where they are desperately needed. However, the needs of different areas are very different. In some places what is needed is to convert the premises of an old pit or to put up buildings for new business to move into; such is the strength of the business community in some areas that those premises will be taken up. My constituency has two such sites at Micklefield and Ledston Luck close on the A1. The commitment to develop those sites, making them suitable for business, should, because of their excellent siting, enable industry to move in and provide jobs in those areas.

It is equally clear—the Select Committee focused on this point—that in many places more help is needed. The Select Committee says that the Government should invest more money through British Coal Enterprise Ltd., but I recall my hon. Friend the Minister saying during many coal debates that as much money as British Coal Enterprise Ltd. could usefully use would be made available for it. It merely happens that £40 million is the current level of funding because that is what it requires. My hon. Friend nods as I say that and it is something that he has repeated over and over again.

The Select Committee makes an important point when it draws a comparison with the development of the docklands in London. There is a need for a catalyst. We need more than just investment. We need a more wide-ranging approach to the development of some areas. The highly successful mechanism of the urban development corporations in London and in Liverpool, which have recently been extended elsewhere, should not be confined only to city centres. The coalfields are just as worthy recipients of such a package as are the city centres. They have similar problems and the comprehensive response of an urban development corporation adapted to the coalfields would have a great deal to contribute to the redevelopment of those areas. That is a constructive suggestion by the Select Committee and I hope that the Government will take it on board.

6.3 pm

Mr. William O'Brien (Normanton): The hon. Member for Elmet (Mr. Batiste) referred to the Government's financial support for the mining industry. The inference was that it is not good for the Government to sustain the mining industry. Other Conservative Members also referred to the subsidy which the mining industry receives. However, little has been said about the tremendous subsidy that we give to agriculture, and that is shocking. The subsidy to mining is nothing compared with the subsidy to agriculture. Let us put the record straight.

The hon. Gentleman also referred to the dispute in the Yorkshire coalfield which in the main has arisen because of the lack of negotiation and consultation. The hon. Gentleman says that disputes are the responsibility of the men in the industry and that they should know better. Yet when a record is broken no reference is made to the men who work in the industry. Instead, the hon. Gentleman says that the Minister should be congratulated. The record should be put straight on that too.

The Select Committee's Chairman referred to the Supplementary Estimate of £166 million. The industry is worthy of that and the Select Committee did not condemn that assistance to the coal industry. My hon. Friend the Member for Bolsover (Mr. Skinner) said that more money should be made available to meet the concessionary fuel costs on which many widows and retired workers for the industry are losing out because of an ancient agreement.

I want to draw attention to a recent agreement under which widows and retired members are losing benefit because of British Coal's attitude. I hope that there will be a rethink and that the Minister will have a word with British Coal's chairman about the reduction in benefits to widows and retired members.

The hon. Member for Sherwood (Mr. Stewart) referred, in reply to my intervention, to the need to transfer money saved in the Health Service for more health facilities. If we follow that philosophy and say that imported coal should be used in hospitals throughout Britain, those whom the hon. Gentleman represents will be out of work.

Mr. Andy Stewart: I never said that.

Mr. O'Brien: The record will show that that is what the hon. Gentleman said. That will not be in the best interests of the hon. Gentleman's constituents.

The Select Committee examined the problems and prospects of the British coal industry and reviewed the progress which has been made to set the industry on a sound footing. We had to look beyond the 1990s and make recommendations for the coal industry. Although the Committee's terms of reference suggested that we were responsible only for monitoring the work of the Department of Energy and British Coal, the Government's evidence made it plain that the task of dealing with the consequences of a coal policy to mining communities rests with the Government.

The hon. Member for Erewash (Mr. Rost) referred to privatisation—the real issue that divided the Committee. Whether an industry is publicly or privately owned has no bearing on its efficiency. Sir Robert Haslam, British Coal's chairman, who has spent most of his life in the private sector, said:

"the perception that somehow private industry has some great magic wand and can come in and do something which nationalised industries cannot do has not got a great deal of validity."

The Committee believes that the privatisation of the coal industry is an unnecessary and potentially harmful sideshow, which the chairman of British Coal called an "unfortunate diversion".

The real structure of the industry is broadly accepted as it is and its ownership by the public brings real practical and strategic advantages. No case for the alteration of that position has been adequately made, either in evidence to the Select Committee or in the debate this afternoon.

On several occasions the Government assured the Committee that there were no plans for the privatisation of British Coal, although at times we have been assured that that is only for the present. However, we are equally sure that some Ministers remain ideologically committed to privatisation. With regard to coal, we set particular store by the Prime Minister's words on this matter since decisions about the privatisation programme are clearly taken at No. 10 and the Treasury rather than in the sponsoring Departments. We ask the Minister this afternoon and the Prime Minister to give a categorical assurance that privatisation will not take place.

The Government have privatised one fifth of the state sector of industries that they inherited in 1979 and will have transferred a further one fifth to the private sector by the end of this parliamentary Session. It is also the Government's intention to return most of the remainder to the private sector in the next Parliament. However, we have been told that there are no current provisions for the privatisation of British Coal. Do we infer from the answers that have been given in relation to privatisation that there is no future involvement or commitment for the privatisation of British Coal? In the Select Committee report, we recommended in an amendment that the Government should give a categorical assurance that British Coal will not be privatised. I hope that the Minister will comment on that when he replies.

I readily admit that part of my opposition to a privatised coal industry is based on the experience to which hon. Members have referred in this debate of the private coal industry in this country before 1946. Sir Robert Haslam must be one of British Coal's few remaining employees who worked in the private industry and he spoke graphically of some of the problems of the old private system. I do not want a return to the contract system in the mining industry. I have experienced that and I would not wish it on any other person working in the industry. I also believe that in the interests of safety the British coal industry must remain in public ownership. That will secure a safe industry in which people will be proud to work.

A further principal argument for maintaining public ownership of British Coal is my belief that important strategic assets should remain in public control so that the temporary storms in world energy markets can be ridden out and our principal energy assets preserved for the country's future needs. The case for running down the coal industry is based on short-term economic factors. That is not in the best interests of this country.

The Select Committee had no quarrel about the small deep mines in Great Britain. A more rigorous argument was presented for allowing more private sector opencast on bigger sites. That argument was backed by the Monopolies and Mergers Commission in 1983. I have argued elsewhere that there should be a limit on the quality and quantity of coal extracted by opencast methods as a means of easing the pace and scale of British Coal's difficulties. We tabled an amendment that was carried in the Committee about restriction on opencast workings.

I want to refer briefly to the references made to the new mine in south Wales and the fact that if it is to achieve the necessary output it will be necessary to break all the existing agreements about working hours and the five-day week. That is not necessary. To illustrate that point, I want to refer to Sharlston colliery in my constituency. The pit at Sharlston was sunk in 1865 and it has been running for more than 120 years. In February this year, the men at the pit achieved one million tonnes output—and that was achieved in an old pit working to the existing agreements on hours and conditions. That pit knocks sideways the Government's philosophy that there must be changes if achievements are to be made. The achievement at Sharlston was made with six weeks still to go in the current year. The productivity at Sharlston colliery in the past two years has risen from three tonnes to five tonnes per man shift. During the year, the workers set a new weekly output of 31,000 tonnes and an all-time productivity best of 5·6 tonnes per man shift.

We do not need the changes in conditions that we have been told are necessary. The men in the industry can produce the output if they are given the resources to do so. The pit at Sharlston has also reduced its costs to £1·20 a gigajoule. No one has mentioned that today. We do not need the changes in the industry that are being propounded by Conservative Members. The men in the

[Mr. O'Brien]

industry can achieve that if they are given the resources. The £1·20 per gigajoule at Sharlston is well within the yardstick laid down by the Government of £1·50 a gigajoule. The one million tonnes of coal produced at Sharlston are for power station use. Such achievements can be made at Selby and at any colliery if the men and the management are allowed to work together and if there is the same family atmosphere at other coalfields and collieries as there is at Sharlston.

As time is running out, I shall be brief. There must be a different spirit in the mining industry if it is to achieve the aims that were set out in the Select Committee report. I hope that the Minister will consider the points that have been raised, especially those about the relationship with the industry and the fact that the machinery must be provided for the men to achieve the objectives.

6.17 pm

Mr. Michael Brown (Brigg and Cleethorpes): I will finish my speech by 6.20 pm. I am grateful to the Opposition Front Bench for being so generous as to give me the opportunity to participate in the debate.

I was stimulated to intervene in the debate by the remarks made by the hon. Member for Bolsover (Mr. Skinner). I am sorry that the hon. Gentleman is not in the Chamber to hear my comments. I wanted to intervene during his lively speech to ask him whether he felt that, in view of his comments about his hon. Friends quite legitimately dividing the Select Committee because they were unhappy with certain aspects of the report, he regarded the report as giving the green light for privatisation of the coal industry. If he had allowed me to intervene, I would have expected him to answer, "Yes." That is my interpretation of the Select Committee report.

I joined the Select Committee on Energy when it had finished taking evidence, and during the time when it was considering what the report should contain. Like the hon. Member for Bolsover, this was the first time that I had served on a Select Committee and, like the hon. Gentleman, I had my reservations. To be honest, as a member of the Select Committee, I still have reservations about the whole idea of Select Committees.

Nevertheless, the Select Committee on Energy has produced a clear, crisp and concise report which, in my view and I suspect in the view of the hon. Member for Bolsover, points the way to the future. That future contains an involvement of the private sector in the coal industry.

I do not have pits in my constituency. However, the site of the South Killingholme power station is in my constituency. That site was purchased by the CEGB after the second world war with the idea that a power station should be constructed there. As it has this dead land lying around, the CEGB wants to use it, via its subsidiary NIREX, to dump nuclear waste there. The hon. Member for Bolsover made some remarks about that. I am on record as saying that, as long as I am the Member of Parliament for Brigg and Cleethorpes, there will be no nuclear waste there. There is no nuclear waste there, so I am the Member of Parliament for that constituency today, and that will be the case tomorrow, the day after and the day after that.

I say to the hon. Member for Bolsover and to all hon. Members with mining constituencies that I believe that there is a demand for coal if we can get that coal out of the pits at competitive prices. When we get it out of the pits at competitive prices, there is a case for the South Killingholme power station site being used for a coal-fired power station. The CEGB has selected the site for study as a coal-fired power station. It would provide the demand for coal from hon. Members' constituencies. I want coal to be successful. I want it to be mined competitively and cheaply by private enterprise, because that will protect jobs in other constituencies and create jobs in mine. We do not want a nuclear dump in South Killingholme; we want a coal-fired power station.

6.20 pm

Mr. Alexander Eadie (Midlothian): It is fortunate that the House is debating the Estimates in the setting of the report of the Select Committee on Energy which was published on 28 January. It would be extremely churlish not to thank the Chairman of the Committee and its members for the report and the two volumes of evidence. They must have spent long, painstaking hours on its compilation. It would be shallow and inaccurate if I suggested that we could do the report justice in three hours, and I apologise in advance for doing it less than justice. I hope that it will be accepted that I am disciplined by the time at my disposal.

On examining the report, one soon observes that the Committee divided along party lines on some fundamental issues. The hon. Member for Havant (Sir I. Lloyd) described them as two minor issues and one fundamental issue. We learn from the report that the British Coal document entitled "New Strategy for Coal" signalled the end of indicative planning in the industry, with the market being left to decide its shape. Some of my hon. Friends have commented on the Opposition's view of that. The new strategy replaces five and 10-year plans with annual reports, including discussion with area directors.

The House will be interested to know how British Coal described the strategy. The report states:

> "Capacity planning is therefore not designed to maintain forward output at a pre-determined level, but by the application of 'minimum regret' rules to make the best decisions possible on a year to year basis."

That raises questions about planning in the industry, which belongs to the people of Britain. How will it be possible to go ahead with the new pits when it is known that long lead times will be involved in bringing those pits into production? The period mentioned is between seven and 10 years, but unless we have new pits the industry will inevitably contract.

What are the cost parameters for what British Coal describes as capacity planning? Its evidence was that it would write off capacity with an operating cost of more than £1·65 per gigajoule. Those pits will be closed. Any additional or incremental output generated during the next few years should have marginal costs not exceeding £1 a gigajoule. British Coal argues that that is what the market says, but the country must be made aware that the policy will mean writing off millions of tonnes of coal, especially in existing pits. The company will take the best seams first and will leave those that it deems uneconomical. It will bring the life of many pits to a quicker end and the coal left will be lost for ever. Even new pits that are sunk could have a reduced life.

The policy is a throwback to the days of private enterprise, which I and many of my hon. Friends believe

vandalised our coalfields. The policy was, "Take the berries first and leave the rest." I predict that, before long, British Coal will tell us that we do not have 300 years' worth of coal, that the figure will be slashed to 50, 60 or 70 years. My right hon. Friend the Member for Salford, East (Mr. Orme) told us that Mr. MacGregor said that his policy would mean that we were left with only 50 years' worth of coal. That would be a disastrous policy. If Parliament agreed to such a policy, Britain would live to regret it, because coal is the only fossil fuel that we have in abundance, compared with the reducing assets of oil and gas. I agree with those hon. Members who made the same point in the debate, although perhaps in another context.

The Coalfield Communities Campaign submitted stark evidence of the contraction of the coal industry. That evidence went up to 1985, but the position is worse if we take it up to 1987. In 1972, the National Coal Board employed 271,000 wage earners. By September 1985, the figure had fallen to 156,000—a drop of 115,000, or 42 per cent. The campaign suggested in evidence to the Committee that, if present trends continue, the 156,000 people employed in September 1985 could drop to between 62,000 and 109,000—minus 30 per cent. to minus 60 per cent.—by 1990.

The campaign's remarkable evidence to the Committee gave two examples contrasting Scotland with Nottingham. In 1975, Scotland had 22 collieries with more than 24,000 employees. Today, it has fewer than 6,000 employees. The scale of the decline has been dramatic. The multiplier effect has been dramatic job losses in the electricity industry, steel, the railways and mining equipment manufacturers. They have been severely affected by reductions in employment and capacity in the coal industry.

The campaign says that the Nottinghamshire coalfield is generally regarded as one of the most prosperous in the country, with an assured long-term future, yet it is not an area of stable employment. At paragraph 2.8 on page 191, the campaign states:

"In March 1980 almost 42,700 people worked for the NCB in the County. By March 1985 this had reduced to some 34,000. The rate at which jobs have gone has been accelerating with about 7,000 jobs going between 1982 and 1985. Since March two collieries, Moorgreen and Pye Hill, have closed with the loss of a further 950 jobs, though employment at these pits had been substantially higher in previous years. In addition, the amalgamation of the two NCB Nottinghamshire Areas into one administrative unit in August will almost certainly have led to further job losses. The former South Nottinghamshire area has been particularly hard hit, as about 38 per cent. of the area's jobs have disappeared since 1980." It is on record that it lost in the region of 10,000 jobs. We have to place on record the fact that the Select Committee——

Mr. Andy Stewart: Voluntary.

Mr. Eadie: I suppose it is voluntary but, in Nottinghamshire, the same as in any other area, when a job is lost, it is lost for somebody. The community has lost that job. It means that some kid leaving school will have fewer opportunities in his quest for a job. We should never be complacent about the loss of jobs. We should certainly demand that people who lose their jobs should be compensated—to that extent I am at one with the hon. Member for Sherwood (Mr. Stewart).

The Select Committee tried to respond to the evidence of the Coalfield Communities Campaign, because of the scale and likely persistence of unemployment in mining, by recommending that a special Cabinet Committee be set up and charged with the task of dealing with and co-ordinating the work. One will find in the report that the recommendation made by the Select Committee was based on the complacent reply furnished by the Government when they were asked about steps taken to alleviate hardship.

British Coal Enterprise Ltd. was set up to assist in creating jobs. It was a positive recommendation that substantially more resources be committed to match the size of the problem found in mining areas. However, after all the claims made about the organisation and its work on the scheme, it can be observed in the report that the deputy chairman of British Coal said that he did not claim much for the scheme.

We should look with interest upon the recommendation that British Coal should no longer be liable for subsidence caused by historic mining operations. We have had many debates on that in the past. The argument has been, roughly, that it was always unfair that the National Coal Board, and now British Coal, should have financial liability for operations carried on by their predecessors. I know that that is a controversial area but the Select Committee should be congratulated on the other things it said and the way in which it has tried to seize what I would regard as a difficult nettle.

I referred earlier to the change in the redundant mineworkers payments scheme, which is scheduled for withdrawal by the Government from 1 April 1987. The Select Committee has said that it wishes the Government to review that. That matter has been raised previously during debates on orders relating to redundancy and the Coal Board. It will be a litmus test for the Government to look at the recommendation and examine the evidence that led the Select Committee to make the recommendation.

It is no secret that when the Government announced—one may say, timorously—that the existing scheme would end on 1 April this year, managers in certain areas of British Coal were boasting that, because the agreement was being terminated and because British Coal had already intimated that there would be an agreement that would be less financially worthy, they could close any pit in the British coalfield: when the men knew that the existing redundancy agreement was ending, they would decide to take the better of the two schemes. That is a hell of a way to run an industry.

The Select Committee dealt with the financial burden of interest that British Coal has had to meet. That has had many airings in coal debates in the House. I am not sure whether the Under-Secretary of State has taken part in those debates, because he is fairly recent addition. It has been said many times in the House, and it is on record in *Hansard*, that we starved the coal industry of proper investment until 1974. I said that, in 1974, the undertakers were ready to take away the coal industry. Successive Governments have ploughed substantial investment into the industry since 1974. It has to be said that, as a consequence, it has been the policy of Governments to accelerate investment in the industry.

The Select Committee highlights the burden of interest payments. For example, it mentions the £437 million in 1985-86. It recommends restructuring British Coal and, if necessary, writing down the value of assets in line with the revenue earning potential. It challenges with doubts British Coal's ability to break even financially by the end

[Mr. Eadie]

of 1988-89. Those doubts are shared in many quarters. It asks for a reconsideration of the deficit grant payable. I do not know whether the Minister will respond to that today or whether the Government will respond at some later date, but those are items of tremendous importance and weight. The Government have to consider those recommendations, which could influence the future trends of what we should all regard as "our" coal industry.

I shall be sketchy on industrial relations. Some comments were made on that in debates on the Coal Industry Bill this year. Part of the main thrust of that Bill was to give statutory rights in consultation and conciliation to the Union of Democratic Mineworkers. We tried to introduce a new clause, which in essence meant that all mining unions would get rights. We did not think that the Government had the prescription for better industrial relations. I see that the UDM rejected British Coal's wage offer and British Coal has produced a special issue of *Coal News* asking the members to vote against the union. It says that £10 a week is fair to everyone.

We are entitled to ask hon. Gentlemen who have been so articulate—I do not quarrel with their articulateness—in defending the UDM, "Whose side are you on? Are you on the side of the membership or British Coal?" [HON. MEMBERS: "Democracy."] If one is on the side of democracy, one will be on the side of the men. It is unique in the history of industrial relations that British Coal should decide to issue a special four-page supplement to try to undermine the recommendation by the men's union in Nottinghamshire. That is important.

The part of the Select Committee's report dealing with the structure and ownership of the industry is the least satisfactory in the report. It is riddled with political ideology. It is an attempt by the Government majority on the Committee to fit out the industry for privatisation. History and experience have been ridden over roughshod. Popular capitalism is supposed to be a different beast from the days of the old ruthless capitalist coal owners. History gives a catalogue of what was nothing less than callous brutality towards miners, their wives and children.

I was pleased to read in the report that my hon. Friends divided the Committee on that matter. One aspect was safety. I remind the House that more than 53,000 miners have been killed in this century in this country's coal mines, and most of that slaughter took place in the days of private enterprise.

Although we have some disagreements with the Select Committee's report, I repeat that we congratulate the Committee. To coin a pun, the report is a mine of information, which I hope hon. Members on both sides of the House will study from time to time.

6.40 pm

The Parliamentary Under-Secretary of State for Energy (Mr. David Hunt): When coal is the subject of debate, discussion is always wide-ranging and often controversial. This afternoon has been no exception. I have listened with interest and, in some cases, with incredulity to what hon. Members have said.

As I believe hon. Members know, I have been taking every possible opportunity to visit British Coal pits all over the country. I look forward to a visit next week to Ollerton in the constituency of my hon. Friend the Member for Sherwood (Mr. Stewart). On those visits, I have spoken to the men, to British Coal management, to representatives of all the trade unions, but in particular to the men working underground. I can tell the House quite categorically that men and management are in good heart. Morale is very high, with men and management looking forward with an optimism now based not on empty words but on solid achievements.

My hon. Friend the Member for Havant (Sir I. Lloyd) speaks with a great deal of authority on these matters, not just because he has been a Member of the House since 1964, not just because he joined the Select Committee on Science and Technology as long ago as 1971 and then became Chairman of various important Sub-Committees, but because he has been Chairman of the Select Committee on Energy since 1979.

My hon. Friend introduced the report constructively and positively, in the great tradition of reports of that nature and in the considerable tradition of Chairmen of Select Committees. I thank all those involved in the production of the report. However, I hope that my hon. Friend will not mind if I say that, on a preliminary view, I find myself in considerable difficulty following the train of thought behind several of the recommendations. That may be because the Committee divided on certain portions with certain majorities in control at certain times—*[Interruption.]*—but I think that the hon. Member for Midlothian (Mr. Eadie) would criticise me if I did not make my feelings clear about the report. I saw the report only recently, at the end of February. Obviously, I want to study carefully, with my right hon. Friend the Secretary of State and my Department, all the facts and statistics, and all the recommendations.

This has been an interesting debate. The hon. Member for Rother Valley (Mr. Barron) has a considerable tradition in the industry. I think that he was with the National Coal Board, as it was then, between 1962 and 1983. I respect his views, but, in view of all that has passed between us, I do not think that he would expect me to agree with virtually anything that he said. However, some parts of his speech were constructive, notably when he talked about the recommendations.

My hon. Friend the Member for Sherwood has established a reputation as one of the most articulate and able coal mining Members of Parliament. There are nine pits in his constituency, and I look forward to going underground with him next week, following our visit underground in his constituency at Blidworth and Bilsthorpe. He needs no lessons from anybody in the House about how to articulate most effectively the needs and wishes of his coal mining constituents.

The hon. Member for Gordon (Mr. Bruce) said that during the strike there were elements in the National Union of Mineworkers that had to be defeated. I do not criticise him, but he was speaking on behalf of the Liberals and indeed the alliance as a whole in the debate, and I wish that we had had more support from the alliance in the difficult days of that dispute. He is right to point to the importance of alternative energy, but it was in the days of the Lib-Lab pact that we had the lowest expenditure on alternative energy research and development. During all those years it totalled merely £17 million. Now, under this Government, who came to office in 1979, the total is rising this year above £100 million.

My hon. Friend the Member for Erewash (Mr. Rost) was an original member of the Select Committee in 1979. He reiterated many of his longstanding views. I pay him

credit for consistency if he will please give me the opportunity of continuing my disagreement with several of the things that he says.

I am afraid that the debate took a downturn with the speech by the hon. Member for Bolsover (Mr. Skinner). Our debates used to follow the course that he followed this evening, but the usual coal war has ended and it seems that the hon. Gentleman is the last to realise it. I do not need to go further, however, because my hon. Friend the Member for Cannock and Burntwood (Mr. Howarth) destroyed effectively the hon. Member's arguments. I was glad that my hon. Friend the Member for Cannock and Burntwood paid tribute to Littleton and Lea Hall. He will know that I went underground at Lea Hall comparatively recently. The people in those pits have done a remarkable job to achieve above-average increases in productivity.

The hon. Member for Pontefract and Castleford (Mr. Lofthouse) has a great tradition of experience in the industry. I think that he was a personnel manager with the NCB. He has been a member of the NUM, the British Association of Colliery Management, and the Association of Professional, Executive, Clerical and Computer Staff. I am sorry to have to tell the hon. Gentleman—it will not come as a great surprise—that I disagreed with much of what he said. He made several important statements about the finances of the coal industry. Just about all of them were wrong. I do not have time now to go through them individually, but I remind him that when British Coal moved into accounting deficit the deficit grant was introduced to deal with the problem. It had nothing to do with social grants.

The joint understanding between British Coal and the Central Electricity Generating Board reflects movements in energy prices, especially international coal prices, and is not some sort of Government-inspired malevolence as the hon. Gentleman sought to describe it. The hon. Gentleman was wrong even about current events. The £95 million increase in the external financing limit will be reflected in higher grants, not higher borrowing.

My hon. Friend the Member for Elmet (Mr. Batiste) has also established a reputation as a great protagonist for working miners, and has a depth of knowledge of coal mining that is the envy of many in the House. One of the tasks that he has always undertaken in these debates has been to identify militancy as the great enemy of the industry.

The hon. Member for Normanton (Mr. O'Brien) was a longstanding coal miner. Indeed, I believe that he has been a member of the NUM since 1945. He told us that he would put the record right, and then proceeded to put the record wrong more than I can recall in the House for a long time. I tell him again that as the Minister proud to be responsible for the coal industry I never cease to congratulate men and management on productivity records. He wrongly represented what my hon. Friend the Member for Sherwood said.

My hon. Friend the Member for Brigg and Cleethorpes (Mr. Brown), who is always robust, continued his tradition by, as the newest member of the Select Committee, already speaking of his doubts about the whole Select Committee system. That is his prerogative. He established in his speech that he is a strong champion of coal and I recognise his interest and that of his constituents in the development of South Killingholme. I hope he agrees that that is more a matter for the CEGB.

Mr. Geoffrey Dickens (Littleborough and Saddleworth): Does the Minister agree that now that the mining industry has increased its productivity, is getting coal out of the ground at the right price and is becoming competitive with the rest of the world, that makes imports of coal less likely and assures the future of the mining industry? The industry has now justified capital expenditure on the mines, but has it not taken the defeat of a year-long miners' strike and the stupidity of Arthur Scargill to bring the industry to its senses?

Mr. Hunt: There is a great deal in what my hon. Friend says. In a very short contribution he encapsulates many of the key points about the industry.

The hon. Member for Midlothian has a great reputation spread over many years for service to the coal industry. To utilise a speech in this debate to seek to try to identify Nottinghamshire as an area where British Coal and the Government stand to be criticised is once again operating according to a Scargill brief. His speech was not the sort that he would have made under other circumstances. I know that he takes that as a compliment.

Mr. Eadie *indicated dissent.*

Mr. Hunt: The hon. Gentleman shakes his head. Other people do not take that as a compliment, and I am glad that he does not. He was very selective in his statistics. He talked about a reduction in the number of people working in the mines since 1970-74. He omitted to mention what happened when his Government were in power during the six years before 1970. In 1965-66, about 455,700 men were on colliery books, and by 1970 the number had fallen to 287,000.

When the hon. Gentleman is giving statistics, he should do the House the credit of mentioning that his Government were responsible, through compulsory redundancies, for a reduction in the coal mining work force — men on colliery books — of approximately 180,000. I know that the hon. Member for Bolsover still worships the ground on which Arthur Scargill walks.

Mr. Skinner: The Minister ought to do his homework. I have been in this House since 1970 and for many years before that I served in local government and in the union. Most hon. Members will know that I do not go in for worshipping leaders of any kind. I am more concerned about principles, and I shall stick to those. I am not prepared to bow down to leaders of any kind. I am not like the Minister who has to scrape and wipe clean the shoes of Madame Dross, the Prime Minister.

Mr. Hunt: It is surprising to find that not only are the miners deserting Arthur Scargill in droves, but Opposition Members are queuing up to join them. The sooner the president of the NUM stops his articulate line of militancy the better it will be for the future of the industry.

Mr. Skinner: Arthur Scargill is right.

Mr. Hunt: The hon. Gentleman says that he is right. Only this week Arthur Scargill said:

> "Colleagues, I'm sick and I'm tired of listening to those apologists, those advocates of so-called 'new realism'. Their alternative policy apparently is the kind of thing that's taken place in Wales, it's to collaborate, it's to accept, it's to co-operate with the employer or the Government. Well, I wasn't elected President of this Union to do any of those things."

[Mr. Hunt]

That is one of the most disgraceful things that I have heard from Arthur Scargill — and that says something. *[Interruption.]* The hon. Member for Bolsover agrees with him, but that only proves that what I say is true.

Hon. Members spoke about morale problems in the industry. However, productivity records have been broken week after week and on the front page of *Coal News* I see the smiling faces of miners who are proud that they have joined the million club by producing a million tonnes of coal this year and are turning in record levels of productivity. I am proud to tell the House that we thought we had a productivity record of 3·68 tonnes. However the figure has been revised upwards and for the week before last coal productivity was 3·69 tonnes, compared with 3·06 tonnes for the same period last year.

In the weeks to come I shall consider very carefully the Select Committee report. The Chairman and the members of the Committee would not expect me to give an immediate reaction to a carefully thought out report. I disagree with some parts of the report but I shall consider carefully all that it says. British Coal is now the lowest cost coal producer in Europe. It is absolutely vital that British Coal continues to make progress in cutting costs—given the competitive nature of the energy market. The turnround in British Coal's fortunes will take time, especially following the dramatic fall last year in oil prices and the CEGB agreement.

The motion that we are considering demonstrates once again the Government's commitment to supporting British Coal through this necessary restructuring. The Government are seeking Parliament's approval to make a further £166 million available to the coal industry this year —£95 million in deficit grant and £71 million for the redundant mineworkers payments scheme. This brings the amount of Government support to the coal industry this year to a total of £1,380 million.

This latest increase in the amount of grant paid to British Coal this year reflects the increase in the external financing limit — from £730 million to £825 million — announced in the House on 19 January. In the event, the market pressures on British Coal have continued into 1987 and it now expects its external financing requirement for this year to be higher than the limit that was set in January.

British Coal has also said that it is having to look again at its external financing requirement for next year. When Sir Robert Haslam, the British Coal chairman, has given my right hon. Friend his considered view, the Government will consider whether a revision of the external financing limit for 1987-88, presently £727 million, is necessary.

My right hon. Friend today announced the objectives that he has agreed with Sir Robert Haslam. The basic objective of British Coal is that it should earn a satisfactory rate of return on its net assets and achieve full financial viability without Government support. That is vital not so much for narrow reasons relating to public expenditure, but because the future security of the industry depends on it being competitive.

We believe that the industry can be a success. Sir Robert Haslam has committed himself to achieving break even in 1988-89 and thereafter looks to achieving full financial viability. Break even by 1988-89 is a tough target, but the Government and British Coal believe that it is attainable. Moreover, in future the industry's capital requirements will increasingly come from the industry's own resources rather than the industry depending on Government funds. By 1989-90 British Coal is aiming to reduce its operating costs by at least 20 per cent. compared to last year.

Until such time as British Coal is ready to stand entirely on its own feet, the Government are committed to supporting the industry financially. The Coal Industry Act 1987 provides a further £200 million in deficit grant support and up to £750 million in restructuring grant support.

In view of the shortage of time, I shall respond in correspondence to those hon. Members whose points I have not covered. I felt it right to give everyone possible an opportunity to participate in the debate.

In the past two years the industry has gone through a massive process of restructuring. It has been successful in creating and establishing the basis of a stable, viable industry capable of offering long-term employment and contributing positive benefits to the nation. There will always be restructuring in an extractive industry such as coal. The important news is that we now see this vital restructuring coming to an end with a great future ahead for this magnificent industry.

The debate having continued until Seven o'clock, MR. SPEAKER *interrupted the proceedings, pursuant to the Resolution [9 March].*

Question deferred, pursuant to paragraph (4) of Standing Order No. 52 (Consideration of Estimates).

Motor Vehicle Industry

7.1 pm

The Secretary of State for Trade and Industry and President of the Board of Trade (Mr Paul Channon): I beg to move,

That this House welcomes the Government's approval of the Rover Group Corporate Plan; recognises the valuable contribution made by the vehicle industry, both United Kingdom and foreign-owned, to the United Kingdom economy; notes the important role of the United Kingdom component suppliers; welcomes the encouraging outlook for the future of the industry as a whole; and endorses the Government's policies to create the conditions for the long-term success of the industry.

Mr. Speaker: Under the terms of the business motion passed by the House yesterday, we are to discuss at the same time the amendment in the name of the Leader of the Opposition, together with the third item on the Order Paper:

That the draft Industry Act 1980 (Increase of Limit) Order 1987, which was laid before this House on 19th February, be approved.

I must tell the House that very many hon. Members are anxious to take part in the debate, and I appeal for short speeches.

Mr. Channon: Two motions are on the Order Paper for debate this evening—one relating to the motor industry in general, the other to allow an injection of equity into the Rover Group. I shall deal with both in my remarks.

I welcome the opportunity to have a debate on the fortunes of the motor industry. In recent months the House will be aware that the focus of attention has naturally been on the affairs of the Rover Group, culminating in the statement on the group's corporate plan that I made last month. That has tended to obscure other significant and positive developments that have been taking place in the rest of the vehicle and components industries.

First of all, I want to make clear—I am sure that the House agrees—that the motor industry, in its widest sense, is undoubtedly one of the United Kingdom's most important industries. It is a major contributor to the creation of wealth and employment, both directly and through the many supplying industries for which it is a customer. According to industry estimates, it accounts for about 600,000 jobs and represents some 2·5 per cent. of gross domestic product. Last year, its exports were worth nearly £4·5 billion—half from the components sector. The motor industry also occupies a very important place in the technological base of this country, both as a producer and customer. It has been in the vanguard of introducing new manufacturing technology, particularly robotics, and in investigating the potential of new materials such as ceramics.

It is also an industry that has seen considerable change over the last eight years. Eight years ago, the car industry was in a terrible state. Its reputation throughout the world was one of strikes, bad industrial relations, poor productivity and poor quality. British Leyland appeared to the outside world to spend more time on strike than at work and was associated in the public mind only with the pictures on television of the bully-boy tactics of men like "Red robbo" at factory gate meetings. It was hardly any wonder that the most common advice that any potential car purchaser was given was, "Don't buy a British car." As a result, import penetration of the British car market had been growing by leaps and bounds—under 30 per cent. in 1974 to over 56 per cent. in 1979.

Most serious of all, the United Kingdom was no longer seen as a place where it was competitive to manufacture vehicles. That was the legacy of the 1970s—not an accidental legacy. Major investments were taking place abroad rather than in this country. Tied imports by multinationals were growing, whereas these firms have recently been increasing their sourcing from the United Kingdom.

The past eight years have seen a sea change in the industry's competitiveness—promoted and encouraged by the better climate for business that we have created. It is a dramatic example of the change that has taken place under this Government. It is no longer strike-ridden, paralysed by wildcat strikes and endless demarcation disputes. Austin Rover enjoyed over 99 per cent. strike-free working in 1985 and 1986. Similar improvements have taken place all over the industry.

There has been an equally dramatic change in the industry's productivity record. With investment in new manufacturing technology and improvements in working practices, the United Kingdom is now on a par with the best and most efficient plants in Europe. As the professor of motor industry economics at University college, Cardiff has said recently:

"Britain is becoming a highly efficient place to manufacture cars. The underlying productivity is as good as anything on the Continent".

There is also a renewed recognition of the vital importance of quality for success in the market place. We have been particularly keen to emphasise that through my Department's national quality campaign. All manufacturers have greatly improved their quality performance. Hertz, the world's leading car rental company, has recently said that it now feels that Austin Rover meets the high standards it requires for its fleet in terms of reliability and value for money. It has placed a £36 million order with Austin Rover for 1987. Peugeot-Talbot's determination in this area has taken its Ryton plant to the top of the Peugeot Group's international quality league. Nissan consider that the quality of the cars produced at its new Sunderland factory is at least as good as in its equivalent Japanese plant. The component suppliers have also made tremendous strides in improving quality—as all the vehicle manufacturers will acknowledge.

The Rover Group obviously occupies a central position in the United Kingdom vehicle industry. I have already told the House that the Government have approved the Rover Group corporate plan in full. That means that the Government have backed the strategy which the company's management, following a thorough examination, has formulated. It is a positive strategy for the continuation of Austin Rover Group as a major producer and leading exporter of cars made in Britain. An important feature in that strategy is developing the model collaborative programme with Honda with a new medium-sized car, the AR8. Austin Rover Group and Honda have both determined that their relationship should be a long-term one whose exact form will develop in the light of experience. The corporate plan also provides for a £200 million investment to take the new K series engine forward to full production. That is evidence of ARG's commitment to developing the small car range as a vital part of its marketing plan.

[Mr. Channon]

The sharper commercial approach of the Austin Rover Group is already showing up in increased fleet orders and in improved United Kingdom market share. In the first two months of the year that has been running at just under 17 per cent.—significantly up on the levels in the last months of 1986. The export performance will be further boosted by the American launch of the Sterling, and therefore Rover Group's prospects are encouraging.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): I have the genuine privilege of possessing one of the first Rover Sterlings in the country. I have had it since June and I have not had a moment"s problem with the car. Does my right hon. Friend accept tht the most important change that has taken place at Austin Rover is improved quality control, good labour relations and high quality? Having regard to my right hon. Friend's recent statement, and whatever the problems at Leyland Trucks—we all understand those problems—does my right hon. Friend agree that Austin Rover has a genuine, high flying progressive future that augurs well for the manufacturing and motor industries of the midlands?

Mr. Channon: I agree with my hon. Friend. I have also had a Sterling for a considerable length of time and I endorse what he says. The importance that my hon. Friend attaches to quality and industrial relations are two of the key factors in Austin Rover's future success. With regard to the corporate plan, the Government have given the Rover Group what it asked for and it is now up to that group to win its share of the market place; I see no reason why it should not.

Many hon. Members are interested in Land Rover. It is important, but I need not take up the time of the House in speaking about it in detail. The launch of Range Rover in the United States and steps to broaden the company's product base are key features in a strategy to take Land Rover into a position where it can successfully take its rightful place in the private sector.

Many hon. Members are interested in the commercial vehicles businesses. We obviously have had to take into account the fact that the whole sector faces very difficult market conditions not just in the United Kingdom but throughout Europe. The sector faces massive over-capacity, low profitability and a fall in demand for commercial vehicles, especially in developing countries to which British firms had traditionally exported a significant proportion of their output.

Throughout Europe, the response has been a mixture of rationalisation and increased co-operation. Following years of losses, General Motors has decided to cease production of heavy trucks in the United Kingdom. Iveco's French subsidiary has ceased truck production and last year Ford merged its truck operations with those of Iveco.

I told the House on 19 February of the plans for Leyland Trucks, Freight Rover and DAF to form a new joint company. The aim is to create a single, strong European joint venture able to move forward positively in a difficult market.

All right-hand drive trucks will be built in the United Kingdom, as will be the successful Roadrunner light truck which will be distributed throughout Europe. Freight Rover will continue to develop its van business in Birmingham, building on the opportunities of using DAF's distribution outlets in Europe. DAF will manufacture medium and heavy trucks for left-hand drive markets. This new joint venture with integrated manufacturing and distribution facilities throughout Europe will enable Leyland Trucks and DAF fully to develop their business.

While the combined company will be stronger, the market it faces will still be very difficult. Over-capacity in Europe has fallen, but remains a significant problem. The production levels of six or seven years ago were heavily dependent on markets outside Europe where demand is unlikely to recover quickly. Of course, I regret the closures of the Leyland engine plant and foundry and the Scammell works at Watford, and I am grateful for the constructive concern and great interest which my hon. Friends the Members for South Ribble (Mr. Atkins) and for Watford (Mr. Garel-Jones) have shown. With losses running at £1·5 million a week, rationalisation was vital if Leyland Trucks was to have a real future. I believe that the merger with DAF, which is itself profitable, can provide that future.

I well understand concerns about the effect that this may have on the component suppliers in the United Kingdom. Rationalisation of Leyland was unavoidable. The joint venture with DAF will be reflected over time in changes in the components industry. But the opportunity to create a viable and secure truck industry in the United Kingdom which the merger presents offers by far the best prospects for the future of the components industry. I assure the House that the merged company intends to make significant and continuing purchases of components in the United Kingdom.

Mrs. Ann Winterton (Congleton): What figure can my right hon. Friend put on the percentage of components purchased in this country? What assurances has my right hon. Friend been given that this level will be kept to by the new Anglo-Dutch company?

Mr. Channon: It has promised to purchase a significant amount of supplies from the United Kingdom. With the new opportunities available to the merged truck venture, the prospects for United Kingdom components suppliers are better than they would have been under an option which would have been extremely painful for the Leyland truck industry. It is up to components suppliers to deliver what the customer wants on quality, reliability and price.

The House will recall the Government's intention to meet the debts and the cost of rationalisation of the Rover Group's commercial vehicle business. As I told the House on 6 March, these are now expected to total £680 million.

The statutory basis for the injection of new Rover Group equity is the Industry Act 1980. Section 5 of the Act—I have tabled a motion dealing with this—places a limit on certain kinds of funding for ex-NEB companies which, for these purposes, means Rover Group and Rolls-Royce. The order which I laid in draft before the House on 19 February increases the limit from £4·4 billion to £5·25 billion. This increase will ensure the necessary headroom over the overall limit to permit the Government to subscribe for new equity in the Rover Group and, following the intention which I announced to the House on 18 December, in Rolls-Royce.

Mr. John Smith (Monklands, East): On a point of clarification about the writing off of the Rover Group's debts, what difference would this make to interest payments by Leyland Vehicles? The Secretary of State has

talked about losses. Many of the losses arise from interest payments. If Leyland Vehicles were not being disposed of, what would be the continued reduction, as a result of writing off the capital debt, in the amount that the company was losing?

Mr. Channon: Clearly, there would be some effect. The debts and the cost of rationalisation are expected to be about £680 million. This aspect would have to be analysed in detail. It is difficult to get an exact picture of it. The right hon. and learned Member is on a good point. Of course writing off would make some difference to the debts of the truck company. It is necessary to write off the debts and the cost of rationalisation at this time so that the car business is not burdened with the debts of the truck business. I am speaking in shorthand, but that is the significant reason for the actions that I am recommending to the House.

Mr. David Madel (Bedfordshire, South-West): My right hon. Friend has referred to General Motors' decision to cease manufacturing heavy trucks. General Motors still makes military vehicles for the Ministry of Defence. We in Dunstable are desperate to have that crucial order renewed.

Mr. Robert Atkins (South Ribble): So are we.

Mr. Madel: I know that. But we are desperate in Dunstable. I draw my right hon. Friend's attention to the fact that General Motors is still in Britain making military vehicles.

Mr. Channon: My hon. Friend is perfectly right. Of course the company is contending with others for military orders. There is no reason to assume that it will not be considered seriously along with all other serious contenders.

Mr. Kenneth Hind (Lancashire, West): On the point about Dunstable, I hope that my right hon. Friend is aware that the Leyland truck division is also keen to acquire part of the order for military vehicles and, through the Ministry of Defence, will compete vigorously for it.

Mr. Channon: My hon. Friend is right to make that point. I agree with him, too. Luckily, I am not Secretary of State for Defence. Military orders are important to both companies. Both will be considered seriously. There is some movement by Scammell from Watford, which will have some benefits for Leyland, although it is regrettable for Watford. There is some concentration of the truck business in Leyland. I think that that will help meet my hon. Friend's point.

I shall deal with the automotive industry as a whole. No one can doubt that, with the achievements of the industry in improving its performance and with the better climate for business which we have created in this country, the United Kingdom is once again recognised as a good place in which to manufacture vehicles. Major new investments are taking place or are planned. The multinationals are particularly prominent in this regard.

Ford, for example, has announced plans to spend nearly £1·5 billion in Britain between 1986 and 1991 on its plants and the development of new vehicles and components. Last year Vauxhall spent £100 million on a new paint plant at Luton. It has already approved a £160 million investment programme between now and 1992, with an additional £40 million to be spent on General Motors' United Kingdom component plants. Other projects are currently under consideration.

Lotus has recently announced a significant expansion of its operations at Hethel. This will create more than 1,000 jobs over the next five years and involve an investment of £57 million. Peugeot-Talbot chose its Ryton plant as one of the locations for building the Peugeot 309. It is putting further investment into the plant to prepare it for the production of its new mid-range car towards the end of this year. And there is Nissan's decision to advance the start of full production at its Sunderland plant and build engines there — a sure sign of its long-term commitment to manufacturing in the United Kingdom.

All this increased competitiveness is reflected in improvement in the local sourcing of cars by the multinationals and by their increased use of British-made components. Ford is at present building more than 70 per cent. of its United Kingdom sales in its United Kingdom plants and these vehicles have a United Kingdom content of more than 80 per cent. Similarly, Vauxhall is now producing 70 per cent. of its United Kingdom sales here — up from only 45 per cent. in 1985. Although its United Kingdom content level is not yet as high as Ford's, it re-sourced over £100 million worth of components to United Kingdom suppliers in 1986 and it anticipates a similar performance this year. Nissan will also be a major customer of the United Kingdom components industry. It has said that at least 85 per cent. of the European Community content of its Sunderland production will come from the United Kingdom. This obviously reflects the increasing competitiveness of the components sector.

I warmly welcome, as I am sure the House does, all these developments and we will wish to continue to encourage the multinationals to increase their participation and sourcing in the United Kingdom where they play a valued role in the economy not only as vehicle manufacturers but also as component producers. Dagenham is the centre of Ford Europe's diesel engine production. Ford is a major exporter of engines from the United Kingdom. In 1986, Ford produced 666,000 petrol and diesel engines in its British plants, more than two thirds of which were exported.

More generally, every car built by Ford at any of its European plants will contain some British components. Similarly, General Motors also produces significant numbers of components here. Its AC Sparkplug plant at Southampton will supply catalytic converters for all GM's European assembly plants. Delco Electronics in Liverpool is producing liquid crystal display instrument panels for export to South Korea. The contribution of the multinational companies to the United Kingdom — in particular, their recently enhanced commitment — deserves proper recognition.

The results of all these changes since 1979 are now starting to show through. Car production has picked up from the low levels of the early 1980s. In 1986, over 1 million cars were produced for the second year running.

Import penetration has been stabilised. Last year saw United Kingdom production starting to recapture the home market. The share of the market taken by imports fell by two points to under 56 per cent. So far this year imports have taken less than half the market. This is an encouraging trend and one which should continue with improved local sourcing by the multinationals.

[Mr. Channon]

Export prospects are also improving, with companies re-entering former markets. Austin Rover's exports last year were 16 per cent. higher than in 1985. The Rover Group has returned to the American market with the Rover Sterling and the Range Rover—both of which have had an enthusiastic reception.

Mr. Roger King (Birmingham, Northfield): Is my right hon. Friend aware that, within 12 days of the Rover Sterling having been launched on the United States market, 1,043 cars were sold?

Mr. Channon: Yes; it has had a very good reception in the United States of America. I hope that that initial success will continue and I see no reason why it should not.

Peugeot-Talbot became in 1985 the first of the multinationals to restart production of left-hand drive cars for export to Europe. At the top of the range, Rolls-Royce is continuing its excellent export performance. Looking to the future, Nissan plans to export at least a third of its Sunderland production from 1989 onwards. And if Ford's Dagenham and Halewood plants can maintain their recent quality and productivity improvements, exports to the continent of 50,000 vehicles a year could begin in the early 1990s, with a gain of around 1,000 jobs.

The success of Jaguar is a splendid example of the change in the fortunes of the motor industry. I have noticed that one or two Opposition Members try to ignore Jaguar, for it provides incontrovertible proof that privatisation works. *[Interruption.]* Yes, they have to heckle Jaguar, because they are jealous.

The company's recently announced preliminary results show production up by 8,000 vehicles, or 24 per cent. since 1984, the year in which Jaguar was returned to the private sector. Over the same period, exports rose by 29 per cent. and after-tax profits nearly doubled, being up by 96 per cent. Productivity has also risen significantly but the company's success has led to the creation of more jobs. At the end of this year, Jaguar will be employing around 12,000 people as against under 10,000 in 1984. Jaguar's commitment to the British components industry also deserves praise. Its cars have a 90 per cent. United Kingdom content and Jaguar has done much to help improve the competitiveness of its suppliers.

The problems of the vehicle assemblers in the 1970s have inevitably affected components suppliers. The necessary rationalisation that has taken place has diminished their British customer base. The regeneration of the car industry is therefore good news for the components sector as well. It should provide it with a more solid customer base. Also, components suppliers have begun to look with increasing success to overseas markets.

When I read the Opposition amendment to the motion in the name of my right hon. Friend I was astonished. It refers to

"the Government's neglect and indifference towards the motor vehicle industry in the United Kingdom".

I remind the House that since 1979 this Government will have provided over £2 billion in equity support for the Rover Group. Even accepting the Opposition's irresponsible and profligate attitude to taxpayers' money, it is a curious definition of neglect and indifference.

The motor industry in the United Kingdom is at last becoming a success story again. Hon. Members will have seen in the press recently the reports of all the companies. The greatest threat that the motor industry could face is the election of a Labour Government. Quite apart from the disastrous effects on competitiveness of a return to the high inflation, high taxation and militant trade unionism which a Labour Government would bring, Labour's policy to switch from vehicle excise duty to an additional tax on petrol would add some 39p to a gallon of petrol, hitting the high mileage business and rural user.

What do people think would happen to the car industry then? Selective import controls, as proposed by the Opposition, would be met by swift retaliation, just at the very moment when British exports are beginning to take off, while the hostile attitude displayed by some Opposition Members, particularly last year, to multinational manufacturers such as Ford and General Motors would jeopardise future investment in the industry in the United Kingdom.

Over the past eight years, we have created the conditions which have allowed the motor industry to tackle successfully the fundamental problems which affected it in the 1970s and before. The industry is now in better shape than it has been for many years.

A recovery is well under way in many sectors and a sound base has been established for the future. Our policies will enable the industry to build on this base and continue to improve its competitiveness. I look forward to the future of the car industry with optimism. With multinationals sourcing more in the United Kingdom, we can expect car production to increase and import penetration to decline further, and we can look for continued progress in recapturing export markets and increasing sales in Europe.

I invite the House to reject the Opposition's sour and carping amendment, typical of a party in terminal decline, and to support our motion in the Lobby tonight.

7.28 pm

Mr. John Smith (Monklands, East): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

"condemns the Government's neglect and indifference towards the motor vehicle industry in the United Kingdom which has led to massive job losses throughout the country, severe damage to the industry and its components suppliers, and a serious deterioration in the balance of trade in manufactured goods; deplores the Government's dogmatic insistence that the Rover Group should be privatised as soon as possible instead of strengthening and expanding its crucial rôle as the only British-owned volume multi-product vehicle producer; rejects the proposed gift-wrapped surrender of control of Leyland Trucks and Freight Rover to DAF and requires the Government to renegotiate the transaction on the basis of a genuine joint venture with each party having a fifty per cent. interest; and calls on the Government not to proceed with the closure of the engine and foundry plant at Leyland and the closure of Scammell at Watford."

I agree with the Secretary of State for Trade and Industry that this is a timely debate because important issues affecting the motor vehicle industry are under discussion and up for decision. But there is no blinking the fact that the years since 1979 have been years of retreat and difficulty for the British motor vehicle industry. Just as we have seen manufacturing industry as a whole decline—there is 20 per cent. less manufacturing industry today than in 1979—and just as we have seen our balance of trade in manufactured goods deteriorate so badly that we are for the first time in modern history in deficit, so we have seen the same process reflected in the motor vehicle

industry, which is an abosultely crucial part of British manufacturing industry. It is important not only in its own right, but as a source of orders for the British components industry. In more recent years, we have seen the brunt of the decline borne by the truck and bus part of the industry —both once vigorous and prosperous parts. They were so vigorous and prosperous that they took the car industry on their back during its difficult years.

Despite the Secretary of State's attempt to present the British motor car industry as a type of paradise, the truth is that we have seen the complete end of General Motors heavy truck production at Dunstable. That company is one of the multinational companies, some of whose activities the Secretary of State praised, but I noticed that he did not say anything about it leaving heavy civilian truck manufacturing completely.

We have seen Bathgate, once an important part of the motor vehicle industry, advertised by the Rover Group as a suitable site for a large retail shopping complex—that is a sign of the times. Of course, we shall discuss in detail the proposals for Leyland in relation to DAF which, as the Opposition state in our amendment to the motion, are a surrender to DAF of control of an important industry.

The matter of commercial vehicles will be an important part of the debate, but before I deal with it, I shall refer to the Rover corporate plan. The motion asks hon. Members to welcome the Government's acceptance of the corporate plan. Those of us who have studied the corporate plan, which is available in the Library, will have noticed points about it that I wish to bring to the Secretary of State's attention. However, before I raise what I consider to be some problems relating to the Rover Group, or at least to the intentions that are disclosed in the corporate plan, I make it absolutely clear that Opposition Members wish the Rover Group every success in its drive to increase its share of the British domestic market and to reconquer lost domestic markets. I congratulate all those in the company who are involved in expanding sales on the European continent. We all know how important the successful launch of Rover Sterling is in the United States and how important and satisfying it will be for everybody involved in the company, not least those who depend upon it for their livelihood. The consequences of the Rover Group not being successful are horrendous in terms of jobs and the consequences for the motor vehicle industry and its components suppliers.

Having said that, and wishing every success to the company and those who work for it in their drive towards increasing its share of markets, one is bound to notice some disturbing elements in the corporate plan. The first is the Government's dogmatic insistence that privatisation must be one of the principal objectives of the Rover Group. I should have preferred to see in the corporate plan an assertion that the major objective — indeed the overriding objective—is to strengthen and advance the expansion of the company and the industry. I fear that if privatisation is made the driving force behind the corporate plan, decisions may be taken to push it towards short-term profitability to justify its flotation and privatisation, and that might have long-term adverse consequences for the industry, particularly for its size.

I refer to page 7 of the edition of the plan that is available in the Library.

Mr. Steve Norris (Oxford, East) *rose*——

Mr. Smith: I shall deal with two points and then give way to the hon. Gentleman.

Page 7, item 2, of the corporate plan refers to an evolving product plan, which, over time, will move the business up market and into specialist niches. What does it mean? On the face of such elliptical phrasing, it is not clear what is intended. Is the intention to move out of the volume production of smaller cars and to what is sometimes called the BMW solution—that is, producing a smaller number of higher value cars? If that is the plan, it will cause great concern. It will mean a reduction in the number of cars produced. It will have serious and obvious consequences for the people employed, and even more severe consequences for those who work in the component supplying industry. We are entitled to ask for more clarity about what is meant. Frankly, as it stands, the statement does not mean much at all. It hints at a possible way in which the company might go without saying precisely where.

Mr. Norris: The right hon. and learned Gentleman stressed that the overriding concern of the corporate plan was privatisation. Of course, he knows that that is not so. Before the paragraph in the corporate plan that deals with privatisation, there is a clear statement that the overriding objective of the company is to restore profitability, and, through such profitability, develop self-sufficiency. Does the right hon. and learned Gentleman deny that the objective of self-sufficiency, regardless of one's views of the company, is of paramount importance?

Mr. Smith: Of course we want the company to be profitable. Who in his right mind would not wish it to be profitable and successful? There is no denying that privatisation is regarded as such an important objective that, after the business objective on page 3 of the corporate plan, it is underlined as one of the group's objectives. It mentions the Government's commitment to privatisation —which, of course, the company, which is owned by the Government, accepts. It is reasonable to ask whether the wisest course to be followed by the Rover Group at present is to pursue a policy of privatisation. Opposition Members certainly do not think so. The overriding objective should be to strengthen the company, make it as effective as possible and to allow it its share of markets. I leave aside the matter of its ownership until success is achieved by the company.

I hope that the Minister will answer the question about the so-called evolving product plan. The other matter that causes some concern—at least in the terms in which it is expressed in the corporate plan—is the relationship with Honda. The corporate plan states that there should be an increased recognition of the importance of Honda to ARG. Perhaps I look at words too closely. I am not sure whether that sentence means that we should recognise the obvious importance of it or whether increased importance is to be given to the relationship with Honda. It is certainly not clear from the way in which that sentence is phrased. Everyone could have an increased recognition of that importance without the importance being increased. I suspect that it is hinted that the importance is being increased.

Opposition Members have always made it clear that we strongly support intelligent collaboration between self-standing equal partners. It makes common sense for the motor vehicle industry. If it is intended that there should

[Mr. Smith]

be a steady retreat of Austin Rover's influence and a steady increase in Honda's influence, it is quite different, and the House should know about it. On the whole, it would be better if corporate plans that are made available to hon. Members are phrased in a way that makes sense to those who seek to comprehend them. I cannot understand precisely what is meant by that part of the corporate plan. If the trouble is that it has been filleted so much before it has been made available to hon. Members, perhaps now and again we should get a fuller version.

What has happened to the ARG project? It is not referred to in the plan. Is the Metro to be replaced, or is the project to be dropped? Is there merely to be a reskinning of the Metro? That raises questions about whether the product line will be adequately reinforced in future. I shall be grateful if the Minister will help us on such rather detailed but important matters about Austin Rover.

Mr. Doug Hoyle (Warrington, North): Has my right hon. and learned Friend seen an article in the 2 January edition of *The Birmingham Post* about the Metro? It states that the Government were so eager to hand over full information to Ford that it states that the

"Department of Trade ad Industry allowed Ford to see the production costs for every Austin Rover model, showing that the cost of the Metro—which gives Austin Rover almost 40 per cent. of its sales — was £100 higher than the Ford Fiesta, giving Ford the edge in last summer's discount war. Ford was able to push discounting to the point where Austin Rover would have had to sell the Metro at a loss. Jean Denton, who was Director of External Affairs" — *[Interruption.]*——

What are hon. Members worried about? Are they frightened by what is coming out? They should just listen. The article states:

"Jean Denton, who was director of external affairs for Austin Rover, said . . .'This decision provided the opposition with all the information they would have given their eye teeth for'."

Is my right hon. and learned Friend aware that the management was instructed to give that information by the previous Secretary of State for Trade and Industry, the right hon. and learned Member for Richmond, Yorks (Mr. Brittan)? Is it not a disgrace that a Government who wrap themselves in the flag are always selling patriotism short and that the previous Secretary of State for Trade and Industry sold the company short? Should he not be here to answer that charge?

Mr. Smith: My hon. Friend must have anticipated that I was coming to the most important criticism that I have to make of the Government in relation to the Rover Group. How on earth can we trust the stewardship of the Rover Group to a Government who, only a year ago, were prepared to sell the whole operation to its group's principal competitor, Ford? That shows this Government's responsibility towards that important industry.

The Government profess support for the company as presently constituted, but we must remember that a significant number of Conservative Members and the Government were prepared completely to abandon their responsibility for it. That was stopped because there was a campaign against it. The Government had to turn tail and abandon their plan. However, a great deal of commercial damage was done to Rover Group's profits not only because of the uncertainty that was caused during that period, but because it is not quite clear — that is why the intervention of my hon. Friend the Member for Warrington, North (Mr. Hoyle) was so apposite—that a great deal of commercial information appears to have been given during the takeover discussions with Ford.

My hon. Friend referred to Jean Denton, the director of external affairs. In *The Birmingham Post* she said:

"I have always considered that handing over that information to a major competitor was even more damaging than the insecurity of customers during the merger talks. This decision provided the opposition with all the information they would have given their eye teeth for."

If, as my hon. Friend suggested, that resulted from a Government instruction that that information should be given to a competitor, an even more serious charge is that the Government not only neglected their responsibilities in relation to the Rover Group, but that they helped one of the Rover Group's principal competitors to gain an advantage over it in the market place. At some stage I should like the Government to provide an answer to the very serious points that have been raised about their conduct during that period.

I turn to one of the other very important issues that we are discussing—the Government's proposal to surrender control of Leyland to DAF. When the Secretary of State first came to Parliament some months ago, the proposal was that discussions should take place with Paccar on the one hand and DAF on the other. The question of an outright sale to Paccar was specifically mentioned by the Secretary of State, but the reference to DAF was in terms of a collaborative arrangement. Something quite different emerged from the discussions. When the Secretary of State made his statement it was presented as a joint venture. The Secretary of State has told us again this evening about an imaginative new joint venture between Leyland and DAF. From that, one would imagine that it will be a partnership of equals. Indeed, Ministers have appeared on television programmes in which they have drawn parallels between the Leyland-DAF proposal and the Anglo-Dutch Shell company.

Mr. Norris: Why not?

Mr. Smith: I shall tell the hon. Gentleman why not. In one case there is a partnership of equals. In this case—with one side having 60 per cent. and the other having 40 per cent. — the situation is quite different. If Conservative Members argue that one can have a 40 per cent. share and still be a real partner in the venture because one still has a significant minority shareholding, why is it that when one looks at the directors of the company one finds that that is not reflected in the same proportion of directors? The Secretary of State was asked several times about this when he made his statement. I asked him how many British directors of the joint company there would be. There was no response, for two possible reasons. Either the Secretary of State did not know, which is bad enough, or—perhaps even worse—he was ashamed to say. That obvious question was put, not once, but several times.

We now discover that only two of the nine directors on the supervisory board are British and that only one of the eight directors on the management board is British. That is an amazing joint venture of apparently equal partners. It blows the cover and all the public relations puff that accompanied the Government's presentation. The truth is that Leyland Vehicles Ltd. has been handed on a plate to DAF.

Another test can be applied: how many job losses will there be in the Netherlands? There will be none. However, there will be considerable job losses in the United Kingdom. It is not, therefore, a 50-50 per cent. partnership. Our motion says that the Government should not renegotiate the partnership and move it towards 50 per cent. Our position has always been that British Leyland should stay British, in public ownership and wholly under British control. However, we have to accept that the Government have entered into an arrangement that will lead to a 60:40 per cent. divide.

The very least that can be demanded is that the Government must make a reality of their profession of a joint venture arrangement and renegotiate the deal so that there is at least a 50 per cent. British interest. That is the Opposition's concession. It is a reasonable concession. That renegotiation should be in line with the Government's profession and with their future profession about the future sources of components. At the moment all we have from DAF is a bland promise about that question and about the disposition of products as between Dutch and British factories. The British ought to have an equal and an effective say.

When the Minister of State replies to this debate I should like him to tell us what assurances of a binding character were obtained for the component supplying industries in this country before this deal was entered into. Many of those industries have a long-term commitment to Leyland. Cummins, for example, supplies engines to Leyland. The company is apprehensive that that order is now gone for ever and that its engines will be replaced by DAF engines. That ought to have been a material factor in the negotiations. The Government should not have permitted an arrangement to be entered into under which British components manufacturers would be prejudiced. The time to fix the deal was when the negotiations were entered into. If DAF had been genuine about its promise, it would have had no difficulty about entering into arrangements of a more binding character. However, this Government are prepared to take easily given assurances and bland promises instead of insisting upon the solid commitments that anybody with a sense of stewardship for the industry would demand.

Why on earth should we give up 100 per cent. control of Freight Rover and include it in the DAF deal? It is a highly profitable and successful company. It is doing well in the market place. However, that 100 per cent. control has gone into the deal as a sweetener for DAF, because DAF would not enter into the arrangement unless it gained control of Freight Rover. It is a one-sided deal that was entered into by a Government who are negligent of British interests. It means that control of the last British owned heavy motor vehicle producer in the United Kingdom has passed to a foreign competitor. That can be seen in the composition of the board of directors.

Is the Secretary of State honestly able to maintain that it is any sort of a deal when Britain has only one out of the eight directors on the key management board? Part of the sorry saga has been the proposal to close the engine plant and the foundry plant at Leyland. That causes very deep concern to those who work in the engine plant and in the foundry and also in the community that is so closely associated with the enterprise. I understand that concern is already being expressed by Leyland Vehicle customers that in future they may be unable to obtain the 400-series engine. Customers of the foundry are also deeply worried about the future source of their components. Indeed, there is the serious possibility that many customers of Leyland vehicles will go abroad to find the components which used to be supplied by the Leyland plant.

As the Secretary of State knows, the unions have stated their willingness to enter into discussions with the management. I believe that the Secretary of State had discussions with the trade union representatives on that point. They have suggested that they are prepared to take up any proposals that the management might put forward for putting the engine and foundry plants into the economic position required by the company. They were even prepared to consider quite substantial job losses, voluntarily, to maintain the engine and foundry plants. It will be a sad day when we see those two important plants close.

The other victim of the Leyland-DAF deal is the Scammell plant at Watford. That closure is a wholly indefensible part of the arrangement. The Secretary of State often discusses the losses that have been made by Leyland Vehicles. However, it is interesting to note that when I asked him earlier what the difference would be following the write off, it was conceded that the losses would be much less after the write off had taken place. I was surprised that we did not receive that figure. We should be given it because it is highly relevant to whether this is a wise decision. As a result of the Government writing off the debt obligation, the losses would be much smaller. In that case, the matter takes on an entirely different light and needs to be reconsidered.

I remind the House that between 1976 and 1986 there were only three years in which Scammell was in deficit. The largest loss came in 1986 with a loss of £3 million, which is a relatively small amount in the context of the industry. The projected loss for 1987 is only £1 million. Following the DROPS contract which Scammell secured, the company was calculated to have a secure and profitable future for the period between 1988-95. The company has a superb record of labour relations. Only two and a half days have been lost in industrial disputes during 68 years of industrial activity.

The loyal, dedicated and committed work force at Scammell supply important specialist vehicles for the Ministry of Defence. If it closes, we shall lose a major design and technical capability in the United Kingdom. To put it no higher, there is controversy as to whether Leyland Vehicles will be able to supply the range of vehicles for the Ministry of Defence, the components for which for many years it has relied upon Scammell to provide for example, tank transporters, crash tenders, RAF refuelling vehicles and other specialist military vehicles.

Great expertise in military vehicles has been built up over the years at the Scammell plant at Watford and now that is to be thrown aside. Losses will also be sustained by the components suppliers such as Cummins and Perkins which will suffer as a result of the closure at Watford. Those who supply brake equipment, cabs and other parts of the plant will suffer from the closure. The decision to dispense with an effective and well functioning part of the British motor vehicle industry is an act of wanton destruction.

In our contributions to the debate, we have all stressed the importance of the components sector. The Rover Group alone spends £2·38 billion each year with more than 2,000 British companies. That contribution is enormous.

[Mr. Smith]

It is of great importance to the question whether the Rover Group remains a large volume producer, producing in excess of 400,000 vehicles at present.

The engineering director of Rover Group, Mr. Andrew Barr, stated in his evidence to the Select Committee on Trade and Industry on 18 February 1987 that if the group went out of mass production,

"it would have a dire effect on the components industry."

That is why the size of the Rover Group and the loss of control of Leyland is so important to the components industry when we are losing not only markets but the capacity to decide who will source the products that the industry produces.

Instead of the sunshine picture that the Secretary of State sought to portray, we see an industry which is in grave difficulty and in which we are losing important capacity, jobs and market share. That will have a domino effect throughout the component sector.

There is still time for the Government to make it unequivocally clear that the Rover Group will stay in volume car production, and to make sure that that is written into the corporate plan and that that is an objective of the company's owners—the Government.

There has been too much retreat in the industry and the notion that the Rover Group should enter into the so-called more profitable niche of the higher value-added car, and abandon or greatly diminish its production of the others, is simply not tolerable. It is difficult to discover the company's plans in that respect. However, it is legitimate for the House of Commons and even more important for the Government to make clear where they stand on that important issue that is so crucial to the future of the group.

There is still time for the Leyland-DAF deal to be re-negotiated and for the Government to insist on a proper 50:50 partnership that would give some reality to the notion of a joint venture. There is still time to negotiate the future of the engine and foundry plants. Especially in the light of customer pressure, there is still time to decide that it will be deleterious to the company to lose those facilities. There is still time to stop before that happens. Co-operation with the work force could bring forward a new survival plan for the engine and foundry plants at Leyland. There is still time to stop the wanton destruction of the Scammell plant at Watford.

When one considers the realities of the matters that we are discussing today, one can see why the Secretary of Stage painted a wholly one-sided picture of the motor vehicle industry. We are all committed to its success. It is too important for us to take any other position and we are wholeheartedly behind its future success. However, we should like far more care to be given to safeguarding its future and maintaining the British element of an important British industry.

7.56 pm

Mr. Robert Atkins (South Ribble): As the hon. Member for Leyland in the constituency of South Ribble, I shall confine my remarks to Leyland Vehicles Ltd. in its two-fold role of Leyland Bus and Leyland Trucks.

There is not time to rehearse again the history endured by Leyland Vehicles in recent years. Many hon. Members take an interest in these matters and will be readily knowledgeable about the problems. Suffice it to say that, as my right hon. Friend the Secretary of State for Trade and Industry has said, through the taxpayer the Government have invested about £2 billion in the company since 1979.

However, there have been problems of product, market place, industrial relations, productivity and a variety of other difficulties with which we are all too familiar. It must be said that the blame for that has lain as much with the management over the years as with the work force, whether it has been a lack of communication, policy changes or industrial relations. In recent months and years, the employees of Leyland have done their bit to make the company more successful. With cause, they are tired of continuous change, of being the butt of music hall jokes and of an uncertain future.

I shall deal briefly with Leyland Bus before talking about the main problem of Leyland Trucks. Under the management buy-out that is shortly to be completed, Leyland Bus is making good progress. I supported the management buy-out as the best available option and I continue to do so. I hope that as Ian McKinnon, George Newburn and the others who are running the company get more involved in its operation, they will involve the employees more than perhaps has been the case in the past.

I am especially delighted to welcome—I gather that it is not yet been absolutely confirmed — the fact that Leyland Bus has obtained a new order from the Kowloon Motor Bus Company in Hong Kong for 110 buses. That is a great tribute to the company's work. Hon. Members, especially my right hon. Friend the Secretary of State, will know how hard we are still working to pull something out of the bag in Thailand and how important that is. The difficulty is that Leyland Bus makes large buses and the market has been increasingly for small buses because of deregulation. However, deregulation has provided what the public has wanted. It is sad for many people in my constituency and elsewhere that Ribble Buses now operates Mercedes buses whereas in the past it operated Leyland buses, but deregulation has saved the ratepayers of Lancashire county council nearly £6 million a year in subsidies, and that must be recognised.

Under the package that Leyland bus is trying to put together with Lancashire Enterprises for a retraining operation, the European social fund, which matches the money that the Government provide, has said that it will provide substantial sums. I understand that the Government are normally expected to reduce the bids that are submitted for matching funds from the social fund —that is called a policy of linear reduction—because, inevitably, far more companies apply than there is money to go round. Normally the reductions are of 40 per cent. to 50 per cent., and no exceptions are ever made. Therefore, I am particularly delighted that I have been able to meet the deadline of 12 o'clock last night and to persuade my right hon. and learned Friend the Paymaster General to agree to a reduction in the linear reduction from between 40 per cent. and 50 per cent. to only 20 per cent. He has agreed to do that because of the exceptional circumstances confronting Leyland Bus in the town of Leyland. I am delighted at that good news, which is subject only to confirmation by the European Economic Community social fund. It demonstrates that the Government are prepared to listen when a local Member puts a case to Ministers.

I wish to deal with the particular problems of Leyland Trucks. In recent years Leyland Trucks has achieved more success than for many years. It now has the largest United

Kingdom share of the truck market. That is evidence of a good product, a good design, of the fact that the work force has put its back into the job, and of improved productivity. Nevertheless, the problems of falling export markets, substantial losses, over-capacity in the European and world truck market and, above all, the need for reinvestment must be faced.

I shall look at the facts of the Leyland-DAF deal, first, in terms of over-capacity. My hon. Friend the Member for Bedfordshire, South-West (Mr. Madel) knows only too well the problems that have confronted Bedford Commercial Vehicles Ltd. because of the difficulties of the market. Leyland Trucks has also faced those problems. There are more trucks being made than there are people prepared to buy them. The losses generated in the past few years are familiar to all hon. Members, particularly those who take an interest in these matters. My constituents associated directly with the company, as well as those who are not, understand only too well that these losses cannot be allowed to continue. The company is haemorrhaging cash to the extent of £1·5 million a week and that cannot continue.

The alternative options to the Leyland-DAF deal are worse than the deal. On the information provided to me, I am convinced that if the Leyland-DAF deal does not go ahead the Rover Group will be forced to reduce further the number of jobs in the short term and to close the company in the long term. I am not prepared to tolerate that.

Taxpayers—and that means all of us—have invested substantial sums in the company. I know that no matter how committed and understanding my constituents are about the problems of Leyland, even they would be pushed to agree to invest more funds in the company. We may regret that fact of life, but it is, nevertheless, a fact of life.

DAF is known to Leyland Trucks. All the reports I have suggest that the present operation with DAF is extremely successful. People like DAF, the trucks and the arrangement. Everything is going well. DAF is not unfamiliar. The DAF deal will provide more export outlets both within the EEC and in other parts of the world over and above the existing outlets that Leyland has in the Third world and Africa. DAF will put in £150 million of reinvestment.

Nevertheless, my overriding anxiety, and I suspect the anxiety of all hon. Members, whatever their view, is that many people will lose their jobs. That is intolerable and frightful under any circumstances. However, the redundancies will take place over a long period and the settlements are exceptionally generous. I know that the Department of Employment, both locally and regionally, is doing all it can to provide facilities on site for retraining, job hunting and all its other undertakings. That will be small help; it is not a substitute, but it will help in some way.

We shall also see the continuity of the design centre and LAPland as the Leyland assembly plant is known in my part of the world. It is an important, modern, efficient operation. There may be reductions in the work force, but essentially the future for both those areas is as strong as it ever could be.

Finally, we are being offered the chance of a flotation in two or three years' time on the Dutch and United Kingdom stock markets. I have a commitment from my right hon. Friend that he will encourage DAF and Leyland to ensure that employees get a fair crack of the whip.

Those are facts of the deal but several questions must be asked on behalf of my constituents and others. But, first, I pay tribute to my right hon. Friend the Secretary of State, my hon. Friend the Minister of State and his predecessor my hon. Friend the Member for City of Chester (Mr. Morrison) who have been extremely tolerant of the delegations that I have been able to bring. I pay great tribute to the leaders of the trade unions locally who, while understandably frustrated, uncertain and worried on behalf of their members, have on numerous occasions, in rational, reasoned and tolerant ways, put forward their ideas about the future. Their members owe them a great tribute for what has been done on their behalf.

Members of the council across the political divide have come to see Ministers and have been heard. That is all to the good. Hon. Members will know that I have asked questions, deposited petitions and made as much noise as I often do about matters relating to my constituency.

The nub of the problem is the 50:50 split to which the right hon. and learned Member for Monklands, East (Mr. Smith) addressed his remarks. It is suggested that I am opposed to such a split and actively favour a 60:40 split. That is not true. Obviously, I would prefer an equal merger and I said so in December when the statement about talks with DAF and Paccar was made. But the company's negotiating position is not strong. My investigations and discussions with senior management and Ministers show clearly that the original split was more likely to be 75:25 and that the pressure from Ministers and others led to a change in the proportions. In addition, the proportion of the two companies' assets is now 60:40. DAF would not accept anything less. Perhaps in reply my hon. Friend the Minister will confirm that, broadly speaking, that is the position. In those circumstances, I have supported a 60:40 split rather than raise false hopes of anything else. Surely that must be prudent on behalf of one's constituents.

I agree with the right hon. and learned Gentleman that the two-level board split is unsatisfactory and I invite the Government to press more strongly for a fairer split of the board. If DAF is worried about having a majority, the difference between one, two or three out of nine will not make any difference. Therefore, I hope that it will consider that carefully.

There is a problem with the engine plant. Where will the DAF engines come from? What will Leyland Bus do, because it uses the TL11 and wants to continue doing so? I hope the possibility of some sort of limited manufacture of the TL11 engine, to name but one, can be put together in the interests of Leyland Bus and others. I am doing what I can to assist that and it may be possible, but I put it no higher than that.

I am also worried about the pension fund. In a recent letter I raised the problem about the constitution of the trustees and who was responsible with Mr. Graham Day, the chairman of the company. He wrote back on a number of points, but he concluded his remarks by saying:

"Details of the structure of and the trust deeds of a new Leyland DAF scheme are not yet available."

I appreciate that there are problems, but we need to know, as soon as possible, on behalf of those who are involved, that their future, in terms of the pension scheme, are secure.

Fourthly, there is the problem of communication. Hon. Members will know that I have raised on numerous occasions, privately and publicly, my concern about the poor quality of communications in the company. There is

[Mr. Robert Atkins]

no need to go into the reasons for that; it may be something to do with constant management changes. Trade union leaders and representatives at all levels, no matter what their political or industrial persuasions, say that communication could and must be improved. Therefore, I was delighted to read a report in *The Guardian* last Thursday in which Mr. Frank Sweens, DAF's director of social policy and a member of the company's executive board, said:

"DAF . . . would like to introduce new industrial relations procedures into Britain.

These could revolutionise some practices and eventually involve several works councils, elected by employees, with guarantees of access to management at regular meetings."

It must be said, to those who understand these matters, that in Holland the standards of employee-employer relationships are better than almost anywhere in the world. We can learn from that. Mr. Sweens goes on to say:

"I can understand why workers are still worried—that if things go bad, they fear we would bring production back to Holland. But that is not logical. No company is willing to destroy that capital and we do not have the capacity in Holland. We intend to grow and make profits."

There is hope. I and my hon. Friend the Member of the European Parliament for Lancashire, Central (Mr. Welsh) share the prospect of going to Eindhoven, seeing the chairman of DAF and discussing some of the points that he raises and that I have raised. I hope that that will go some way towards demonstrating my commitment and concern on behalf of my constituents.

Fifthly, I keep pressing the Government—I hope that they will react to that pressure — for much more competitive finance for export deals. That is a continuing problem, and something that we need to develop. We talked about the Thailand deal and how much was done, although we do not yet have the order. That demonstrated that we can put a package together. We need to examine whether we can do that more frequently and more effectively. Those are the questions that need to be answered.

I shall now say a word or two about the Opposition. I resent the suggestion that the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) made in the House some months ago, that the General Motors deal was a plot devised by Conservative Members and others to do Leyland down. I must tell him, in his absence, that many of my constituents now feel that the General Motors deal might have solved matters. I recognise the problems that are facing General Motors and my hon. Friend the Member for Bedfordshire, South-West, but that is as a result of things that happened some time ago. The right hon. Gentleman and his allies have a lot to answer for. Many of my constituents feel that most strongly, and they are not all Conservative supporters.

I object to this inherent talking-down of the north-west. We have a devil of a lot going for us. Leyland, despite what anyone else may say, is not a one-industry town. It is part of the constituency and borough of South Ribble, where there is a devil of a lot going on, whether it be Baxi, which makes fires and is taking on new people, British Aerospace, the most successful aerospace company in the world, or smaller companies such as Norlec, which is expanding and developing all the time. It was announced the other day that British Car Auctions at Walton Summit is about to expand its operations because it is so successful. There is a lot of good news, and talking down the north and north-west does not help other people to understand how important that area is. I could accuse the Opposition — particularly in view of the vast numbers who are present tonight—of being a little two faced. I heard an Opposition Front Bencher say, "Could be better, this deal, but I am not complaining." He would not admit that publicly, but he said it privately. I have a great deal of respect for the right hon. and learned Member for Monklands, East — *[Interruption.]* It was not he who said it. I shall not deploy that now; the hon. Gentleman to whom I refer knows who he is. I have evidence which I will show if necessary.

The right hon. and learned Member for Monklands, East speaks with authority on these matters in the Labour Party. He should be providing more leadership and guidance to those who need it in this difficult time. Instead of many Opposition Members using cheap slogans, which do not address the problems and which mislead people, we need to talk about and understand the problems and guide the people who, understandably, are angry, frustrated and depressed.

With regard to the Labour Party, one expects that point of view, but what I object to extremely strongly is the attitude of the Liberal party. It is two faced. The hon. Member for Yeovil (Mr. Ashdown) said in December how keen he was on the DAF deal. The hon. Member for Gordon (Mr. Bruce), in his absence, when my right hon. Friend the Secretary of State made his statement recently, said that he was in favour of the Paccar deal. On a number of matters he was inaccurate. He said that there was a plant in Lancaster. My hon. Friend the Member for Lancaster (Mrs. Kellett-Bowman) will be delighted to learn that, but there is not one. The hon. Gentleman suggested that there would be 20,000 job losses, and that all the jobs would go to Holland. He was wrong and should have the grace to admit so. He has been inaccurate and his scaremongering has been a discourtesy to my constituents and to the House. However, we have come to expect that of the Liberal party. It will jump on any bandwagon which is going in any direction as long as there is a future in it for it.

Mr. Malcolm Bruce (Gordon): Will the hon. Member acknowledge that in the early reports of the proposal we were hoping for a joint venture, which was a 50:50 split?. The 60:40 split required some consideration. Will he further acknowledge, therefore, that the consequences of the loss of control to Holland has led to a situation where, according to some people in the trade unions, the Dutch Government have said that there will be no redundancies in Holland, even if there are redundancies in the United Kingdom? Does the hon. Gentleman believe that that is within the spirit or legality of the treaty of Rome, and does that give assurances for the future?

Mr. Atkins: I shall quote, from *Hansard*, the words of the hon. Member for Yeovil. He did not mention a 50:50 split. He said:

"Does the Minister accept that, of the two options before us, the DAF option is preferable? — [*Official Report*, 2 December 1986; Vol. 106, c.765.]

I shall need notice of an examination of the treaty of Rome, since I do not pretend to be a constitutional expert, and I am not prepared to make an off-the-cuff judgment. Perhaps I could write to the hon. Gentleman, as Ministers often say.

Leyland Trucks has hit rock bottom. Many expert commentators in the industry, and outside it, reckoned that this had to happen. A prominent sales director, the chairman of the Leyland Truck Distributors Association, has described what is happening, in the context of the Leyland-DAF deal, as excellent news. That is someone who knows the market. He understands the problems and he has made it quite clear what his view is. Having said that, for too long the employees have been pushed around, morale has sunk to rock bottom and they are uncertain of the future. This is a lifeline, perhaps the only hope for a brighter future. I do not accept that there is an argument for delay, which has been advanced by some hon. Members. The losses will continue, the market place will not improve, and who will pay?

Mr. Ken Eastham (Manchester, Blackley): I come from the engineering industry and I often hear, from Government Benches, about losses and taxpayers' moneys. I wish, on occasions, that Conservative Members would have the same concern when it comes to farmers and the massive subsidies that they receive from the taxpayers; evidently they can put into storage all kinds of food which cannot be consumed. Will the hon. Gentleman justify that, because he says that we can no longer afford to do that for industries such as engineering? What is the hon. Gentleman's attitude to other industries besides engineering?

Mr. Atkins: You might draw me to account, Mr. Deputy Speaker, if I were to venture into an agricultural debate.

Mr. Eastham: Answer the question.

Mr. Atkins: I take the point. I do not wish to develop this at length, but the hon. Gentleman might be surprised to know that I have some sympathy with his point of view. I know that my right hon. Friend the Minister of Agriculture, Fisheries and Food is seeking to address that problem at this very moment. He is having great difficulty because the farming community is understandably concerned about its future, and we must recognise that as well.

I recognise the understandable concern, depression, frustration and anger of many of my constituents who work at Leyland Trucks, and it is because of that that I shall support the Government tonight, not because the Government have told me to. I am not so important that one vote matters either way and I am sure that Ministers would understand if I felt that I had to vote against the Government tonight. But the House knows full well that I am not frightened of fighting my corner, and I defer to no one in my support for British industry and for the industry in my constituency. I shall vote for the Government's motion because, having examined all the options to the best of my ability, I believe that the DAF deal holds out the best prospect of survival for the long-term future of the trucks division.

The most important relationship of a Member of Parliament, after that with his maker and his wife, is that with his electorate. In my party a Member of Parliament is not a delegate, mandated to vote certain ways on difficult issues, but, none the less, we must justify our actions to those who put us here when the election comes. It is very easy to be a populist of Left or Right to take the easy option in the belief that one's constituents will regard one in higher esteem. We are all guilty of that to some degree, but there comes a time when one must make a judgment, take a stance, give some advice. One gives the advice that one thinks is right and one must rest on the consequences. That I have tried to do throughout the past few days, weeks and months. I rest on that, and I am prepared to stand by it now and whenever.

8.21 pm

Mr. Ian Wrigglesworth (Stockton, South): Three shop stewards from my constituency have visited the House today and we have been involved in discussions in an effort to keep another engineering plant in my constituency from going broke and out of business. Like other hon. Members who represent northern constituencies and who have had a series of such meetings over the past few years, I have sympathy for the constituents of the hon. Member for South Ribble (Mr. Atkins) who will be made redundant. I join in the tribute to the work force at Leyland for the way in which it has succeeded and has improved the operations there over recent times.

However, when the hon. Gentleman bewails and acknowledges the mismatch between the capacity in the truck industry and the size of the market for trucks, I must tell him that his Government have played a part in bringing that about. One of the reasons for the massive over-capacity in the truck industry, as indeed in many other industries, is that over the past seven or eight years Britain has faced a severe depression brought about directly as a result of the Government's economic policies. If the Government had pursued different economic policies and had been prepared to co-operate internationally much more, we might not have seen such a substantial depression in the truck market which has led to the massive over-capacity to which the hon. Gentleman referred.

I share with the hon. Gentleman and with the right hon. and learned Member for Monklands, East (Mr. Smith) some of the anxieties and the desire to have answers to some of the questions about the deal with DAF. I too would have prepared a 50:50 deal between Leyland and DAF. I cannot understand why, when there is a 60:40 deal, only two directors are on the board. If there were to be 40 per cent. share ownership, one would have thought that at least 30 per cent.—three of the nine directors—and possibly more, would have been representing Leyland on the board. The Minister must reply to those points and explain why there is such a small representation on the board of directors and the management board.

I should also like the Minister to respond to questions that have been asked about the position in some of the subsidiaries and other parts of the enterprise, particularly that in Watford, which has been devastated and completely closed down as a result of this proposal. The right hon. and learned Gentleman asked about military vehicles and there is considerable anxiety about that matter. I should like the Minister to tell the House not only whether there were adequate consultations within the company, which the hon. Member for South Ribble has just raised with him, but whether there were any consultations with the Ministry of Defence about the implications of the closure of the Scammell plant before the decisions were taken. How will the vehicles that Scammell has made for years now for the Ministry of

[Mr. Ian Wrigglesworth]

Defence be replaced? They are of vital significance and the Minister must tell the House exactly what will happen to those supplies.

The hon. Gentleman mentioned consultation within the company. I am pleased that he referred to the quotation from the personnel director of DAF. One of the major successes of recent times, which the Secretary of State rightly mentioned in his opening speech, is the improvement in industrial relations within the motor car industry. The Secretary of State referred to the Labour party's amendment to the Government motion, but he did not refer to the amendment in the name of myself and my hon. Friends in which we have retained some of the words in the Government's motion.

The Government are right to acknowledge and pay tribute to the improved industrial relations, and to recognise the valuable contribution made by the vehicle industry and the component suppliers. They are entirely entitled to that, but it is not sufficient just to say that. Improvements having been made on the industrial relations front, a further step remains to be taken to get to the position outlined by the director of DAF which his company wants to see within the new combine. Those are the sort of industrial relations that we should be importing from Europe. If the hon. Gentleman believes that those are the sort of industrial relations that should exist within British companies, I cannot understand why he supported his Government in opposing modest proposals such as those contained in the Vredeling directive and the fifth directive for the introduction of such industrial relations into British companies.

One reason for our not being opposed for ever and a day to the Rover Group remaining in the public sector is that we want to go further than that. As well as good industrial relations within the organisation and participation we want to see employee share ownership within the company. That obviously cannot be achieved unless the company is returned to the private sector.

Mr. Michael Fallon (Darlington): Before the hon. Gentleman leaves that point, will he clarify it, because I am not sure that I heard him correctly? Is he stating that it is alliance policy that the Rover Group as a whole should be privatised? Is that the alliance position?

Mr. Wrigglesworth: I will come to the alliance position in a moment. That position is outlined in the amendment that we have tabled to the Government motion. The Government are obsessed by privatisation which is diverting the management and work force of the company from the primary objective. Indeed, the hon. Member for Oxford, East (Mr. Norris) stressed that point when he intervened in the speech of the right hon. and learned Member for Monklands, East. The primary objective is to make the company profitable and successful, to regain market share at home and abroad. When it has been profitable for five years, we can have the luxury of debating how and when the company should be privatised. We must keep the objective firmly in our sights of making the company profitable and ensuring that it is sustained in profit for some time. We can then worry about the ownership of the group.

Mr. Richard Page (Hertfordshire, South-West): Will the hon. Gentleman give way?

Mr. Wrigglesworth: No, because many other hon. Members want to speak.

The alliance has consistently backed the long-term strategy of the company. We have welcomed the collaboration with Honda. I believe that that collaboration with Honda is one of the most important keys to a successful future for the Rover Group. That is so important because it provides the Rover Group with access to the Pacific basin and to the skills and technology available in the Honda group. In the long term, it will provide a firm basis for the Rover Group to continue as a volume car producer.

It would be difficult for Leyland to sustain that position on its own. Honda is of a size which makes the partnership a partnership of equals, one which I believe can and should be sustained and improved and will grow closer over the years. It is therefore most regrettable that its progress was impeded by the discussions which the Government initiated with Ford over the future of the Rover Group.

It is not surprising that Honda wonders about the Government's commitment to the future relationship when it finds that the Government have had discussions with Ford about selling the business to that company. Not only did that impede the growing relationship between Honda and the Rover Group; it created great uncertainty in the market place and among the dealer network which is such a key part of the future of the Rover Group.

The company's achievements in recent years have been considerable. Productivity has now risen to levels comparable with European plants. Quality has improved, with warranty claims being cut by half in the past four years. Absenteeism is now below the industrial average and the industrial relations climate has improved to the extent of a two-year pay deal aimed at harmonising blue and white-collar conditions of work and last year was a strike-free year.

Last Wednesday I visited the Cowley plant and looked at the technology which has been introduced there, which matches the technology being operated at Longbridge. There is no doubt that the country can be proud of the company. The investment has been very successful and performance is now being achieved in the plants which matches the best in the world. There is still room for further improvement, but remarkable progress has been made.

For the past three years, until the writing off of the £750 million Leyland Vehicles debt, the company has received no financial assistance in the form of loans or equity. The downside is that the Rover Group's production has fallen to 410,000 vehicles in 1986 from 611,000 in 1978. Its market share fell from 17·9 per cent. in 1978 to 15·8 per cent. in 1986. That figure has now improved and that is very welcome. I congratulate the company on pulling back those figures. Operating losses have occurred in every year since 1981, except 1983. The loss for the whole of 1986 is expected to be about £120 million.

With the model range begun in the late 1970s now complete, the company badly needs resources to fund a new model range. Clearly the resources are unlikely to come adequately from profits. Instead of rushing to divest the group of many of its activities to speed privatisation, the Government should have backed professional management and a highly skilled work force with a commitment to a future model programme which gave

certainty for a long enough period to ensure that the company could build on recent successes and return to substantial profits.

The decision fully to fund the AR8 and the detailed agreement with Honda on the models being produced with that company are welcome. However, it will be important to monitor the level of United Kingdom content in those models. The company claims that the content at present in the Rover 800 model is 85 per cent. measured by ex-factory prices. It has stated that its aim is to achieve EEC content as close to 100 per cent. as possible. Clearly it is in the interests of this country that the components are sourced as far as possible from suppliers in the United Kingdom.

The postponement of a clear decision on the Metro replacement—the AR6—is more worrying. Although the Minister referred to the investment of £200 million on the K series engine and related gearbox developments, there is no clear commitment in the corporate plan about the Metro replacement. As the right hon. and learned Member for Monklands, East said, there is a danger and fear that we may see a reskinning of the Metro rather than the development of a new model.

The Times motor correspondent on 10 February suggested that the company had cut £80 million from the estimated £250 million invested in the new model. If the decision on the small car replacement is taken too late and a mistake is made once again of soldiering on with an outdated small car range, including the reprieve of the Mini, which is now 30 years old, there will be too great a dependence on Honda in the relationship.

Even with the booming domestic car market, the prospect of the Rover Group achieving an early increase in market share is clearly limited. With Ford increasing production from 380,000 to 450,000 by 1988-89, Vauxhall increasing from 220,000 to 300,000 and Nissan building up to 100,000 by 1991, the Rover Group is clearly operating in a very tough market. Although there is a welcome build-up in the number of British-built cars to be sold in the United Kingdom, the future of Rover remains clouded. I hope that when the Minister replies he will give a commitment to the long-term support of the company's plans so that it can edge back its markets share in the face of that competition and ensure that it becomes profitable for some years to come.

The decline of the motor industry generally lies in many ways at the heart of the massive deterioration of the manufacturing trade balance which the House of Lords Select Committee on Overseas Trade identified in its report in 1985. Of the turnround of nearly £12 billion between 1978 and 1984, some £3 billion was accounted for by motor vehicles and components. That is a substantial part of the turn-round in the balance of payments deficit in manufactured goods. Clearly, that has been caused, to a considerable extent, by the economic policies pursued by the Government in their early years of office from 1979 to 1981 when there were crippling exchange rates and high interest rates which have been sustained since then. Those are an enormous burden on industry and especially on the motor car industry.

The Secretary of State rightly paid tribute to the success of Jaguar. However, there is no doubt that one reason why Jaguar has been so successful is the advantage that it has obtained on the exchange rate balance with the United States. The relationship between the dollar and the pound is giving the company an edge in United States markets that has helped it to be successful.

As well as backing the Rover Group and supporting the industry in the long term, I hope that the Government will provide economic policies to help not only the industry but all manufacturing industry to succeed and grow and to beat the competition from overseas. Central to that are interest rates and the exchange rate. I hope that in the Budget next week the Chancellor of the Exchequer will substantially reduce interest rates, announce that Britain will join the European monetary system to underpin that reduction, and pursue an exchange rate policy to help manufacturing industry to compete in markets abroad and ensure that Rover and the rest of the British motor industry not only keep their market share but increase it in years to come.

Several Hon. Members *rose*——

Mr. Deputy Speaker (Sir Paul Dean): Order. I repeat Mr. Speaker's appeal for brevity. Many hon. Members with strong constituency interests hope to speak in the debate.

8.40 pm

Mr. Roger King (Birmingham, Northfield): Any debate on the British motor industry should mention one area in which we have been predominantly successful for many years. I refer to the nation's ability to design some of the world's finest formula 1 racing cars. We are without equal in all aspects of motor racing, be it formula 1, formula 3 or formula Ford car racing. Dozens of manufacturers are engaged in producing such cars for a highly discerning market, not just in Britain but throughout the world.

We have firms such as Lotus, Williams, McLaren, Benetton and Lola, and drivers such as Nigel Mansell who perform in 19 countries in a sport that is watched by more people than any other sport in the world. It also provides a good and successful testing area for new initiatives and designs such as the active suspension system, which forecasts the state of the road in front of the car before it travels over that area. All those items are translated back into the motor industry for use on everyday passenger cars. We should endorse the substantial abilities of our engineers in the competitive world of motor sport.

It is good news all the way for the motor industry, especially this year. At long last, we are beginning to push back the import penetration that was described by my right hon. Friend the Secretary of State. We are now below 50 per cent. import penetration, and this is reflected by the increased activity of all our car manufacturers. We all know about Jaguar, with its commitment this year to take on another 700 workers. We know about the amazing turnround experienced by Peugeot-Talbot, which is now exporting cars back to Europe. Lotus, under the ownership of General Motors, is ready to invest a substantial sum in a new factory in East Anglia. We should also congratulate Ford, which is No. 1 in the market place. It is a well-known and well-respected British manufacturer which has done much to provide the resources for our manufacturing industry during the past 10 to 15 years—and, of course, the past 75 years. It celebrated its 75th birthday last year. Vauxhall, too, is working hard to re-establish itself as a British manufacturer.

We are boosted by competitive United Kingdom currency, good productivity and attention to quality and

[Mr. Roger King]

delivery at the right time. Those are all criteria to provide the success that our motor industry is on the verge of turning into a roaring success.

The Rover Group is doing especially well. In the United States, the new car has been extremely well received, with more than 1,000 cars sold in the first 12 days. The importers forecast that, in the latter part of this decade, and certainly by 1990, about 90,000 Sterling cars will be required each year for the United States market. I need hardly mention what sort of income that is likely to bring to the United Kingdom economy. If those figures are achieved, that one product will earn between £2 billion and £3 billion. The importers in the United States claim that the figures will be achieved.

Recently, I visited Dallas, and spent an evening with the vendor of the Sterling car in that city. He said, "You build them, and I will sell them." He had already sold the first 13 cars, including his demonstrator. He apologised for driving us round in a Cadillac, which cost $10,000 more than the Sterling and was only half as good, and said that he had 35 Sterlings on back order and had closed his order books, although he insisted that he wanted quality, not quantity.

Indeed, the Japanese press has been saying how good our Sterling is in Japan, where Honda builds it. The report of a recent road test in Japan said that, except for one or two little niggles — these were not quality faults, but windows that do not wind down electronically in one go at the touch of a button so that the driver can pay his money on the many toll roads in Japan — the Sterling was the finest car currently available on the Japanese market. That says a great deal for the design expertise of Austin Rover engineers, who have built a product similar to the Honda car but have made a better job of it.

The Austin Rover sales for February were the best for 13 months, showing a 17·14 per cent. share of the United Kingdom market. Exports to Spain — a large growth area for the company — are up by 54 per cent., and exports to France this year are up by 13 per cent. That is encouraging news.

My constituents in Northfield, where the Longbridge plant is situated, welcome the Government's support for the Rover Group board's corporate plan, because it sets out a sound future for development and prosperity in the city of Birmingham. It has been earned only because of the productivity of the factory and the quality of the product that it is turning out, as the work force consistently gains quality bonus payments as a result of producing goods right first time on the production line.

We welcome the introduction of the new K series engine, which will give the Rover Group a technological lead over many competitors, as the other manufacturers look at ways of improving engine efficiency with their existing designs before investing, at very high cost, in new ceramic technology in the next century. Austin Rover has a window of opportunity, with a highly efficient and technologically advanced engine in the K series with which to exploit the market place in the United Kingdom and Europe.

With a new engine, we need a new car. Some hon. Members, including the right hon. and learned Member for Monklands, East (Mr. Smith), have said, "Where is the AR6? We do not want a reskinned Metro." Nor do we in the area, in the company or anywhere else. Any new car will be just that, whether it is the so-called AR6 design, which has been completed in prototype form, or a more advanced design based on the existing Metro size but featuring a new suspension, gearbox, engine and almost everything else. I am convinced that, whatever the company produces, it has a track record, starting with the Mini, the 1100, the 1800 and the present Metro, of providing the best package of its size and type of any car manufacturer. Whatever it produces will be a successful car.

As to whether the company will remain in volume production, Mr. Day is on record as saying that the company is not coming out of volume production, which is why it has signed a deal with Honda to produce the AR8, which will probably be made at Longbridge. What sort of quantity can we expect? The figures are not forthcoming from the company, but it has been suggested that, all things being equal and with a range of models based on the AR8, a figure of 6,000 units a week is not unrealistic.

If we add the figures for the AR8 to those for the new super-K Metro, we could have a car plant producing more than 500,000 cars a year by the end of this decade — something that will have an enormous effect on the profitability of the business and on all the component suppliers in the west midlands and the country. That augurs well for the partnership with Honda. It is a partnership of equals so that in the latter part of this century we can develop the automobile in conjunction with one of the most advanced car manufacturers in the world.

The people of Birmingham warmly welcome the successful negotiations with regard to Freight Rover, for which I have a particular affection. I spent five years of an engineering apprenticeship with its predecessor, Morris Commercial, and I involved myself in the original design of the predecessor to the present Sherpa van, of which the only common panel is the roof panel. This is a breathtaking opportunity for the company. It has the full support of the work force which, on the day after my right hon. Friend announced approval of the corporate plan, was on television saying that it was the best bit of news it had had in years. People were saying how much they were looking forward to working with DAF, which will unlock the key of Europe for that company in producing a much larger range of vehicles.

Indeed, putting the DAF name on the front of a van or truck is very much like putting the name of Rolls-Royce on the front of a Metro. DAF is well respected throughout Europe as a substantially well engineered truck and if it is putting its name on a Freight Rover van or a Leyland Roadrunner truck, it must enable that product to reach a far wider and more discerning European market then ever before. The deal between Freight Rover and DAF inspires confidence.

DAF has put it on record that it intends to double output from around 20,000 a year to 40,000. It is providing the investment for the new van, which is currently being drawn up in prototype form at the Washwood Heath plant. It required a substantial investment to bring that into production. Rover Group did not have the money to do it separately, but will now have to do it in conjunction with DAF. It augurs well for Birmingham and the local economy. Birmingham will certainly benefit enormously.

My right hon. Friend may care to know that the people of Birmingham, my constituents and many others who

work in the motor industry within that region fully support the Government's corporate plan and view with confidence the future of the business and will work extremely hard because, in the end, it is up to them to make it the success we all wish for.

8.52 pm

Mr. George Park (Coventry, North-East): When Conservative Members have finished posturing, the question of jobs should still be paramount in this debate. It is encouraging that, once again, Britain's car plants are engaging employees, increasing production and productivity and committing themselves to forward investment to continue to raise the quality and quantity of the product. However, recognition should be given to the fact that part of the resurgence is due to currency movements, particularly in the sourcing of components, and we have a long way to go to make any impact on the thousands of jobs that we have lost in the west midlands alone in the previous decade.

Recently, as the Secretary of State said, over half the cars sold in Britain were actually made here, but we still have the position whereby a car with engine, gearbox, steel body panels, fascia, instruments, steering gear and brake parts all coming from Japan can still claim to have a 50 per cent. local content. It is clear that a new method of assessment is urgently needed, based on 80 per cent. local content, before it qualifies as European in origin and measured in terms of the actual cost of the vehicle. Such a method would encourage British components manufacturers to step up investment in research, development and production and provide more jobs.

Before hon. Members get too euphoric, they should realise that overall profits are still non-existent—or, at best, thin. In the past three years, the industry has received nothing from the Chancellor, unless one counts the previous Budget when vehicle excise duty was left unchanged. At present the Chancellor takes some £14 billion in road user taxes, including £820 million in car tax, collected by the industry for the Government, and about a further £700 million in unrecoverable VAT paid by companies on car purchase. Yet he refuses to do anything about the unique car tax, although the money lost by its abolition would probably be recovered by increased sales, and that again would lead to an increase in jobs.

In the words on the Order Paper, the Government recognise the valuable contribution made by the vehicle industry but fail to accept the need for a wholly owned British component in that industry and follow a strategy, if it can be called that, of indecent haste in getting rid of those companies in public ownership, irrespective of the consequences.

Despite acknowledged over-capacity in the industry, additional competitors are encouraged with grants and green field sites in the car sector, while in the lorry sector, because the Government are not prepared to try to rejuvenate that part of the industry, they hand over majority control to a relatively tiny, marginally profitable Dutch company, far from dominant in world markets. For DAF, the deal that gives it control of Leyland Trucks also provides entry to the van portion of the market. It gives it first class facilities—with the possible exception of the foundry which could have done with some investment in it—and an up-to-date model range. As if that was not enough, the profitable Freight Rover is thrown in to make the deal more tempting, plus a write-off of £750 million of our previous investment. In time the new company can be sold off to private investors, which is the only consistent part of Government policy.

The immediate effects in Britain are the loss of 2,260 jobs at Leyland Trucks. That will have a domino effect on suppliers such as Cummins in Scotland and CAV, to name but two of the many suppliers, arising from the closure of Scammell, the foundry and the engine shop, plus the danger of further erosion of the 96 per cent. British content of Leyland Trucks by the possible sourcing of cabs from a Spanish company.

It is unfortunate, to say the least, that the British Government do not have the same confidence in their company as the Dutch Government have in DAF or the French in Renault. If they had, the deal could have been done the other way round or, as my right hon. and learned Friend the Member for Monklands, East (Mr. Smith) suggested, on a 50:50 basis, particularly as Leyland has 18 per cent. of the United Kingdom market while DAF has only 5 per cent. or 6 per cent. at the heavy end of the market. However, that presumes an industrial strategy which the Government do not have and a real recognition of the motor industry as the core of manufacturing industry, with a substantial contribution to make in the retention of industrial skills and minimising the brain drain.

The Government could remove obstacles to the success of British hauliers and their capacity to place orders for lorries. They could adjust the balance of the annual vehicle tax, which is £987 on a 38-tonne lorry on average in the Common Market compared with £3,100 in Britain. In Belgium, it is £624, but some hauliers qualify for a 65 per cent. reduction, which cuts it to £218. The tax on diesel fuel in Britain is 31p a gallon more than the average in the Common Market, which costs our hauliers £465 million more than their competitors last year. What sort of incentive is that?

Massive efforts and acceptance of change by workers and management in BL have led only to the loss or erosion of their jobs as their companies became viable and were sold off or merged with foreign competitors because the Government do not have the commitment to a wholly owned British section of the industry or the belief that we have the skills and ability to break into international markets. All that the Government want to do is wash their hands of the business as quickly as possible. We cannot endorse their policies.

9 pm

Mr. Steve Norris (Oxford, East): As always, I declare an active financial interest in the retail motor industry. Having worked in it for 20 years, I suggest that that at least enables me to comment with some knowledge in this debate if on no other occasion.

I wholly endorse the motion of my right hon. Friend the Secretary of State. I thank him and the Minister of State for the constructive way in which they have assisted me in my inquiries on behalf of my constituents in Oxford who are concerned with the Austin Rover plant at Cowley.

Over the past year the Cowley plant, and Oxford in general, has been awash with rumour and speculation, the vast majority of it ill-founded but real. It was based on real fears and concerns about the future of the company when there was so little hard fact to go on in advance of the

[Mr. Steve Norris]

corporate plan being produced, and so many wild rumours and assertions were floated, it has to be said, by Opposition Members from time to time, and in the press.

In recent weeks, since the disclosure of the Ford talks, which I am glad did not come to fruition, but which I was perfectly prepared to see take place, on the ground that I do not believe that it is wise ever to shut one's mind to the opportunity of making progress in the volume car sector, we have had contradictory pieces of news. Within a week of an announcement of 400 white-collar job losses, there was an announcement of 500 job gains on the Montego line. Undoubtedly, people wanted to know whether that was good or bad news or whether there were any straws in the wind that could be picked out.

We must look at the corporate plan to see where it leads us and at some of the specific questions that arise out of it and affect Cowley. Several were set out by the right hon. and learned Member for Monklands, East (Mr. Smith). I believe that it is possible to answer them, on close examination of the plan.

The corporate plan made one point that must be made about the lure impetus of privatisation. I believe, and I think that most objective observers know, that only over the past few years has the commitment to self-sufficiency and the concept of denationalisation brought the whole of the British Leyland group—and its new form as the Rover Group—to the state where it has been prepared to look at profitability in the detail and with the commitment that it does now.

The corporate plan gave Rover everything that it asked for, as the Secretary of State said. It committed the company to a full model range, although it did not say precisely what it was, and it committed it to maintaining volumes, although it did not comment on expanding them. The plan talked about the need for better quality. We have seen that emerging in the Sterling 800 series, made in Cowley. It talked about the need for constructive collaboration with Honda.

Before I deal specifically with those points, I should like to deal with some outstanding issues raised by the plan as they affect Cowley. There was a great deal of concern in Cowley about the fact that the AR8 was going to Longbridge rather than to Cowley. There was a natural concern, which I expressed when I first heard the news. People said, "As we made the Maestro and Montego at Cowley, why did we not get the AR8?" That is important, and I hope that the House will recognise it.

We understand that the AR8 is not of itself specifically a replacement for the Maestro/Montego. That marketing and concept decision has yet to be made. I am given to understand that it would have been rather more expensive to have contemplated stopping the Maestro/Montego facility in Cowley and then retooling and commencing the AR8 than will be the case in Longbridge.

Thirdly, the model splits in recent years show that the Maestro, the Montego and the 800 have all gone to Cowley. It is reasonable to say that in the long-term context the decision to send the AR8 to Longbridge is in no way an adverse reflection on Cowley.

Did the absence of the AR6 put in doubt volume production and mean that we were no longer committed to a small vehicle? That is not necessarily the case. The right hon. and learned Member for Monklands, East can be reassured, because the clear understanding is that the AR6 was very much at concept stage when it was being discussed.

The K series engine, the commitment to existing Metro volumes and the philosophy that Mr. Day has publicly expounded of a commitment to model-by-model quality and to the upgrading of each model into market niches fits quite happily into the concept of saying that the AR6—such as it ever was—is not a concept with which we specifically want to proceed at this stage. In no sense does that mean that the company is not still committed, as the corporate plan says, to a full range of products.

The issue of volume is crucial, because if the company is to continue as a volume producer we must start to put some numbers on the volumes—not least because, if the company has in two plants a theoretical capacity of about 800,000 units and if we are talking about unit volumes that will remain at about 354,000, then the reference by the right hon. and learned Member for Monklands, East to the so-called BMW solution clearly emerges as a practical runner. Whatever else that would do, in all probability it would mean one-plant operation. I say that quite openly, because I have addressed this on behalf of my constituents in Cowley and I am concerned that they should share with me the reassurance, stemming from the present market situation, that we will continue with two-plant production.

The figures do not show a happy trend. Production has fallen from the 1978 figure of 611,000 to just over 400,000 in 1986. However, there is now conflicting evidence about economic levels of volume production. That evidence emerges when the old-fashioned idea of a single dedicated line which involved the writing off of the entire tooling costs over a very considerable number of units is compared with the modern concept of flexible tooling, where a great deal of the capital cost can be rolled into a subsequent model.

The best evidence that one can adduce is that because of robotics, the impact of flexible manufacturing and not least the impact of model range—one should look not just at the number of units that a company produces but at the number of units per model—the sort of figure that we have to consider in Austin Rover is larger than the 410,000 to 420,000 figure that we saw in 1986. Any corporate plan has to look at about 500,000 units to be a viable economic proposition. I think that the hon. Member for Stockton, South (Mr. Wrigglesworth) spoke about that. Can we look to that sort of production figure? At the moment, the evidence is rather good.

I welcome the impetus behind the resurgence of the Mini but I am not so sure that the Secretary of State for Social Services, with his AIDS campaign, would entirely approve of the moral tone adopted in the Christmas advertising campaign for the Mini. However, it certainly had an impact on sales. The important thing about the Mini is that in France, for example, it is still a cult car and leads people into Austin Rover showrooms where the other excellent products are on display. As long as the Mini is there and since its capital cost is effectively written off, Austin Rover might as well keep producing and using it.

The outlook for Metro is optimistic. However, the one that pleases me most—I am sure that the House agrees—is the performance of the Montego. Since its effective relaunch, it has taken on a new lease of life. Its fleet performance is excellent and everything augurs well for the car. It had a disappointing start, having failed to convince

the market either on perceived quality or reliability. It is now beginning to claw back and fleet owners are beginning to buy the car. On the back of that, Maestro is enjoying a resurgence. Earlier this year Maestro entered the list of top ten sellers. I am sure that the House will welcome the fact that British Telecom has placed an order for 5,000 Maestro vans worth £26 million. That is on top of van orders worth £140 million that have already been won by the company. Those orders exceed the 1986 total.

The 200 and 800 models have also been doing extremely well. The extra volume of sales has been derived not only from the Montego, the resurgent Mini and the Maestro, but from the export potential of the 800 model. The great thing about that is that the 800 is a high-value product and a great number of man hours, productive capacity and profits are involved. I believe that the figure of 500,000 units is not only achievable but likely. It is comforting to be able to look at a forecast and say it is not an optimistic or unreasonable one, but a solidly based forecast.

Bearing in mind the constraint on the length of speeches, I shall make one last reference to Honda. I do not share for one second the Opposition's fears about Honda. Japanese motor manufacturers want a European base. They do not have to come to Britain. Within the Common Market they may go to France or Germany or to one of the lower-cost economies such as Spain, Portugal or Greece. However, if the Japanese come here it is excellent news for Britain because that means the provision of additional jobs. However, if Honda comes to Britain, I hope that it will not adopt the Nissan solution —I say that advisedly. I accept that the Nissan deal introduced jobs to the British economy, but it also added another 100,000 units to the existing over-capacity in the market. To that extent, I believe that it was marginally counter-productive.

I believe that the Honda solution, wherein a Japanese manufacturer decides that the way into the European market is through collaboration with an existing manufacturer, using present capacity, is a sensible and productive solution for both companies. We should welcome that decision, because the Japanese skill and management techniques will benefit us and our style, design and ingenuity will benefit them. Between us, we can do well. Incidentally, we can beat Honda with the Sterling in the United Kingdom and in the United States.

Ironically, some of the trade unions, in their efforts to persuade us how appalling the Government have been in their treatment of British Leyland, have tended to denigrate the company. We need the press and others to leave the company alone for a while. They should stop knocking the company and allow it to get back on its feet and enjoy the position it deserves to hold. We must be constructive and committed both to future collaboration with Honda and to our present product range.

The present management at Austin Rover is the best and most realistic that we have ever had. That is reassuring news, not just for the plant at Longbridge but also for Cowley. If we have a motivated work force and management, we have no reason to fear the future of the British motor industry.

9.13 pm

Mr. Stan Thorne (Preston): I am glad to have the opportunity to participate in this debate. I do so primarily because I am chairman of the north-west group of Labour Members who have a considerable interest in the manufacturing industries throughout the north-west, of which, of course, British Leyland is a major part.

I support the amendment moved by my right hon. and learned Friend the Member for Monklands, East (Mr. Smith). I shall refer to that part of the amendment that rejects the proposed

"gift-wrapped surrender of control of Leyland Trucks and Freight Rover to DAF".

Leyland is not far from Preston. In fact, some of the Leyland work force live in a variety of constituencies in the Lancashire area. Leyland as a town has suffered from previous factory contractions. Loss of manufacturing has a spin-off effect locally, as it is generally understood. An appraisal of the present makes references to the past virtually inevitable and, within the limited time at my disposal, I shall make this apparent.

Leyland Trucks has assets of more than £150 million. They are to be given away, if the Government have their way, to a foreign competitor. Leyland Trucks has sustained tens of thousands of families in the Leyland area for more than 50 yars. DAF has everything to gain from the Government's proposals and British Leyland everything to lose. It is against that background that the Opposition, and particularly people in the north-west, reject the Government's proposals.

It has been said that the Dutch have looked after their interests extremely well in negotiations in recent weeks. There are nine directors on the main board, only two of them from Leyland. Decisions will clearly be taken by DAF, for DAF. As we all know, because it is history, the Government have failed to sell off Rover and Land Rover to General Motors. Following protests from midland Tory Members of Parliament, among others, the Government now believe, and the hon. Member for South Ribble (Mr. Atkins) is convinced, that selling off Leyland Trucks to DAF will not be politically damaging. The future, certainly as far as the hon. Member for South Ribble is concerned, will answer that question.

Production of trucks involves high technology. It is a high-value, expanding industry. Leyland, with its new truck range, has an increasing share of a lucrative market and a worldwide reputation. DAF is being given Leyland's valuable and comprehensive distribution networks throughout the United Kingdom. More than 70,000 new commercial vehicles, valued at more than £1·5 billion, were registered in the United Kingdom last year. Leyland factories were used, as my right hon. and learned Friend the Member for Monklands, East rightly said, to support loss-making car plants over a decade.

The Ryder report showed, among other things, that, out of £74 million profits, £70 million was paid out in profit and only £4 million reinvested to replace aging plant and machinery. The £100 million investment came too late at exorbitant interest rate costs. This unjust debt burden forms a major part of the as yet to be proved—in spite of what the hon. Member for South Ribble said—£1·5 million which Leyland Vehicles is said to cost the taxpayer each week. No Conservative Member has produced the complete evidence to establish that point which is stated again and again in the hope, presumably, that people will inevitably accept it as the gospel truth. It is not. It has not been proved by anyone yet.

Over a decade ago Leyland Bus and Trucks had over 30,000 workers, of whom about 13,000 were at Leyland. Soon the total figure will be under 6,000—a massive 80

[Mr. Stan Thorne]

per cent. cut. Many famous companies were once owned by Leyland—AEC, Park Royal, Eastern Coach, Charles H. Roe, Guy, Bathgate and Bristol. They have all gone for ever. Are they to be followed by Scammell? Clearly they will be if the Government have their way.

At Leyland we have seen the closure of north works, south works, two engine plants, a tool room and foundry support plants. Now the Government propose that the remaining engine and foundry plants should also be closed. If Farington foundry goes, the manufacture of blocks for the industry will go too. The effect on the truck industry will be catastrophic. Leyland has a 400 engine which is a winner. The 430 engine is ready for operation. Ironically the highly successful DAF engine used in its popular heavy lorries is basically a Leyland 680 engine. To ditch engine manufacture and close the foundry is to rip the heart out of Leyland.

The work force of highly skilled designers, engineers and workers on the shop floor, with years of specialised knowledge, are to be denied their livelihood, although their commitment to Leyland Vehicles over many years is beyond doubt. There are in the Strangers' Gallery workers who have contributed 30 years each to the industry. The Government are prepared to scrap that involvement and commitment.

The insensitivity of Leyland management and of the Government reveals yet again, in spite of what has been said by Conservative Members, how much industrial relations have deteriorated since 1979. The Secretary of State for Trade and Industry began the debate with a slander on the trade union movement which has struggled over many years to maintain a reasonable standard of living. He made cheap jibes against active trade unionists in the area. Those who are listening to the debate and those who will read reports of it will not be unduly surprised because that is the Government's belief.

I have been aware for more than 50 years that labour is just like other commodities within the capitalist system —it can be bought and sold as and when required. Few employers recognise that human labour power must be treated differently from raw materials and machines. It takes a long time for some employers to learn that lesson. Unhappily, many big concerns in this country, aided and abetted by Government legislation, still fail to learn that lesson.

The complete failure to consult the work force at Leyland about their aspirations and ideas about future manufacturing in Leyland is one of the cardinal sins of Leyland management and the Department of Trade and Industry. Departmental officers and Ministers may pretend that they have met the work force for consultations, but those whom they have met will tell the House, if they have the opportunity, that the consultations were always one-sided. "You will do what we decide", has been and remains the message from the Department of Trade and Industry. Workers who have invested their labour in an industry are entitled to a direct involvement in decisions that affect their future. I am sorry to say that that fact is seldom accepted within our system of production for private profit. To employers, financial gain is more important than human relations.

The Government refer to a write-off of £750 million, which includes redundancy pay and closure costs. It also includes the debt owed by Leyland factories and factories within the Rover Group. By international comparison, the Leyland Trucks debt is pathetically small. On average, British companies externally borrow 55 per cent. of their assets. In West Germany, the figure is 95 per cent. and in France it is 140 per cent. Japan has a massive 330 per cent. capital gearing.

The Government can and must insist on a change in the deal with DAF. A 50:50 partnership is a minimum requirement for a final agreement. That can be achieved by the Government making Leyland a financially attractive and equal partner to DAF, together with providing a firm commitment to manufacture engines at Leyland. If a 50:50 deal with DAF cannot be agreed, the Government should threaten to end our generous open-door policy to imports. A 50:50 deal involving equal partnership in decision making, with equal numbers on the board, is absolutely essential to the future of Leyland Vehicles. In the opinion of Opposition Members, nothing less than that will do.

We can all remember references to Britain being the workshop of the world. As I listen to some debates, I am often reminded that I was brought up within a few minutes' walk of Trafford park. Fifty or 60 years ago, I used to hear people talk about the greatest concentration of industry in Europe being within Trafford park. It could be said that Leyland has had a tremendous history of industrial development. A major decline in our manufacturing base has occurred since 1979—a massive contraction—leaving us with a huge import bill for manufactured goods.

A supplier to the motor industry, Lucas Industries Ltd., through Girling, produced brake units for the motor industry, but it completely closed its factory in Bromborough solely because it could make such units more cheaply outside the United Kingdom and import them into Britain. Given the Government's proposals for the DAF sell-out, how long will it be before DAF shifts production to Europe in pursuit of similar improvements in profit margins?

The present Government have allowed billions of pounds to be poured into our overseas competitors. They appear to believe that Britain's economic future lies in massive imports, in the interests of finance capital and the multinational conglomerates. The real interests of the British people, however, will be served by the rebuilding of our manufacturing industries, the control of overseas investment and the direction of major investment into research and development and the public sector—into houses, schools, roads, hospitals and people's welfare.

Our priorities must be to provide real opportunities for our young people to learn skills, to pursue educational growth and to lay a firm basis for improved standards of living for the underprivileged. The motor industry has a major part to play in that aim. Leyland Trucks, collaborating on equal terms in an equal partnership with DAF, could make a firm contribution to those goals. It is not too late for the Government to act. The next Labour Government will soon plan our economy to ensure a radical improvement in the quality of life for our people, and the sooner the better.

Several Hon. Members *rose*——

Mr. Speaker: Order. Before I call the next speaker, may I remind the House that a large number of hon. Members wish to take part in the debate. If hon. Members limit themselves to 10 minutes each, all will be called.

9.31 pm

Mr. Richard Page (Hertfordshire, South-West): I should say at once that my non-political experience has been completely and utterly in the motor industry, both in manufacturing and retailing. It is only right, therefore, that I should declare an interest.

When I look at the motion I see within it, despite the protestations of the Opposition parties, an example of the Government's commitment to Austin Rover in terms of the billions of pounds that have been spent upon subsidising and supporting that company over the years. Also when I look at the order I experience a moment of pure nostalgia when my eyes light upon the words "National Enterprise Board." The House will remember that the National Enterprise Board was set up when the last Labour Government went out to pick winners. The names Nexos, Twinlock and Inmos float before our eyes.

The motion is couched in both specific and general terms. I intend to deal with the specific problems that face the Rover Group. I make no apology for doing so. It makes a vital contribution to our economy. Nobody with experience and knowledge of the truck industry would argue that a deal had to be done to try to counter the massive over-capacity of truck production in Europe. If Ford thought that it was necessary to do a deal with Iveco —and I suggest that Ford know a little more about the truck market than Opposition Members — and if Bedford felt that it was necessary to do what they have done because they were unable to do a deal with Leyland, it was only natural, because fewer and fewer partners were available, that Leyland should do a deal with DAF. Indeed, it is most sensible that this should have happened.

My hon. Friend the Member for South Ribble (Mr. Atkins) made a most thoughtful speech. He outlined the reasons for the deal. I know from personal experience and from talking to my hon. Friend that he spent a long time agonising over the difficulties that face him and his constituency. However, he also gave a little hint—that perhaps it was better that this deal should be done sooner rather than later. In fact, I was left with the impression that a deal with General Motors might have been better, if it had been made a year or so ago.

I find it amazing that the right hon. and learned Member for Monklands, East (Mr. Smith) laid the blame on the Government because he was a fundamental moving force in scuppering that General Motors deal and he is proud of that. I listened with equal amazement to his criticisms of the possible effects of the closures on Scammell. I remind him that Scammell is in Watford and General Motors, with its military vehicle capacity, is located at Luton and Dunstable. I could see perfectly that a deal might have come forward in which the military contracts of Scammell and Bedford could survive in the same area. However, such a possibility was scuppered by the right hon. and learned Gentleman.

I am delighted that my hon. Friend the Member for Watford (Mr. Garel-Jones) is in the Chamber because I know that he has considered the effects this deal have on Watford. My hon. Friend is spending a great deal of time and trouble trying to make sure that the effects of the Leyland merger with DAF will have the minimum effect on his constituents.

I now turn to the car division in which Austin Rover's targets have, in the past, been changed and changed again almost on a monthly basis. From personal experience, I have never known a company to expand out of disaster. It must cut and trim back to a clean core of efficiency and then expand. I must confess that I am not a gardener, but those hon. Members who are will know that one has to cut out the dead wood before one can expand.

Time and time again, the Government have demonstrated their support for the Rover Group. Perhaps today, for the first time for a decade, the Rover Group has a better chance of expansion and growth than ever before. However, there are problems and certain past decisions must be overcome. I refer to decisions such as the choice of new technology and the fact that export markets were given such low priority during the Edwardes' administration. The focus then was on efficiency and labour productivity. No one lifted his eyes to the horizon to see what life would be like in the late 1980s and early 1990s.

The continuing problems of the Austin Rover Group can no longer be laid at the feet of the work force because, in line with every other car producer in the world, the company cannot sell all the cars that it can build. The remorseless drive towards productivity has been obvious in almost every British plant. With that there has also been a heart-warming commitment by many more manufacturers to source and build more in the United Kingdom. We have heard, for example, that Ford is to raise its investment in this country and to make another 70,000 cars next year, raising its total to about 450,000. Vauxhall is to raise its total from 200,000 to 300,000 over the next three years. My right hon. Friend the Secretary of State has already mentioned what Peugeot-Talbot plans to do at Ryton in relation to the new family saloon.

Austin Rover has made tremendous strides in efficiency. It estimates that its productivity has increased from about 6 cars per man in 1979 to between 12 and 14 cars per man last year. That compares favourably with our continental competitors. However, we must be cautious about such forms of comparison because those calculations depend on the quantity of bought-in finished components that are included. Nevertheless, for all that, the work force has shrunk in the retreat from design, development and assembly to just assembly from a six figure number to below 50,000.

The future looks relatively secure because of the Government's vast commitment. However, the options are closing in remorselessly for the company if it is to be the master of its own destiny, free from Government, and from the designs and technology of foreign manufacturers in the future.

Over the past 10 years the Government have provided more than generously for Austin Rover, but I am apprehensive about the strategy of following the market down in the long term. That will mean an increasingly rapid loss of the ability to develop new models and that we shall become just an assembly platform for Honda in the United Kingdom. In turn that will bring an increasing reliance on Honda with the knock-on problems of loss of value added work, employment and technical capability. That was why I was delighted to hear the Government announce support for the K-series engine. That is an important stride back along the path that I have described

We must accept that Austin Rover is now a minnow in the world of mass vehicle production. BMW, ostensibly a maker of quality cars with a small market share in each of the countries to which it exports, produces more cars and retains a larger share of the profit with each one than does Austin Rover. From the sidelines it is difficult to know the

[Mr. Richard Page]

required sales for Austin Rover to break even or to generate sufficient funds for the development of a range of new models.

Over the years we have had a series of different figures which have usually been of a lower and lower order. It seems increasingly difficult to achieve those figures through the growth of the home market alone, which is why the present efforts for exporting must be aggressively pursued. I understand that they have made some inroads into the fleet market, but I would not wish Austin Rover or any hon. Member to pin the future of the company on that sector.

Mr. Fallon: Does my hon. Friend agree that it is extraordinary that the hon. Member for Stockton, South (Mr. Wrigglesworth), having an hour ago suggested that the whole Rover Group should be privatised, has suddenly lost interest in the debate and the welfare of his constituents and those of my hon. Friend the Member for Watford (Mr. Garel-Jones)?

Mr. Page: My hon. Friend makes his point in a telling fashion. He will excuse me if I do not try to explain alliance policy. Alliance Members find it hard to explain their policies to themselves, let alone to the nation.

Bearing in mind your request to be brief, Mr. Speaker, I shall continue along my line. The Government must accept that if Rover is to have a future, an increasing reliance on Honda technology must be used only as a short-term crutch; the company must not depend on it in the long term. In future there must be strict agreement about the value added content of any of the deals carried out with Honda. Other countries insist on an active level of participation and Austin Rover would be wise to do exactly the same.

Austin Rover has a better chance of survival now than it has had in the past decade. It must continue its drive for quality, which has dramatically improved over the years. However, I must remind the company and hon. Members that its competitors have not stayed still. Austin Rover must attack its foreign market more aggressively and look to occupy a slot in the market, not perhaps so much for quantity, but certainly for quality. It must ensure that its internal design capability does not become located in Japan.

While the choices are narrowing, with the support and help of the Government the future looks bright.

9.43 pm

Mr. Doug Hoyle (Warrington, North): I immediately declare an interest as president of the Association of Scientific, Technical and Managerial Staffs which has a large number of people in the motor industry. We are speaking not just about those who manufacture the vehicles, but about the components industry and an industry with high technology. Today we are debating the future prosperity of the United Kingdom. Without a major motor industry, we should be in great difficulty.

Like many hon. Members, I welcome the fact that the multinational companies will produce more cars in Britain. We must not be complacent about that. We must not think that that is because those companies are becoming more benevolent. The reason for that is the currency changes, particularly the relationship of the deutschmark to the pound. The Secretary of State asked why Opposition Members are often suspicious of multinational companies. It is because their decisions are not taken in this country. As to Ford and General Motors, their deficit in the balance of trade with this country is hundreds of millions of pounds. Even if they concentrate a little more production here, a large gap will still have to be filled. That is why it is important that we have an indigenous motor manufacturer.

I am concerned about Leyland Trucks, not only as the president of ASTMS, but because the people concerned are my neighbours and friends. It is not easy to regard those people as unemployment statistics. Some 2,200 people will be made redundant in Leyland Trucks by the DAF takeover—that is what it is, a takeover. We are talking about highly skilled people. They were the aristocrats of the engineering industry. They dominated the market in which Leyland Trucks is based. They had a proud record, because they designed vehicles, manufactured the engines and gear boxes, and produced axles—the complete vehicle.

As my right hon. and learned Friend the Member for Monklands, East (Mr. Smith) said, for many years Leyland Trucks carried the whole of the Leyland car industry. The reward for sustaining that is that the employees are being faced with redundancy. That is unnecessary because, as has been said, it has a large share of the British market, 18 per cent., and a good product range. We are told that there is an over-capacity and that Leyland Trucks is a loss maker.

I cannot imagine that we would be having this debate if this were the French National Assembly. Renault Trucks is an enormous loss maker. Indeed, it could be said that it is pulling down Renault Cars. Nobody is saying that the French Government intend to give up Renault Trucks. They will continue to put money into it. They have not sought a merger deal or allowed DAF to take over Renault Trucks. They would consider it inconceivable to give away what is a jewel in the crown for the future prosperity of France.

That is the situation with regard to Leyland Trucks. It has been dressed up by the Secretary of State as a joint merger but it is a takeover. It is no good us talking, at this stage, of an equal partnership; it is not there. I am at a loss to understand how this can be termed a joint venture. It could be a joint venture—my hon. Friend the Member for Preston (Mr. Thorne) was right—if it was a 50:50 split. That is why—I am sorry that the hon. Member for South Ribble (Mr. Atkins) has gone—I say to him that there is great concern among the employees in Leyland factories and plants.

Mr. Roger King: The hon. Gentleman mentioned Leyland and DAF merging and he has also mentioned Renault Trucks, which has a plant in this country. Did not Renault Trucks take over the Commer-Dodge factory? Would not the workers there have welcomed the presence of Renault Trucks, which is expected to be in profit this year?

Mr. Hoyle: The hon. Gentleman—I shall not give way to him again—is not detracting from what I am saying. I am saying that, despite Renault being in difficulties, the French Government are continuing to put money into it. That is why it can turn the corner. I do not know what is amusing about the fact that the French have pride in their own industry. I do not find it amusing that

the French are determined to retain the jewels in their crown. Those who will lose their jobs in Leyland will not find it amusing; nor will the 5,000, perhaps more, who will lose their jobs in the component industries.

There are many unanswered questions and I hope that the Minister will give us some replies. Why can we now write off £750 million just like that? Why could we not have done it before and retained the company? My right hon. and learned Friend the Member for Monklands, East asked how far writing off that debt would have brought down the losses that Leyland Trucks is supposed to have sustained. We have had no answer. I hope that the Minister will reply to that, because that too could be illuminating. If we could do it for DAF, why could we not do it for Leyland Trucks and allow it to remain independent? Those are the sort of questions that must be answered.

We have been told by the Secretary of State in the past that Leyland will concentrate on the production of light trucks. Does that mean that DAF will assemble heavy trucks here, or will they be imported? We need to have the answer to that question. The Secretary of State seemed to say that there would be some production of heavy trucks here, but that needs to be confirmed.

The Secretary of State said that there would be a significant United Kingdom content. What does that mean? Why was that not negotiated? Why was not that figure arrived at before we gave the company away? That is what we have done. We have given the company away to DAF who said, "Thank you very much," and Freight Rover has been thrown in. Why could not a minimum British content have been laid down?

Leyland produces buses. The bus production unit will be in some difficulty over engines. But DAF also makes buses. Where does that leave the new management takeover bid that has been made for Leyland Bus? We need an answer to that question. Will DAF be bringing buses in in increasing quantities?

Hon. Members from both sides of the House have asked about military contracts. Apart from ERF, no indigenous lorry company is manufacturing in Britain. Where does that leave us? Conservative Members are always patriotic, or so they tell us, but where does that leave us in relation to defence contracts?

At the moment, Freight Rover buys in power trains from other Rover Group companies. How will the component sourcing policy be affected? Will that continue? *[Interruption.]* I am asking the Minister, not Conservative Back Benchers. I know that the hon. Member for Birmingham, Northfield (Mr. King) would like to sit on the Front Bench, but I rather think that he will not be a Member of Parliament for much longer. Meanwhile, he can enjoy himself, but let us have the answers from the Minister.

Conservative Members are all very happy with the Government and believe that the Government have been able to put enough money into the corporate plan for the future of Austin Rover to be assured. I am not as confident as Conservative Members because Austin Rover is still being run down. Llanelli Radiators is for sale, yet that is a profitable company. ISTEL, the computer services company, is also being sold off. Where will the sell-offs end?

I referred earlier to the fact that the Government are determined to privatise Austin Rover as soon as possible. Once the general election has passed, will the Government be prepared to accept an offer for the company? So eager were the Government last year for Ford to take over Austin Rover that when the top management of Austin Rover refused—I believe quite rightly—to allow Ford to see the production costs of every Austin Rover model, including the Metro, the Secretary of State's predecessor, the right hon. and learned Member for Richmond, Yorks (Mr. Brittan), ordered them to do so. That really was selling Austin Rover down the river.

What happened after Ford examined the detailed costs? Ford found that it could underprice the Fiesta in relation to the Metro by £100. Until then, the Metro was selling better than the Fiesta in the market place. After then, throughout the whole of last year, its market share slumped. The Fiesta's market share rose to 7·5 per cent., while Metro sales slumped. If that is not selling the company short, what is?

How can the Government talk about the national interest, with all the investment that has taken place, when the previous Secretary of State, with the Government's backing, told the management to open up the books and show them to a foreign competitor? That does not fill me with any confidence that the Government are prepared to back Austin Rover in future.

I agree with many of the comments made by Conservative Members tonight. When we come to the new deal with Honda, we want some of the technical know-how and part of the high technology. We do not want all the low technology. Whether we will get that, or whether the determination is there in the Department of Trade and Industry to make such demands, is a different matter. I am not filled with any optimism by the Government's past performance. Nor am I filled with any optimism by the way in which they have been prepared to give away Leyland Trucks, with the best product range in Europe, to DAF on a plate.

I hope that the new Sterling is a success. I want the company to go from success to success. Leyland has a very loyal work force which is second to none. The work force and their families deserve the prosperity. I say to the Secretary of State and the Minister who is to reply, for God's sake show a bit of confidence in the home product. They should back the indigenous motor manufacturer in the way that the French back their industry. They should have the pride in their industry which the Italians have in theirs.

There is no way other countries would give their companies away. It is amazing, when we are lectured in the House about the losses and the over-capacity in the truck industry, to realise that Sweden, with no home market, is the leader in Europe. What the Swedes can do, we can do as well. The Government should not turn the tap on and off. They should turn it on full stream, give the funds to Austin Rover and let us make a success of the British motor industry and particularly the indigenous British motor industry. If they have confidence in it, the workers will show that they can manufacture the best products in the world.

It being Ten o'clock, MR. SPEAKER *proceeded to put forthwith the Question which he was directed by paragraph (4) of Standing Order No. 52 (Consideration of Estimates) to put at that hour.*

SUPPLEMENTARY ESTIMATES 1986-87

Class VI, Vote I

Question,

That a supplementary sum, not exceeding £166,300,000, be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1987 for expenditure by the Department of Energy on assistance to the coal industry including grants to British Coal and payments to redundant workers.

put and agreed to.

Motor Vehicle Industry

Question again proposed. That the amendment be made.

10 pm

Mr. David Madel (Bedfordsire, South-West): This is a timely debate that reflects the improvement and optimism in the motor vehicle industry after many years of difficulty. The increased optimism is encapsulated in an article in *The Sunday Times* last Sunday which, referring to the Geneva motor show, states:

"British car executives were confirming plans for large increases in output from their British plants."

I share much of the optimism that has been expressed in the debate. Hon. Members referred to the better industrial relations and the disappearance of bad practices in the industry. I also hope that, once and for all, we have seen the back of violent changes in taxation, which led to layoffs in the 1960s and 1970s at very short notice. One could never get a car work force on one's side, if, from year to year, there were sudden changes in production caused by violent changes in taxation. Stable production and tax rates do much to improve industrial relations, just as much as the many things that have been mentioned in the debate.

A major constituency worry for me relates to the prospects for Bedford Commercial Vehicles Ltd. in relation to the military contract. We know that 1986 was of great depression and difficulty in Bedfordshire once the General Motors and Leyland Trucks negotiations broke down. In 1986, hundreds of Bedford workers lost their jobs. There has been a bad start to 1987, with Bedfordshire county council — which is not Conservative-led — imposing a rate increase of 23 per cent. That will do industry in Bedfordshire no good whatsoever in view of the battle that we are waging to get new industry into the county. It is vital that we retain a military contract at Bedford and keep its many hundreds of employees in work.

The latest position on the military contract was mentioned in a letter to me from my right hon. Friend the Secretary of State for Defence on 20 January. He said:

"I am hopeful of reaching our decisions on the new 4 tonne programme and other military truck orders for Bedford Trucks in the near future. In these circumstances, all I can do is to reassure you that we are giving every consideration to Bedford's proposals and will take account of the factors you have mentioned along with all the other relevant aspects before making final decisions."

There are three relevant aspects. The first is employment in the area. The second is the need to continue Bedford's excellent record of supplying first-class military equipment to the Ministry of Defence in peace and in war. I stress that when America was neutral between September 1939 and December 1941, it made no difference to the fact that General Motors, which owns Bedford, kept pouring out trucks for the use of the British Army in the years when we were on our own. The third relevant aspect is the ancillary industries and suppliers which still depend upon the Bedford plant to maintain employment.

I mention another consideration which is extremely relevant and that is the position of Renault Trucks, which manufactures on the other side of the road from Bedford in Dunstable. There is a strong case for seeing whether it is possible for the two plants to co-operate on the military contract.

My hon. Friend the Member for Birmingham, Northfield (Mr. King) mentioned Renault which has 97 per cent. British content in its light trucks and over 60 per cent. British content in its heavy vehicles. It is, therefore, a most welcome European company manufacturing in Dunstable, using British parts and sustaining hundreds of British jobs and, therefore, the welfare of hundreds of British families. I urge the Government to look to Renault to see whether there is some way in which Renault and Bedford could form a partnership for the military contract and, thereby, strengthen our truck manufacturing base in south Bedfordshire and our employment base throughout the county.

I should like to say one or two things about the national situation. I hope that this will be the year in which my right hon. Friend the Chancellor of the Exchequer finally gets rid of the 10 per cent. car tax. With his tax revenues now extremely buoyant and the proportion of United Kingdom market taken by United Kingdom-sourced motor vehicles now better than 50 per cent., it is an ideal time to build on the improvements in the industry by using the tax system to achieve higher volumes of production in the United Kingdom, which would be of great benefit to the suppliers to the industry as well as to the manufacturers.

If one adds to that the current favourable exchange rate, Britain is, as has already been said, the ideal prime area for vehicle manufacturing. Let us use the tax system to encourage that further.

We are, after all, a road based economy and the Government should always be doing things that encourage companies to manufacture cars and trucks here. For years the tax system was used against the motor vehicle industry. Now is the time for the tax system to be used to help the industry.

I add two points to the overwhelming case to get rid of the 10 per cent. car tax. First, I hope that the Chancellor will change the capital allowance schemes, in a way that will encourage buyers of trucks to change them more frequently. I hope that that would mean more orders for our manufacturing base in Britain.

Secondly, I would like the Chancellor to look at the question of petrol tax on engines where the engines are being used merely for research and testing. In other words, he should do something further to the tax system which would encourage the multinationals and others to say, "On testing our engines in Britain, the Chancellor does not apply taxes to the fuel we use solely for the testing." That would be another reason for manufacturing in Britain.

The city technology colleges are now in their infancy but once they get going they should be sited near to areas where we manufacture trucks and cars because, as has already been said, there will be huge changes in technology and training and we want opportunities nearby for young people to learn those new skills by going to a city

technology college. I obviously want such a college sited in Bedfordshire and near the plants which my hon. Friends have mentioned.

By doing those positive things, the Government can build on what I think is a changing and improving situation for many thousands of our people who work in the car and truck industries.

10.8 pm

Mr. Den Dover (Chorley): It gives me great pleasure to have an opportunity to speak about the anxiety and worry of the Leyland workers and the Chorley workers. Some 2,500 or 3,000 people in my constituency work at the Leyland assembly plant, in the engine and foundry production facilities or at Multipart in Chorley.

We have heard tonight from the Secretary of State that we are talking of a "merged truck venture". I believe that we have changed the terminology from "joint venture", which I accept can be other than 50:50 if it is spelt out. We are talking about a predominant number of United Kingdom companies and only one Dutch company, DAF Trucks.

In a letter to Members of Parliament the chairman of Rover Group says:

"Rover Group will take a 40 per cent. shareholding in the company"—

that is, the merged truck venture—

"reflecting the assets which they are contributing to it."

We know from letters that the facilities in the United Kingdom are contributing some £180 million to the joint truck venture. That would mean that £270 million of facilities were donated or given to the joint venture by the Dutch.

I have no proof of that. I originally thought that the letter that was sent to my workers was talking only about a United Kingdom side of the deal. The letter to the Leyland Trucks and Leyland Parts workers says:

"This will be done by forming a new joint Anglo-Dutch venture, in which the Rover Group will retain a 40 per cent. shareholding, the UK part of which is to be known as Leyland-DAF."

The letter does not say that the Rover Group will "obtain" a 40 per cent. share of a joint venture that embraces Europe and elsewhere in the world. I genuinely believed that it would relate only to the United Kingdom.

I should like to emphasise this. What would happen if the engine and foundry facilities at Leyland were to continue? What would happen if the Scammell works were to continue? What would the balance of ownership and joint venture be then? Surely it would be around 50:50. The write-off of some £680 million of which perhaps some £450 million or £500 million relates to Leyland Trucks, is not all wasted money. It is an investment in know-how, technology and facilities; it is not money down the drain. Therefore, one cannot just take the assets that now lie on the ground. The inbuilt know-how, technology and development and the marketing expertise that have been built up are second to none, and have led to United Kingdom market leadership, from Leyland Trucks.

Therefore, I believe that we should really be talking about a joint 50:50 venture. Admittedly, the decision making would have to be spelled out. It is common to both sides of the House that nobody is happy with the 40:60 deal that is proposed. Therefore, can the Minister of State give an assurance that the Rover Group will pursue a 50:50 true joint venture? That will meet the wishes of my constituents in Chorley.

During the lobby last week, I was delighted to hear from them that they do not pull away from the merged truck venture with DAF. They see in it great possibilities for the better assurance of jobs for them in the future. That is perhaps the best way ahead for the Leyland and Chorley workers and for Leyland Trucks and the parts depot at Chorley. We could see expansion and job gains in the next few years, but we in the United Kingdom will not have a fair share and say in the decisions that will be made by managing boards or by company directors.

It is essential that the deal be renegotiated. Although I do not agree with much of the Opposition's amendment, I agree that the Government should be required to renegotiate the transaction on the basis of a genuine joint venture, with each party having a 50 per cent. interest. Then and only then will the best interests of our investment as taxpayers in the Rover Group, in Leyland Trucks and Leyland Parts, be served. I welcome DAF merging, but it has to be on the right basis. If I do not have the assurance that the Government will actively pursue a 50:50 deal, I shall be forced to vote against them.

10.14 pm

Mr. Michael J. Martin (Glasgow, Springburn): The only truck-making facility that is now left in Scotland is the Albion works at Scotstoun in Glasgow. We lost the Leyland Trucks factory in Bathgate, and some years ago we lost the car-making facility at Linwood.

I served an apprenticeship as a metal worker, and I know how important it is to many families in the west of Scotland and in the central belt that sons and, nowadays, daughters have the opportunity to go into engineering. It is all very well for the Secretary of State for Scotland to tell us that he is trying to bring service industries north of the border, but it is nonsense to say that such jobs will last, because north of the border we belong to traditional engineering communities and have skills that have taken generations to learn.

Because of Government policy that is causing the rundown of companies and the activities of multinationals, communities that have served the nation well with their engineering skills are losing out. If we are to retain manufacturing industry in Britain the Government must give every support to engineering companies. That means not only giving grants and subsidies to companies to encourage them, but ensuring that proper and adequate training is given to our young people.

I know that many people of my generation served apprenticeships and worked in engineering. We thought little about employment other than engineering when we left school and either went into the shipyard or into places like the Albion works or the railway workshops in my constituency. We were pleased to get an apprenticeship. Many of our parents had bitter memories of the depression and they encouraged us to go into engineering.

It is sad that many young people leaving school today who have far better qualifications than we had, because they have O and A-levels, and who want to go into engineering cannot do so because there are no openings. The Albion works is the only truck-making capacity left in Scotland and its intake of apprentices has gone lower and lower since this Government came to power. The Government claim that they will bring about an upturn in the economy. That means that we shall need skilled men

[Mr. Michael J. Martin]

and women. Where shall we get such people unless we are prepared to train them now and to think ahead to the future?

If enough companies do not exist to provide employment, people should be employed in our excellent colleges of engineering. In my constituency the teachers in the Springburn college of engineering have very low morale because they cannot get apprentices. That should not be the case. All over Britain there are people with teaching expertise and we should use that expertise to get young people involved in training that will turn out engineers, metal workers like me, draughtsmen and metallurgists. The universities should play a part by turning out graduate engineers. If we do not do that we are lost and all the money that previous Governments and this Government have invested will be wasted. More and more we shall find that foreign companies will be in control of our future.

I admit that I do not know a great deal about the DAF takeover and that many hon. Members will know more than I do. It worries me that foreign companies which in some respects are our competitors have control over the future of a very important section of our industry. If we do not watch out we could go down that road. Within a generation we could have no truck-making facilities worth talking about and what little we had would be in the control of foreigners.

I am aware that we shall have another opportunity to discuss Caterpillar, but it is important to stress that the work force at Caterpillar is involved in manufacture of a similar nature to car manufacture. Only a few months ago Ministers and hon. Members were told by the American owners of Caterpillar that the work force was safe and that there was a good future for the company. The company stated that it was investing in the plant. Now men and women in the community are involved in a sit-in because the only industry that they have left is disappearing before their eyes. I would not like that to happen throughout the country.

Although I have highlighted the point that only one area north of the border, Albion, is involved in truck-making, I am aware that the work that takes place in other hon. Members' constituencies has a beneficial effect on companies within my constituency. There are companies within the west of Scotland that, as part of the component industry, are dependent on orders from car manufacturers based in the constituencies of other hon. Members. As such, a healthy car industry will have a beneficial effect on my constituency and other parts of the United Kingdom. Although I would be glad if the manufacturers of cars and trucks came to the west of Scotland, I am aware that the steel industry in Scotland depends on healthy truck-making facilities elsewhere.

When I go to industrial seminars all too often I listen to industrialists talk about new technology as if everything to do with electronics represents the answer for British industry. They discuss floppy discs, computers, new designs and all the rest of it. Although technology is important let us not forget the traditional heavy engineering industries that we are discussing tonight. Such industries are labour intensive and need a high degree of skill. If they prosper they will go a long way to reducing unemployment in our communities. I trust that the Minister will take on board what I have said. We should be as proud and protective of British companies as are the Americans and Europeans.

We should think more about training in our universities and colleges. I come from the west of Scotland and when I was at school those who taught me often had contempt for the industries that were close to the schools in my community. That is still the case. Many bright pupils are encouraged to go into law or commerce and somehow or other engineering is still a dirty word.

Engineers create the wealth of this country. It is engineers that we need for Rolls-Royce and British Leyland. With the greatest respect to accountants and people involved in the law, they do not produce the wealth of the country. We need engineering expertise and such expertise is in demand throughout the country and throughout the world. We must start in the schools to encourage our bright young people to go into engineering and thus get us out of our rut.

10.25 pm

Mr. Michael Fallon (Darlington): I regret that, for the second time in this Parliament, I cannot support the Government motion, and I want to explain why. I fully endorse the corporate plan. It is clear that Leyland's future must be in the private sector. I have long believed that all industries should be in the private sector and should contribute through profits and taxation to the schools, hospitals and public services that we need, instead of drawing resources away from them. God knows, Leyland has drawn enough resources away from those public services over the past 10 to 15 years. Of course, Leyland Bus and Leyland Trucks have to be sorted out, rationalised and restructured. But how are we to do that?

I oppose this Leyland-DAF deal. It is anti-competitive. The purpose of privatisation is to widen choice and to enhance competition in a particular industry. Leyland Trucks, for all its faults, used a multiplicity of United Kingdom suppliers. Under this Leyland-DAF deal, DAF will be given a virtual monopoly over the supply of engines in the new heavy truck and light truck programmes which are to be developed. In other words, this Leyland-DAF deal will cordon off part of the market which is competitive at the moment and will restrict it solely to one Dutch supplier.

The deal will cut out the independent suppliers in the market place, which I thought the Government's industrial strategy was supposed to encourage. It will have an immediate and damaging effect on the Cummins engine company, a principal supplier to Leyland Trucks. That company supplies heavy and light engines and the components that go with them from factories at Shotts and Darlington. Through this deal, Cummins' market will be restricted.

In November, Cummins in Darlington employed 1,100 people. Proposals were announced to make 600 redundant. After a vigorous campaign, including a debate in the House, those proposals were revised and some 230 jobs were saved. All those jobs are now at risk again because the Government — not the company — have decided to restrict Cummins' market.

I oppose the deal also because it is a producers' deal. The deal may well suit the Rover Group and may well be the best solution for Leyland Trucks, but it has not been struck in the best interests of the other clients of the components suppliers—the customers. It is a deal such

as those which so often have been undertaken by successive Govenments in textiles, agriculture and the rest of the motor industry. It is concerned with preserving the primary jobs at Leyland. Of course, my hon. Friend the Member for South Ribble (Mr. Atkins) is right to fight for those jobs, but it ignores the secondary jobs—the jobs downstream which cannot be quantified so easily and which are lost in dribs and drabs over successive years. Because it is a producers' deal, it will inevitably lead to further concentration and integration in the market place instead of more competition and greater diversification. In short, this is a very poor deal.

I do not suggest that the Paccar option would necessarily have been better. I am prepared to accept that for Leyland Trucks, the Paccar option may not have been as attractive, but equally it would be wrong to suggest that the Government only had this DAF deal or that Paccar option to consider as alternatives. After all, the Government, through their shareholding in the Rover Group in Leyland, held all the cards. It was open to my right hon. and hon. Friends in the Department to modify the DAF proposals which were presented to them through the Rover board.

As the right hon. and learned Member for Monklands, East (Mr. Smith) pointed out, we have a good deal for DAF. We are handing over to DAF £175 million in public assets; we are scrubbing a debt of some £680 million; we are handing over 7,000 employees and we are taking only three of 17 places on the board. The Dutch have not done as well since Admiral Tromp sailed up the Thames. This is not a joint venture agreement at all. We have agreed to hand over these public assets; we have agreed to wipe off the debt; we have agreed to take only three of the 17 places on the board. Now we come to the nub of the argument. What has DAF been forced to agree? Has it agreed to delay the development of its heavy truck programme; has it agreed to phase it in slowly over five to ten years? We have no guarantee about that.

My hon. Friend the Minister of State has written to me this evening, but he can give me the assurance only that

"such a development programme will take some considerable time to complete."

I cannot go back and tell my constituents that they may be out of jobs but that it depends on how long DAF takes to get its heavy truck programme going.

On the light engine side, has DAF agreed to defer the introduction of its light engine family that we read about in *Truck* magazine last month? Again my hon. Friend in his full and courteous letter says:

"The new DAF 6·2 litre engine family has already been developed and will be available in DAF's present range of medium trucks. This range is not a replacement for Leyland's medium trucks which will continue until such time as a new joint model range is developed. That will of course take some considerable time".

Again, I cannot go back and tell my constituents that whether or not they have jobs in five years' time will depend on our being able, through our three out of 17 directors, to get a reasonable restraint of five, seven or 10 years on the development of those programmes.

Before the heads of agreement were finalised and the deal was signed, why did we not use our 40 per cent. shareholding to insist on 40 per cent. membership of the board, and on specific assurances regarding the heavy engine programme, the light engine programme and the proportion of United Kingdom component sourcing that we expect from this joint venture within a specific number of years? We, who are handing over these assets and wiping off the existing debts, were entitled to ask for such assurances on behalf of the British taxpayers who have put a considerable amount of money into Leyland over the years.

It is with regret that I have to say that, unless my hon. Friend can convince me on any of those points, and although I do not agree with the rest of the Opposition amendment, I must agree with them that the contract should and could still be renegotiated.

10.33 pm

Mr. David Gilroy Bevan (Birmingham, Yardley): There is a good reason why Birmingham has been referred to as the iron heart of England. It is because of its past and present dependence upon heavy industry and upon the motor car in particular and the manufacture of all its components. Because of the success of the Government's present policies, I support the motion. I thank my right hon. Friend the Secretary of State and my hon. Friend the Minister for taking careful note of what has been said in the midlands and in my constituency. I thank them for coming to the defence of the car industry, Land Rover and Range Rover.

The hon. Member for Preston (Mr. Thorne) referred to the Tory Members who, earlier this year, prevented the Government from selling Austin Rover and Land Rover. I am not only proud but pleased to admit that I was one of those hon. Members. I am pleased also that we prevailed upon the Government to take such action. We did not like the way in which the operations—if they were operations—to sell the companies had taken place. We did not like the secrecy that surrounded the matter. We did not believe that the £2 billion of investors' money that was put into the Austin Rover Group and into the Land Rover section in 1979 was wasted. We thought that it was just about to bear fruit.

The fact that that investment has borne fruit, the fact that exports of Austin Rover cars have gone up by about 16 per cent. in the past year, the fact that the Range Rover is being introduced into the United States, the sales of which, in the first year, are expected to exceed the estimated 4,000 models by perhaps double that number, are signs that we were right. Therefore, it is appropriate that, at the time that we have been proved to be correct, those of us who maintain our defence of Land Rover and Range Rover should now speak for the Government and for the wisdom of the policies that they have followed.

Indeed, I particularly thank the Minister for the courtesy that he showed in discussions and negotiations and the care that he, together with his senior colleagues, evinced in his consideration and almost entire acceptance of the British Leyland corporate plan.

My hon. Friend the Member for Birmingham, Northfield (Mr. King) made a succinct speech that was well-backed by statistics in every respect. My hon. Friend and I went to Dallas and spoke to the distributor of the Sterling motor car, about which I put down an early day motion many months ago, wishing it great success and stating that it would be a world beater. That distributor made it quite clear that it was a British product that would sweep the States and of which he could not get enough. He wanted to ensure that the model would be delivered.

My constituency has been denuded of British Leyland factories, apart from one. There were eight factories in my constituency. Land Rover has moved out. It has now resettled over the border in the old SD1 factory in Lode lane. I did not object to that move, because I could see that it was a necessary rationalisation. But we are now about to witness the greater development and success sales of the Land Rover. It has gone in great numbers to Germany, France and the United States of America. I am convinced that we shall see a success story that will be backed up even more fully by the success of the new Land Rover 90, which certainly represents a bargain.

Within the last day or so we have heard of the success of the Maestro panel van, about 4,000 of which have been sold to British Telecom. We see all around us signs of the investment that the Government have made on behalf of the British taxpayer. They have given nearly £700 million to British Leyland. My constituents, the work force and people in the midlands can have every confidence in the Government's actions over the Austin Rover group.

The present chairman of the group has decided to retain the Mini, and we compliment him on that decision. We should also compliment the previous chairman of Austin Rover and his team on their introduction of new designs and on insisting that the success of British Leyland could depend on the success of the Rover 800 range.

We are on the threshold of an exciting future because the Government's policies have paid off. They have listened to those of us who believed that it would be wrong to do other than what they did in the circumstances of a few months ago. Therefore, we must give praise where praise is due.

I am convinced that Austin Rover is about to make most excellent progress. Home produced vehicles account for over 50 per cent. of the home market. To ensure the continued success of Austin Rover in the export market it is imperative that the home market should also be increased. Whenever British people purchase a new car they should strongly consider a British manufactured product — preferably an Austin Rover product. That would ensure the continuance of its success story.

Over 60 per cent. of the people in my part of the country own their own homes. The ownership of shares is also increasing. We should also try to ensure the wider ownership of British produced cars, including second cars for each family. Each of us must do everything possible to back British manufactured cars.

I, too, should like the 10 per cent. special car tax to be removed. The only consumer goods that bear a tax of 24·6 per cent. are cars; all other goods that are sold bear a tax of only 15 per cent. I hope that my right hon. Friend the Chancellor of the Exchequer will rectify that discrepancy and enable the success story to continue.

10.43 pm

Mrs. Ann Winterton (Congleton): I am glad that I have caught your eye, Mr. Deputy Speaker, before the sands of time run out in this most important and wide-ranging debate on the motor vehicle industry. In the interests of brevity, I shall restrict my few remarks to the Leyland Truck sector of the industry.

When we seek a solution to the problems that face Leyland Trucks we must consider what is the best overall solution in the national interest, not least to relieve the British taxpayer of the burden of the subsidy to Leyland Trucks, amounting to approximately £1·5 million each week, but to retain the maximum number of jobs in this country at Leyland and in companies in the components industry. In other words, although it is inevitable that job losses should occur in the short term whichever solution is adopted—that is a bullet that we must bite—it is vital to maintain the maximum manufacturing capacity in the United Kingdom and not to allow it to die or export it elsewhere, for example to Europe.

My right hon. Friend the Secretary of State must give some clarification at some stage about what is meant by "significant" in relation to the British content in the new range of trucks in the Anglo-Dutch company. We must

have clarification if our suspicions are to be allayed that in future even more components will be sourced in Europe or in Holland. Many hon. Members expressed the view that if this is a genuine partnership, equity in the company should be split 50:50 between Leyland and DAF, and I agree with them. Certainly we should have greater representation on the boards of directors.

The other company to bid for Leyland Trucks was Paccar, which is 100 per cent. American-owned. Why should its offer have been considered by many to be preferable to that of DAF? By "many" I include the majority of Leyland's major customers and the majority of Leyland distributors. Paccar took over Foden, which employed more than 3,000 in 1982; now it employes 450 at its plant in Sandbach. But it has brought Foden back into profitability by introducing improved cab design and comfort and by insisting on a high quality vehicle to be delivered on time to the customer's exact specifications. It has also been successful in winning two Ministry of Defence contracts against extremely stiff competition and the component sourcing of those contracts is 95 per cent. British.

Paccar announced during the negotiations that it would have continued the 90 per cent. British sourcing which is at present in force at Leyland. I suggest that 90 per cent. is, indeed, a "significant" figure and perhaps my hon. Friend the Minister would like to comment on that when he replies.

It should also be known that Paccar would have offered Leyland Trucks a market in the United States of America for the Roadrunner truck and initially said that it could have offered this market for 3,000 trucks, which is exactly one third of the production of British Leyland. Paccar already has 20 per cent. of the United States' heavy truck market.

Incidentally, Paccar buys all its drive-line components —engines, gearboxes and axles—from outside suppliers through British subsidiaries of companies, such as Cummins, Rockwell and Eaton. It would have continued to do so, if it had been successful in acquiring Leyland. It made the offer for Leyland from a position of financial strength, having made more than £164 million profit in the past three years. I hasten to add that it made the offer to buy Leyland outright, in good faith and without the sweetener of Freight Rover thrown in.

Often we talk, wrongly, of Leyland Trucks being the last British truck manufacturer — a statement which makes the blood boil of many hundreds of my constituents in Sandbach who are associated with ERF. ERF was founded in 1933 when there were dozens of commercial vehicle manufacturers in Britain. During the past 20 years there have been many mergers and takeovers—and the total loss of some old names. Throughout that period ERF has remained independent and British. It welcomes the fact that it will not be competing with a British Government subsidised competitor and it is looking forward to the future with a great deal of interest. At present, ERF has its best forward-order book for seven years, and it is building for the future on the success of its new E series and plans to increase production by 50 per cent. in the next three years, which must surely be good news for employment in south-east Cheshire.

ERF will continue its policy of sourcing components in the United Kingdom wherever possible, and the present level is approximately 85 per cent. It employs 1,000 people in the group, but it is significant that its knock-on effect runs to over 10,000 employees. Those people are indirectly affected through its suppliers and sub-contractors throughout the country.

Having fought through the worst recession in living memory, ERF can face the future with confidence and build on its 10 per cent. share of the United Kingdom heavy truck market.

In conclusion, I return to where I began; to whether the solution which is proposed—the DAF-Leyland deal—is in the best national interests in the long-term. On that score, I am not very confident, but I am confident that this deal will bring opportunities to my constituency and that Foden and ERF will be in there fighting to extend their share of this highly competitive market. As both, in their different ways, produce trucks of an extremely high quality, it should be interesting to see how successful they are in the future.

10.52 pm

Mr. Kenneth Hind (Lancashire, West): I am grateful for the opportunity of catching your eye, Mr. Deputy Speaker, and I shall be brief.

Among my constituents are people who work at the Leyland Trucks factory and in the various operations which are associated with Leyland Bus and Leyland Trucks. My main interest in rising tonight is to seek to maintain the manufacture of heavy goods vehicles in Lancashire for the foreseeable future.

Constituency Members such as myself and my hon. Friend the Member for South Ribble (Mr. Atkins) are concerned to maintain the best possible manufacturing capacity and deal for those who work at these factories. I must, therefore, express some worries as to the Government's proposals. There was no doubt in the minds of the work force—they put this forward in 1982—that Leyland Trucks had to take in a partner. That is common sense and I fully support that. Therefore, the question is to what degree and in what proportion does that partnership take? The Government propose that there be a 60:40 partnership. I would be failing in my duty if I did not say to my right hon. Friend and my hon. Friend the Minister that the work force are most concerned, quite rightly, that there has not been a 50:50 merger with DAF. They have good reasons for thinking that and I hope that the Minister, when winding-up tonight, will answer some of their reservations. Leyland Trucks is bringing £150 million worth of assets and 7,000 workers into this merger. It is also bringing at least 16 per cent. of the British heavy goods vehicle market. Left out of that merger is the foundry, which has been established at Leyland for some time, and the engine factory. If those two items were included, it could be argued strongly that that would make it 50:50 partnership. I am most concerned about the engine factory. The 400 engine, which has been referred to by many of my colleagues, is a substantial engine. It has good markets and has been developed. It has a future and I am told by those who work for British Leyland that many customers have said that should the 400 engine not be available in the vehicles produced at Leyland they will be looking elsewhere for their vehicles in the future.

The TL11 engine has also been developed and is capable of further development. That will result in good markets and will provide a good deal of work in the foundry and the engine factory.

In contrast to that, DAF proposes to produce engines in Holland and in Germany. But when we scrutinise what

[Mr. Kenneth Hind]

it is proposing, 70 per cent. of the engines that are produced for DAF trucks at the moment are produced by other manufacturers, predominantly in Germany, mainly by Fitzwinter. If that production was to be transferred as part of the new company to the engine factory at Leyland it would preserve many more jobs and it would make sense to keep the production of engine components within the company rather than going outside it. It would also preserve more jobs in the north-west in areas where they are greatly needed.

When we are facing the possibility of inviting Leyland Trucks to tender for one of the biggest Ministry of Defence contracts for vehicles that has ever been purchased by this Government, or by any British Government, it makes no sense to have an engine capacity dependent upon factories in Germany. If there was an East-West war, under any scenario Germany and its factories would be in the centre of the battlefield. It makes much more sense to have the capacity based in the United Kingdom, particularly in central Lancashire.

For those reasons, there are many questions to be answered tonight. I would press my hon. Friend the Minister to consider that it does not make a lot of sense to have so much of the engine capacity to be built by Fitzwinter when there is capacity in Lancashire to meet those demands.

On control, I can only press my hon. Friend that for us to have only three directors on two boards with the rest coming from DAF does not make a great deal of sense. It does not even represent 60:40 control and does not give the sort of reassurance for which the work force, whom we are taking from a British company into this new company, are looking. In that respect we have a duty to stand by it and ensure that its interests are properly represented.

A series of questions needs to be answered. Rightly, the work force is entitled to ask for some job protection. What guarantees does it have from the new company, and DAF in particular, of continued production at Leyland and in Lancashire? What guarantees does it have of the use of British components within the existing Leyland range, and, indeed, within the DAF range? I am told that Leyland takes components from 5,520 suppliers, most of whom are British. Those companies will also depend on the new company and their requirements are important for the British economy.

I take the point made by my hon. Friend the Member for Darlington (Mr. Fallon) about Cummins engines. As well a. using Leyland engines, the present Leyland Trucks range is heavily reliant on Cummins engines produced in Darlington.

Both the work force and the people of Lancashire think that the idea is imaginative. It is necessary to produce wider markets for the company in the future and to preserve employment in Lancashire. But we must be told this evening why there is not a 50:50 partnership. Why is it 60:40? Will my hon. Friend the Minister seriously consider the representations for a 50:50 partnership?

Mr. Roger Stott (Wigan): Will the hon. Gentleman give way?

Mr. Hind: I apologise, but others wish to speak.

10.59 pm

Mr. Terry Davis (Birmingham, Hodge Hill): In his opening contribution to the debate, the Secretary of State made what I would describe as a "revealing speech". If we put on one side his ritual denunciation of the Labour party, we are left with the corporate plan for the Rover Group and a collation of extracts from press releases from various other motor manufacturers. Nevertheless I pay the Secretary of State the compliment of following, if I may, the thread of his speech.

Like my right hon. and learned Friend the Member for Monklands, East (Mr. Smith), I want to emphasise that the Labour party welcomes the announcement that the AR8 vehicle and the K series engine are definitely going ahead, but I should like to make two additional points.

First, there should never have been any doubt about Government support for those projects.

Second, unlike the hon. Member for Oxford, East (Mr. Norris) and the hon. Member for Birmingham, Northfield (Mr. King), most of that hon. Gentleman's constituents in Birmingham and the Labour party are concerned about the future of AR6. No one in Birmingham except the hon. Member for Northfield believes that the AR6 will survive. Most people believe that it is dead and buried whereas it is absolutely essential for the future of Austin Rover that the AR6 should continue if Austin Rover is itself to continue as a volume producer of motor vehicles. The cancellation of the project is bound to raise the question, as my right hon. and learned Friend the Member for Monklands, East explained, whether the policy of the Government and of Mr. Graham Day is for Austin Rover to withdraw from volume car production and become a specialist car producer with Ford or Honda left to pick up volume production. Our fears are reinforced by the reference in the corporate plan to moving up market and into specialist niches. When the Minister replies, I hope that he will explain what that reference is supposed to mean.

The Secretary of State, the hon. Member for Oxford, East and the hon. Member for Northfield made no reference to redundancies at Austin Rover. Indeed, the hon. Member for Northfield told us that wherever we look in the motor industry, there is good news. He seems to think that it is good news for the staff at Longbridge who are losing their jobs — an announcement which was made only two or three weeks before the corporate plan was published. There are to be staff redundancies on the scale of 1:8 of all staff in Austin Rover. Some 1,265 people are to lose their jobs, and 380 will lose their jobs at Longbridge and Drews lane. However, the hon. Member for Northfield told us that there is good news where ever we look.

Mr. Graham Day and the Government are reducing the staff at Austin Rover to meet a sales level of 450,000 vehicles rather than increasing sales to justify the staff level that the Government and Mr. Day inherited. The Secretary of State took pride today in announcing that in the first two months of this year Austin Rover had a market share of 17 per cent. However, eight years ago its market share was 23 per cent. That is not only a measure of the decline of Austin Rover but shows that the Secretary of State is easily satisfied by temporary success. A market share of 17 per cent. and sales of 450,000 may satisfy the Government and Mr. Graham Day, but that is not good enough for Austin Rover or the Rover Group. The

Secretary of State completely ignores and refuses to comment in the House when questioned about the decision to sack 335 engineering and technical people among these staff. They are the people who design the cars and who are responsible for improving the quality of the existing range.

The Secretary of State told us two weeks ago that it is early days and that the redundancies should be voluntary. The truth is that the Rover Group has had only—as of today—470 firm applications for voluntary redundancy. When the Minister replies, I hope that he will tell us what is the attitude of the Secretary of State and the Conservative Government to the possibility of compulsory redundancies being declared for the staff at Austin Rover.

The spread of redundancies has not yet ended. There is to be another announcement—which is widely known in Birmingham and Oxford — that there are to be another 250 compulsory redundancies in the Austin Rover Group. That announcement has not yet been made, and the unions have been told that a decision is still under review. However, everyone knows that security firms are advertising for staff to take on the security work at Austin Rover because this work is going to be subcontracted, with another 250 redundancies for staff at Austin Rover.

The Secretary of State and Mr. Graham Day tell us that there must be redundancies, because Austin Rover sales have declined, but the fact is that Austin Rover sales were so low in 1986 for two reasons: first, the uncertainty created by the Government as a result of the talks with Ford a year ago; secondly, the damage directly caused to Austin Rover by the Government. My hon. Friend the Member for Warrington, North (Mr. Hoyle) told the House how the management of Austin Rover was approached by Ford and asked to provide confidential commercial information. To its credit, the management refused, but then the former Secretary of State, the right hon. and learned Member for Richmond, Yorks (Mr. Brittan), contacted Sir Austin Bide, the chairman of what is now called the Rover Group, as a result of which the board of Rover Group instructed management at Austin Rover to hand over commercial secrets to its main competitor, the Ford Motor Company. That information included the marketing plans and the pricing strategy for the Metro, and it not not surprising that the result was that the Ford Fiesta outsold the Metro last year. It led directly to a loss of market share for Austin Rover. It was an act of industrial sabotage.

The question that the Minister of State should answer tonight is not whether the right hon. and learned Member for Richmond, Yorks contacted Sir Austin Bide, who then instructed the management to take that action, but whether the right hon. and learned Gentleman got authority from the higher level of the Prime Minister.

On the proposals for Leyland Trucks and DAF, again we are told by the Secretary of State that there is over-capacity, but he fails to answer the question why over-capacity in Europe leads to redundancies in the United Kingdom. There are no redundancies in Holland or elsewhere, but always job losses in the United Kingdom. First, we had the job losses at Bedford Commercial Vehicles Ltd., with American owners deciding to create British redundancies. That closure led directly to a sales opportunity for Leyland, but the Government's response is to approve further redundancies at Leyland Trucks. The Secretary of State defends it by saying that there is over-capacity and that Leyland Trucks is losing £1·5 million a week or £75 million a year. But how much of that loss is accounted for by the interest on the debt of Leyland Trucks—a debt which the Government will write off to make a present of Leyland Trucks to DAF? My right hon. and learned Friend the Member for Monklands, East asked the Secretary of State that question earlier, and it was clear that he did not know. It was also clear that the Minister of State did not know. We all saw the consultations that took place and the arithmetic being done by people in the Box. The Government had failed to ask the question and had never considered the possibility. Their only concern was to write off at taxpayers' expense the debt of Leyland Trucks in order to get rid of it to DAF. They did not consider writing off the debt to allow Leyland Trucks to remain British.

Indeed, we have the testimony of the managing director of Leyland Trucks as to why it is being sold. He said publicly:

> "If Leyland had stood alone it was very difficult to see where that investment would come from except from Government and that was clearly not going to be forthcoming."

The pressure was put on the Rover Group to conclude a 40:60 deal with DAF.

My hon. Friend the Member for Preston (Mr. Thorne) drew attention to the effects of the closure of the foundry and Leyland engines. What is more, there will be no alternatives for customers. Those customers who take the products from the foundry at present will also be forced to go overseas. The jobs of those who work at Leyland engines will be replaced by Dutch jobs.

There have been several comments tonight about the effect on Cummins and Perkins. If the criticisms made, even by Conservative Members, are untrue, let the Government explain why, within days of the announcement being made in the House of Commons, DAF approached the manufacturers of machine tools asking them to quote for a 50 per cent. expansion of engine manufacturing capacity in Holland directly to replace the engine capacity that is being closed at Leyland Trucks, jobs will be lost at Leyland Trucks, Cummins and Perkins. To be specific, I shall give the Secretary of State a name. Why was COMAU asked to quote for machine tools to increase the capacity of DAF engines by 50 per cent. so soon after that announcement?

Many hon. Gentlemen have also mentioned the effect on customers.

If the treatment of Leyland Trucks by the Government and the Rover Group is appalling, the treatment of the people who work at Scammell in Watford is outrageous. Two months ago that company was told that it had won an order for DROPS vehicles worth £120 million over the next five years. The work force was told that their jobs were secure. Two months later their jobs are going, the factory is being closed. That factory has made a profit in seven of the past 10 years. As my right hon. and learned Friend the Member for Monklands, East said, that factory has lost two and a half days in strikes in 68 years. The reward for loyalty and hard work is the sack.

The Secretary of State and the hon. Member for Northfield told us that the DAF deal is good for Freight Rover because it will give us distribution in Europe. We already have distribution in Europe. That was last year's announcement. We were told that it was a collaborative deal. The Secretary of State announced it in the House and

[Mr. Terry Davis]

we were assured that we would be getting all the benefits of DAF selling Sherpa vans on the continent of Europe without it taking over the Freight Rover company.

The hon. Member for Northfield also said that DAF will provide the investment that is badly needed for Sherpa vans, both for new models and for expansion of manufacturing facilities. He said that the money could not come from the Rover Group. He did not read the corporate plan properly. If he does read it he will see that it says quite clearly that the development of new models and the expansion of facilities are

"capable of being financed conventionally either by the Group or a subsequent purchaser."

We know the Government's decision; it must be a purchaser.

In fact, the company is profitable and that is why it is being sold. It is a success. It has increased sales, improved productivity, increased production and, as a result, has increased its profits and taken on more people. The Government's reward for that is to sell it to DAF. Today the Secretary of State claimed that the success of Jaguar provided, in his words, "incontrovertible proof" that privatisation works. That is the real reason for the Government wanting to sell Freight Rover. It is an embarrassment to them. It is profitable and successful under public ownership, and the Government do not like public ownership. The irony is that even after they have given Freight Rover to DAF, it will still be publicly owned. There will still be a public stake even after the flotation, but the public stake will belong to the Dutch Government who will continue to have a 25 per cent. share of that company. The Dutch Government are not so foolish as to sell success.

My hon. Friend the Member for Coventry, North-East (Mr. Park) drew attention to the importance of the decisions for component suppliers. Not only will there be job losses at Leyland and Scammell but in component suppliers. How many jobs will be lost at Lucas, Girling, Smiths, Cummins and Perkins? Have the Government even asked that question? The Secretary of State simply told us that what he still persists in calling a "joint venture" with DAF will be "reflected by changes in the component industry". When he was asked directly by one of his supporters to tell us the percentage of British components, he could reply only by saying that it would be significant. He does not know the numbers. Did he even ask? Did it even occur to him to ask?

There does not seem to be much consultation or consideration by the Government, but there is even less, in fact, none at all, with the work force. Whenever in the past the Secretary of State has been pressed to consult the people who work at Leyland Trucks, Freight Rover or other places, the answer has been that that is a matter for the company. We have seen how much that is worth. There was no consultation whatsoever, infinitely less than there would have been in Holland about any such proposals by DAF affecting Dutch workers.

We are now going to have a so-called joint venture with DAF; 40 per cent. Leyland and 60 per cent. DAF, but not 40 per cent. British directors. As several hon. Members from both sides have mentioned, that is not a joint venture, it is a takeover. If we are going to have a genuine joint venture we should at least have 40 per cent. of the directors instead of three out of 17. What we should have is 50 per cent. of the assets and 50 per cent. of the directors.

The hon. Member for Chorley (Mr. Dover) told us that, if we do not receive an assurance that the arrangements with DAF will be renegotiated, he will be forced to vote against the Government tonight. I must tell the hon. Gentleman and the hon. Member for Darlington (Mr. Fallon) that I do not think that the threat will have much effect on the Government. To be blunt, there is no point in voting against the Government on Wednesday when everybody knows that they will vote for the Government on Thursday, Friday and the following Monday.

The hon. Member for South Ribble (Mr. Atkins) told us that the redundancies were "intolerable and frightful". His belief that they are intolerable lasted only to the point when he told us that he would vote for the Government——

Mr. Robert Atkins: That is not true.

Mr. Davis: It is. The words "intolerable and frightful" are the hon. Gentleman's words, but he will vote for the Government.

Redundancies have been emphasised by all my hon. Friends. There were 1,500 at Austin Rover and 2,200 at Leyland and Watford. Of course, there are extra jobs at Jaguar, Lotus and Cowley, and they are all welcome, but the Government and their supporters ignore the fact that extra jobs at Lotus in Norfolk are little use to someone losing a job at Leyland. They ignore the fact that the extra jobs are production jobs whereas the jobs that are being lost at Austin Rover are staff jobs. Are they really suggesting that the redundant manager or clerical worker at Cowley should take a job on the track?

The fact is that many of the people who will lose their jobs will never work again. That is why my hon. Friends and I are angry. I shall tell the House why I am angry. As my hon. Friends know, I used to work in the motor industry. I worked at a factory called Canley in Coventry. I remember when that factory reverberated with the noise of production. If one goes there today, one walks through vast empty halls where the only sounds are the echo of one's own footsteps. At the end of the week the men and women went home with wage packets—not only with wage packets, but with dignity, self-confidence and self-respect. Today those people do not go to work; they go to jobcentres. They do not clock on; they sign on. They do not receive wage packets; they get giro cheques. That is why Opposition Members are angry. As my hon. Friend the Member for Warrington, North said, they are our neighbours and friends. That is why we are angry.

When we look a the scale and enormity of the damage to industry that has been done by the Government, we are entitled to be angry. When we vote tonight, we shall be expressing not only our anger, but our belief that there must be a better way to treat industry and the people who work in it. We reject the Tory philosophy that people are expendable and that they are only costs of production. I call on all hon. Members from all parties, and from whatever part of the United Kingdom they come, to join the Labour party in the Lobby in opposing that Tory philosophy.

11.16 pm

The Minister of State, Department of Trade and Industry (Mr. Giles Shaw): I do not wish to share the intemperance

of the hon. Member for Birmingham, Hodge Hill (Mr. Davis). I shall endeavour to respond to the points that have been raised in the debate. I start by saying to him and his right hon. and hon. Friends that there is absolutely no question about the importance of maintaining and maximising the number of people who can work in the vehicle industry, have pride in what they do and return with substantial wages in their pockets. What we have to face, and what the hon. Gentleman did not face, is whether there are substantial numbers of customers to buy the products made by those people and what steps should be taken to secure that people buy the products of the industry.

The debate was opened by the right hon. and learned Member for Monklands, East (Mr. Smith). I shall deal with one or two of the issues that he raised and return to the significant issues shortly. The debate has been fully informed and extremely effective. The right hon. and learned Gentleman asked some specific questions to which I hope to provide answers.

The right hon. and learned Gentleman referred to the interest debt in the Rover Group associated with the truck division's losses—about £34 million or £35 million in 1985-86, the last year for which we have full data. The consequence of the debt write-off will be a significant reduction in the interest charges carried by the Rover Group.

The relationship with Honda, mentioned by the right hon. and learned Gentleman, was also reflected in one or two comments by my hon. Friends. That has been and will continue to be a relationship that is gradually moving in phase. The right hon. and learned Gentleman will be aware that the first arrangement was that of a licence to build the Acclaim car. The second was a joint development of the Rover 200 series. Thirdly, with the Rover 800 series, there was not only joint development but joint manufacture, part in the United Kingdom and part in Japan. There has been a steady progression in that relationship. My right hon. Friend the Secretary of State referred positively to the fact that Honda believes that the relationship with Austin Rover will be ongoing and continue to be of great significance to both parties.

The right hon. and learned Gentleman and other hon. Members asked about the AR6. It is part of the policy of the chairman of the Rover Group to maximise the opportunity for the sale of small and volume cars. In the corporate plan, from which hon. Members have quoted, there is a firm commitment to that. My hon. Friends spoke about the huge importance of the sales of the Mini and the Metro. Some 30,000 or more Minis and 150,000 or more Metros have been sold in the last full year. We are talking about a large proportion of Austin Rover's sales. The commitment to that underpins the view of the corporate plan.

The corporate plan is on-going. Although it is set for a five-year period, it contains a lot of the seeds of further development. The right hon. and learned Member for Monklands, East asked where production and investment would come from. If he looks in the Austin Rover section of the plan he will see that it does not set out a complete product plan for the five years. The plan will be subject to review as it proceeds from one year to another. As Graham Day said, that is why the AR6 development has not been cancelled. It is still subject to review according to performance in the market place. The crucial matter about the first year of the plan is to see that the group has that development in the market to which we all aspire. All hon. Members will seek to encourage that.

I shall now turn to the cardinal issues in the debate. As I followed it, there was joint agreement that Austin Rover should develop along the lines that have been laid down in the corporate plan. There are important commitments to the investment in the K-series engine and that is widely welcomed. As my hon. Friend the Member for Oxford, East (Mr. Norris) said, there are important considerations in the case of Cowley which could well produce important developments.

There is a real possibility of Austin Rover being able to stabilise during the current year and being able to look forward to the future with greater confidence as a volume car producer and, indeed, as a volume car exporter. The export figures for recent years eloquently demonstrate that.

The Austin Rover part of the debate produced few real anxieties, except for the question of jobs which was raised by the hon. Member for Hodge Hill. He said that further redundancies were to be announced. I can tell him that the letter issued on 19 February by Mr. Wharton, the managing director of Austin Rover, says:

> "Approval also enables me to say that we are not planning at present any plant closure or further redundancies—other than those staff reductions already announced."

In the other part of the debate about Leyland Trucks and the DAF proposal there was considerable discussion. I shall deal with the main issue—the question of the merger and the request by my hon. Friends and the hon. Member for Hodge Hill that there should not be a proposal for a 60:40 arrangement, but that 50:50 should be the preferred option. I have been under pressure from my hon. Friends to see that this is renegotiated.

I shall explain to the House why the Government feel with cast iron certainty that this is the correct route to follow. The shareholdings are based on the value of the assets which have been brought in by each partner. That is a reasonable view to take. The merged company will have net assets of over £500 million. As the House was told on 26 February, it is envisaged that Rover Group will transfer to the Leyland-DAF joint venture net assets valued at £179 million—considerably less than 50 per cent. As a result of the merger, Leyland will be part of a much bigger operation than before.

In 1986 DAF produced 15,000 trucks compared with Leyland's production of about 10,000. In 1985, the DAF sales revenue was about £650 million compared with sales revenue by Leyland Trucks of about £400 million. The combined revenue of the group is about £1 billion cash.

In 1985, before interest and tax, DAF made profits of over £20 million and Leyland Trucks lost more than £20 million. In arriving at the proposed distribution, the size of the asset base has been taken into account as well as the fact that the DAF portion, brought into the merged company, is more profitable, larger and more effective in the competitive market.

What will be the benefits to Leyland and why are they important? It will mean significant and continued sourcing of components in the United Kingdom. Light trucks will continue to have the majority of their components—suspension units, axles, engines and cabs—sourced in the United Kingdom. The sourcing will be mixed for medium trucks, but DAF intends to increase purchasing

[Mr. Giles Shaw]

in the United Kingdom. It has said that its primary desire is to sell trucks and not to maximise its production of components.

Leyland will be competing as part of one of the largest companies in the European market and will have a broader base in which to compete. It will have the prospect of real growth and the prospect of being part of a profitable enterprise. It is important to point out that, as a result of the arrangements, Rover Group, with its shareholding of 40 per cent., will be able to retain the profits of the total operation including the total operation of the DAF company as presently constituted. On the assumption that Leyland vehicles and Leyland components can be developed Rover Group will be part of a profitable enterprise. Is that likely to happen?

The joint venture is already determined to spend £150 million on the development of the Leyland part of the operation. It is determined to see the development of the broadest range of trucks that can compete in Europe—from the lightest vans to the heaviest trucks.

I appreciate the concern expressed by my hon. Friend the Member for Darlington (Mr. Fallon) that Cummins may not view the proposal with the greatest pleasure. I found my hon. Friend's logic extraordinary when he accused the Government of making an uncompetitive move and sought to suggest that we should have negotiated a tied deal with component suppliers that would not be open to any competition. He appeared to be suggesting that value for money, quality and regularity of delivery should have no part to play. That is not sensible. It is more sensible to judge whether the combination of the two companies and their European prospects will lead to more of less units being sold.

DAF has already been selling Rover products in Europe—the Sherpa vans—and it is clear that we shall see increased sales. Those Opposition Members who feel that this is a sellout should take note of the fact that, with regard to the light truck sector, instead of the present order of 1,400 units DAF proposes to take 3,400 units within the next 12 months.

The prospects for the venture, formed in the 60:40 relationship, are substantial in relation to Leyland Trucks and the employees. The design and technology unit will remain and there will be sourcing from Albion.

On the question of Scammell at Watford, I assure my hon. Friend the Member for Watford, (Mr. Garel-Jones) —who has been most assiduous in his attention to the issue although unable to take part in the debate—and other hon. Members that the Rover Group has assured us that the Ministry of Defence has been consulted and is satisfied. Moreover, the facilities at Leyland can produce the high and heavy range of special military equipment that Scammell has produced. Therefore, there will be continuity and development of the military range, which is of such importance.

In relation to the merger I turn to the question of board representation. I understand that hon. Members believe that the proposed distribution—one on the management board and two on the supervisory board—is inadquate. All boards of directors must carry out their duties in the name of the company as a whole and for the benefit of the shareholders. It is certainly not the case, nor should it be the case, that the board of directors should be composed on a nationalistic basis. We seek the best technical development of the talents available.

In view of what my hon. Friend the Member for South Ribble (Mr. Atkins), who made probably the most effective speech in the debate, has asked us to do, we shall, in discussions with the DAF chairman, ascertain whether there is a possibility of changing the number of directors. I understand that those who work in the company might feel——

It being half-past eleven o'clock, MR. DEPUTY SPEAKER, *pursuant to order [10 March], to put forthwith the Questions necessary to dispose of proceedings.*

Questions put, That the amendment be made:—

The House divided: Ayes 177, Noes 230.

Division No. 115] **[11.30 pm**

AYES

Abse, Leo
Adams, Allen *(Paisley N)*
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barron, Kevin
Beckett, Mrs Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dover, Den
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eastham, Ken
Evans, John *(St. Helens N)*
Fallon, Michael
Faulds, Andrew
Fisher, Mark
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, Mrs Llin
Gould, Bryan
Hamilton, James *(M'well N)*
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howell, Rt Hon D. *(S'heath)*
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
John, Brynmor
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kirkwood, Archy
Lamond, James
Leighton, Ronald
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
MacKenzie, Rt Hon Gregor
Maclennan, Robert
McNamara, Kevin
McTaggart, Robert
McWilliam, John
Madden, Max
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael

Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Pendry, Tom
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Randall, Stuart
Raynsford, Nick
Redmond, Martin
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smith, Cyril *(Rochdale)*
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Stott, Roger
Straw, Jack
Thomas, Dr R. *(Carmarthen)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wallace, James
Wareing, Robert
Weetch, Ken
Welsh, Michael
White, James
Williams, Rt Hon A.
Winnick, David
Woodall, Alec
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Allen McKay and
Mr. Sean Hughes.

NOES

Alexander, Richard
Ancram, Michael
Ashby, David
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Body, Sir Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bowden, A. *(Brighton K'to'n)*
Boyson, Dr Rhodes
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Rt Hon Sir Adam
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Couchman, James
Cranborne, Viscount
Crouch, David
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dunn, Robert
Dykes, Hugh
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fletcher, Sir Alexander
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Franks, Cecil
Gale, Roger
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Grist, Ian
Hamilton, Neil *(Tatton)*
Hargreaves, Kenneth
Hawksley, Warren
Hind, Kenneth
Hirst, Michael
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, Gerald *(Cannock)*
Jackson, Robert
Jenkin, Rt Hon Patrick
Key, Robert
King, Roger *(B'ham N'field)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, Rt Hon John
Maclean, David John
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
McQuarrie, Albert
Madel, David
Malins, Humfrey
Maples, John
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Sir Carol
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Miscampbell, Norman
Mitchell, David *(Hants NW)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Morris, M. *(N'hampton S)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Murphy, Christopher
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Patten, J. *(Oxf W & Abgdn)*
Pawsey, James
Peacock, Mrs Elizabeth
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roe, Mrs Marion
Rossi, Sir Hugh
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Hertf'dshire N)*
Stradling Thomas, Sir John
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Trippier, David
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Wall, Sir Patrick
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Wolfson, Mark
Wood, Timothy
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Gerald Malone and
Mr. David Lightbown.

Question accordingly negatived.

Main Question put and agreed to.

Resolved,

That this House welcomes the Government's approval of the Rover Group Corporate Plan; recognises the valuable contribution made by the vehicle industry, both United Kingdom and foreign-owned, to the United Kingdom

economy; notes the important role of the United Kingdom component suppliers; welcomes the encouraging outlook for the future of the industry as a whole; and endorses the Government's policies to create the conditions for the long term success of the industry.

INDUSTRIAL DEVELOPMENT

Motion made, and Question put forthwith, pursuant to Order [10 March].

That the draft Industry Act 1980 (Increase of Limit) Order 1987, which was laid before this House on 19th February, be approved.—*[Mr. Ryder.]*

Question agreed to.

Local Government Finance Bill (Allocation of Time)

11.43 pm

The Minister for Local Government (Dr. Rhodes Boyson): I beg to move,

That the Order [26th January] be supplemented as follows:

Lords Amendments

1.—(1) The proceedings on consideration of Lords Amendments shall be completed at this day's sitting and subject to the provisions of the Order [26th January], those proceedings shall, if not previously brought to a conclusion, be brought to a conclusion two hours after the commencement of the proceedings on the Motion for this Order.

(2) Paragraph (1) of Standing Order No. 14 (Exempted business) shall apply to the proceedings.

(3) No dilatory Motion with respect to, or in the course of, the proceedings shall be made except by a member of the Government, and the Question on any such Motion shall be put forthwith.

(4) If the proceedings are interrupted by a Motion for the Adjournment of the House under Standing Order No. 20 (Adjournment on specific and important matter that should have urgent consideration), a period equal to the duration of the proceedings on the Motion shall be added to the period at the end of which the proceedings are to be brought to a conclusion.

(5) If the House is adjourned, or the sitting is suspended, on this day before the expiry of the period at the end of which the proceedings are to be brought to a conclusion, no notice shall be required of a Motion made at the next sitting by a member of the Government for varying or supplementing the provisions of this Order.

2.—(1) For the purpose of bringing any proceedings to a conclusion in accordance with paragraph 1 above—

(a) Mr. Speaker shall first put forthwith any Question which has already been proposed from the Chair and not yet decided and, if that Question is for the amendment of the Lords Amendment, shall then put forthwith the Question on any further Amendment to the said Lords Amendment, moved by a Minister of the Crown and on any Motion made by a Minister of the Crown, That this House doth agree or disagree with the Lords in the said Lords Amendment or, as the case may be, in the said Lords Amendment as amended;

(b) Mr. Speaker shall then designate such of the remaining Lords Amendments as appear to him to involve questions of Privilege and shall—

(i) put forthwith the Question on any Amendment moved by a Minister of the Crown to a Lords Amendment and then put forthwith the Question on any Motion made by a Minister of the Crown, That this House doth agree or disagree with the Lords in their Amendment, or, as the case may be, in their Amendment as amended;

(ii) put forthwith the Question on any Motion made by a Minister of the Crown, That this House doth disagree with the Lords in a Lords Amendment;

(iii) put forthwith with respect to the Amendments designated by Mr. Speaker which have not been disposed of the Question, That this House doth agree with the Lords in the said Amendments; and

(iv) put forthwith the Question, That this House doth agree with the Lords in all the remaining Lords Amendments;

(c) as soon as the House has agreed or disagreed with the Lords in any of their Amendments Mr. Speaker shall put forthwith a separate Question on any other Amendment moved by a Minister of the Crown relevant to that Lords Amendment.

(2) Proceedings under sub-paragraph (1) above shall not be interrupted under any Standing Order relating to the sittings of the House.

Stages subsequent to first consideration of Lords Amendments

3. The proceedings on any further Message from the Lords on the Bill shall be brought to a conclusion one hour after the commencement of the proceedings.

4. For the purpose of bringing those proceedings to a conclusion—

(a) Mr. Speaker shall first put forthwith any Question which has already been proposed from the Chair and not yet decided, and shall then put forthwith the Question on any Motion made by a Minister of the Crown which is related to the Question already proposed from the Chair;

(b) Mr. Speaker shall then designate such of the remaining items in the Lords Message as appear to him to involve questions of Privilege and shall—

(i) put forthwith the Question on any Motion made by a Minister of the Crown on any item;

(ii) in the case of the remaining items designated by Mr. Speaker, put forthwith the Question, That this House doth agree with the Lords in their said Proposals; and

(iii) put forthwith the Question, That this House doth agree with the Lords in all the remaining Lords Proposals.

Supplemental

5. — (1) In this paragraph 'the procedings' means proceedings on any further Message from the Lords on the Bill, on the appointment and quorum of a Committee to draw up Reasons and the Report of such a Committee.

(2) Mr. Speaker shall put forthwith the Question on any Motion made by a Minister of the Crown for the consideration forthwith of the Message or, as the case may be, for the appointment and quorum of the Committee.

(3) A Committee appointed to draw up Reasons shall report before the conclusion of the sitting at which it is appointed.

(4) Paragraph (1) of Standing Order No. 14 (Exempted business) shall apply to the proceedings.

(5) No dilatory Motion with respect to, or in the course of, the proceedings shall be made except by a member of the Government, and the Question on any such Motion shall be put forthwith.

(6) If the proceedings are interrupted by a Motion for the Adjournment of the House under Standing Order No. 20 (Adjournment on specific and important matter that should have urgent consideration) a period equal to the duration of the proceedings on the Motion shall be added to the period at the end of which the proceedings are to be brought to a conclusion.

I am surprised that it is I, rather than an Opposition Member, who am moving the motion. I had assumed that Opposition Members would have been so fed up seeing me at the Dispatch Box discussing local government finance that they would have queued to support the motion. Clearly they are looking forward with relish to more time in the company of relevant and total expenditure, those old friends who are returning again. I will be brief.

There has been one overriding urgency in dealing with the Bill—the need to have a rate support grant report approved by the House and in place before the start of the new financial year so that we can pay grant to local authorities. That urgency remains, and we shall not slacken pace at the 11th hour. *[Interruption.]* I am corrected by hon. Members—at the 11th hour and the 30th minute. The Bill has been thoroughly debated. To date, we have had over 47 hours of debate, including 2¼ hours on points of order and a procedural motion. We have covered 120 amendments on the Floor of the House. Another place has considered over 100 amendments. That is a substantial expenditure of parliamentary time. During the debates—*[Interruption.]*

Mr. Deputy Speaker (Mr. Harold Walker): Order. Hon. Members should not hold discussions at the Bar of the House. Will those hon. Members who do not wish to take part in the debate please leave the Chamber?

Dr. Boyson: I welcome your timely intervention, Mr. Deputy Speaker, on this important matter. I am sure that hon. Members in various parts of the House were discussing local government issues. It is nice when we can keep such matters on a guillotine motion.

During the debates, I do not believe that anyone seriously challenged the need for a Bill to put on a proper statutory footing the definitions of total and relevant expenditure that local and central Government have accepted since 1981. The definitions are fundamental to the rate support grant and rate limitation systems.

We have, of course, been asked for a shorter measure that deals only with total expenditure or, at any rate, something simpler. I am sure that we would all have preferred that. Unfortunately, it was not possible. The rate support grant system is highly complex and relevant, and total expenditure is endemic to it. The definitions therefore could not simply be waved into place with a magic wand. Complexity was inevitable. Further, for reasons that have been well rehearsed, we have had to make provision also for the 1987-88 rate and precept limitation process in the Bill.

Rate limitation may not be a policy that is beloved by Opposition Members, but it is an established policy and a great benefit to ratepayers. It was right that the policy should continue. We have had to ensure that the rate support grant settlement for 1987-88 can be made immediately on Royal Assent.

The Bill is urgently needed to give local authorities certainty about the operation of the rate support grant and rate limitation systems and to ensure that grant can be paid from the start of the new financial year. The Bill has been fully debated. We should maintain the impetus of that debate. Therefore, I commend the timetable motion to the House.

11.47 pm

Mr. Jack Straw (Blackburn): All hon. Members look forward to the occasions on which the Minister speaks in his wonderful Lancashire tones. I only regret that he did not follow his father's advice and join the Opposition. The Haslington Labour party is alive and well and looking forward to a great victory at the general election.

The Minister said that the Bill and the guillotine motion are necessary to introduce certainty into the law. The Secretary of State used that alibi back on Second Reading on 12 January, when he said:

"The purpose here is to give authorities the maximum of certainty in setting their budgets and rates over the next two months." — [*Official Report*, 12 January 1987; Vol. 108, c. 46.]

The finer issues of local government finance are the subject of conversation in working men's clubs and public houses up and down the land. For those hon. Members who have missed the story that has unfolded, since the Secretary of State made his statement on 12 January there have been about 100 separate amendments to the Bill. There were amendments in Committee and on Report, and there were amendments in the other place in Committee, on Report and on Third Reading. All the amendments that were passed were Government amendments. Uncertainty has been heaped upon uncertainty. The

[Mr. Jack Straw]

Secretary of State has shown great incompetence in the drafting and preparation of the Bill and in the administration of the rate support grant system.

On 23 February, local authorities were informed by letter that there had been small errors, but in fact there were rather serious errors in the calculation tables that were sent out following the Secretary of State's statement on 13 January. That led to recalculation by the local authorities. On 5 March, the Secretary of State made a further statement on the Greenwich judgment. That led to the issue of further tables, leading to further calculations by the local authorities.

The need for more time to debate this Bill and the implications of the Lords amendments arises from the Greenwich judgment. I ask the Minister of State to deal with the point that I am about to raise, either now or when we debate the third set of amendments.

As the Bill contains retrospective provisions, it is right to draw the attention of the House to why the learned judge in the Greenwich case decided in favour of Greenwich and against the Secretary of State. The learned judge took the provisions of the Rate Support Grants Act 1986 which, like this Bill, sought to validate all previous acts of the Secretary of State, and said that the Secretary of State had to adhere to the principles that he had originally set out in the rate support grant order for 1986-87 that favoured Greenwich but disadvantaged Bromley, because the decision set out in that order had been validated by the Secretary of State's retrospective validating legislation. It was because of that that the learned judge said that the Secretary of State had been hoist with his own petard.

When the Secretary of State came to the House on 5 March, he said that, for the purposes of the rate support grant, he intended to accept the Greenwich judgment, but that he would appeal against it. The local authorities have been informed of their new rate support grant entitlement on the basis of the Secretary of State's acceptance of the Greenwich judgment.

Mr. Deputy Speaker: Order. I have been waiting very patiently to see how the matters to which the hon. Gentleman refers arise out of the motion, but I fail to see how they do. I hope that the hon. Gentleman will address himself to the motion.

Mr. Straw: They arise straight out of the guillotine motion. These are major issues that need to be debated. They arise from Lords amendments to clause 7 and from other Lords amendments and there is insufficient time to debate those major issues.

If the Secretary of State were to win the appeal, what would be the position of local authorities, in particular the position of those authorities that have been rate-capped? Presumably the Secretary of State would then issue revised rate support grant calculations. That would have the effect of reducing rate support grant for some authorities, but others, particularly rate-capped authorities, would be unable to do anything about it by means of the rate. Then they would be in deficit. It is important that all local authorities should know what the position is.

During these many debates on the Local Government Finance Bill, we have seen the preparation, decision making and drafting of the Bill taken on the hoof. We do not blame the draftsmen or the officials for that; we blame the Secretary of State and his ministerial colleagues for reducing the local government finance system to complete uncertainty and chaos. Much more time is needed to debate these key amendments tabled in another place and not previously debated in this House. For those reasons, we oppose the guillotine motion.

11.55 pm

Mr. Michael Meadowcroft (Leeds, West): This evening we are in a ridiculous position. There was no need to guillotine the Bill; it would have run its course this evening. Its passage through the House has not been held up unduly. We should not take up any more of the two hours debating this motion, but should get this squalid little Bill out of the way.

11.56 pm

Mr. David Clelland (Tyne Bridge): Whatever the Government may say and the Minister has said tonight about the need to make progress on the Bill to void chaos in the local government budget-making process, the Bill needs all the close scrutiny it can get. That has been demonstrated by the number of changes and amendments —the Minister mentioned a figure of 300—which have already been made both in this House and the other place since it was drafted. Far from avoiding chaos, the Secretary of State has already thrown local government into considerable turmoil by rushing through complicated legislation and not giving himself or the House sufficient time to consider it.

There are several examples of costly errors caused by such haste, the latest of which can be amply demonstrated by looking at what has happened to two authorities on Tyneside. On 23 February a letter was posted informing local authorities of a revision to the probable grant entitlement notified to them on 13 January. On 24 February Lord Skelmersdale said that the changes were small and, referring to Tyne and Wear fire and civil defence authority, said that the authority had not issued its precept. Presumably the assumption was that the fact that the precept had not been issued somehow meant that only a simple adjustment was required. What the noble Lord did not appreciate was that the authority, acting on the information received from the Home Office in January, had met on 23 February and set its precept at 10·55p, before the arrival of the Home Office letter informing the authority that its maximum precept was now 10·54p. Therefore, an extraordinary meeting had to be held to change the precept. The authority complained that considerable wasted time and effort was expended on complying with the Secretary of State's corrections and in preparing, typing and printing a further report; and about additional postage, loss of officers' time, and travelling costs and attendance allowances for members to attend a further meeting on 2 March to give effect to the new limits.

The authorities comment that it is ironic that the rate limitation process, which is supposed to curb public expenditure wastage has created this position. That exposes the ludicrous position into which the Government have plunged local government finance.

In the same county, the city of Newcastle-upon-Tyne received——

Mr. Deputy Speaker: Order. I am having difficulty seeing what that has to do with the motion before the House. I hope that the hon. Gentleman will address himself to the motion.

Mr. Clelland: I am trying to point out that proceeding with such haste on the Bill has already caused considerable chaos. If we proceed in such haste again tonight, it is likely to cause further chaos.

In doing so I am pointing to the chaos that has already been caused in places, such as Newcastle-upon-Tyne. It received the news that its rate limit had been reduced by 0·05p three hours before the council finance committee planned to agree the rate recommendations to the city council. That change plus the consequential amendments necessary to total expenditure and block grant entitlement to keep within the revised limits necessitated 160 amendments to the city council's budget document.

The Minister said that the Bill is necessary to simplify and clarify the law and give more certainty to local government. We have heard that in every local government measure—some 43—since the Tory party came to power.

This bungling and stumbling from one farcical situation to another is a direct result of ill-considered and unwarranted interference in the day-to-day running of democratically elected local authorities. It is a clear demonstration that the real responsibility for the erratic and confusing lurches of local authority rates and finances lies squarely on the shoulders of this autocratic Government and their steamroller mentality, of which this guillotine motion is yet another example.

12.2 am

Mr. Stuart Holland (Vauxhall): I am opposed to a guillotine on the Bill. I am concerned that amendments tabled in the names of my hon. Friends on the Front Bench may not be reached. I should like to give one example, which I am sure will persuade the House. The Secretary of State has directed the London borough of Lambeth to submit a special report by 18 May on direct labour organisations.

That matter has already been referred to in the House by the hon. Member for Streatham (Mr. Shelton) on 6 March, when he claimed that the direct labour department of the London borough of Lambeth had lost the borough some £15 million. That pre-empts the decision that will be made by the Secretary of State, but the situation is rendered unclear by the measures that are before us. The London borough of Lambeth is submitting to the Secretary of State figures which will show that over a three-year period the losses on contracts of over £50,000 are £1·4 million and on contracts under £50,000 are £400,000. At best, the claims of the hon. Member for Streatham were a fantasy; at worst they were a fiction; certainly they were malicious.

It is difficult for boroughs to know for sure where they stand with a Bill such as this. It is not properly amended in the House. In addition, the Secretary of State says that within eight weeks he wants special inquiries and special investigations, into the boroughs. That can only create uncertainty. In reality, the cuts by the Government in local authority housing expenditure of 66 per cent. since 1979 have resulted in a rate of private sector bankruptcy which is double that of 1979. The issues of housing——

Mr. Deputy Speaker: Order. Interesting though it may be, I do not see how this has anything directly to do with the motion before the House. I hope that the hon. Gentleman will address himself to that.

Mr. Holland: We need more time to debate the amendments, such as amendment No. 4, amendment No. 7, clauses 6 and 8 and other amendments which will not be taken before the House tonight.

Mr. Tony Marlow (Northampton, North): I wonder whether you can advise the House, Mr. Deputy Speaker, because a most bizarre thing has happened. The hon. Member for Liverpool, Walton (Mr. Heffer) has suddenly decided to expose his braces and lie prone on the bench behind your left ear. Is that a usual function that hon. Members may be expected to perform?

Mr. Deputy Speaker: Order. What goes on behind me has nothing to do with me, nor, I suggest, with the hon. Gentleman.

Mr. Holland: I shall not detain the House, given that the allegations made by the hon. Member for Streatham have been countered in the debate. I regret that it is unlikely that we shall get on to the amendments which would enable us to put the case more fully and in more detail.

Question put:—

The House divided: Ayes 201, Noes 152.

Division No. 116] **[12 midnight**

AYES

Alexander, Richard
Ancram, Michael
Ashby, David
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Body, Sir Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bowden, A. *(Brighton K'to'n)*
Boyson, Dr Rhodes
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Rt Hon Sir Adam
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Couchman, James
Cranborne, Viscount
Dickens, Geoffrey
Dorrell, Stephen
Dover, Den
Dunn, Robert
Dykes, Hugh
Edwards, Rt Hon N. *(P'bro')*
Eggar, Tim
Evennett, David
Fairbairn, Nicholas
Fallon, Michael
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Franks, Cecil
Gale, Roger
Garel-Jones, Tristan
Hamilton, Neil *(Tatton)*
Hargreaves, Kenneth
Hawksley, Warren
Hind, Kenneth
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, Gerald *(Cannock)*
Jenkin, Rt Hon Patrick
Key, Robert
Knowles, Michael
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
Maclean, David John
McLoughlin, Patrick
Madel, David

Malins, Humfrey
Malone, Gerald
Marlow, Antony
Mates, Michael
Mather, Sir Carol
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Miscampbell, Norman
Moate, Roger
Montgomery, Sir Fergus
Morris, M. *(N'hampton S)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Newton, Tony
Nicholls, Patrick
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Patten, Christopher *(Bath)*
Pawsey, James
Peacock, Mrs Elizabeth
Porter, Barry
Powell, William *(Corby)*
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roe, Mrs Marion
Rossi, Sir Hugh
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stradling Thomas, Sir John
Sumberg, David
Taylor, John *(Solihull)*
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Trippier, David
Twinn, Dr Ian
Vaughan, Sir Gerard
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Wall, Sir Patrick
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Michael Portillo and
Mr. Michael Neubert.

NOES

Adams, Allen *(Paisley N)*
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barron, Kevin
Beckett, Mrs Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Boyes, Roland
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Monig'y)*
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Craigen, J. M.
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dormand, Jack
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eastham, Ken
Evans, John *(St. Helens N)*
Faulds, Andrew
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, Mrs Llin
Gould, Bryan
Hamilton, James *(M'well N)*
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howell, Rt Hon D. *(S'heath)*
Hoyle, Douglas
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
John, Brynmor
Kaufman, Rt Hon Gerald
Kennedy, Charles
Lamond, James
Leighton, Ronald
Litherland, Robert
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
MacKenzie, Rt Hon Gregor
McNamara, Kevin
McWilliam, John
Madden, Max
Martin, Michael
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Randall, Stuart
Raynsford, Nick
Redmond, Martin
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rooker, J. W.
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smith, Cyril *(Rochdale)*
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Stott, Roger
Straw, Jack
Thomas, Dr R. *(Carmarthen)*
Thorne, Stan *(Preston)*
Tinn, James
Wareing, Robert
Weetch, Ken
Welsh, Michael
Williams, Rt Hon A.
Winnick, David
Woodall, Alec
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Allen McKay and
Mr. Tony Lloyd.

Question put and agreed to.

Orders of the Day

Local Government Finance Bill

Lords amendments considered.

Mr. Deputy Speaker (Mr. Harold Walker): I have to inform the House that all the Lords amendments involve privilege.

Clause 2

RATE FUND REVENUE ACCOUNTS: FURTHER PROVISIONS

Lords amendment: No. 1, in page 3, line 18, at end insert—

"(4A) Before making a specification under subsection (4) above the Secretary of State shall consider the practices mentioned in subsection (3) above, but such a specification may override those practices."

12.15 am

Mr. Jack Straw (Blackburn): I beg to move, as an amendment to the Lords amendment, amendment (a), in line 4, leave out

'but such a specification may override those practices'.

We are told that the Conservative party knows about money, that it has experts on money and that many people on the Conservative Benches are professionals when it comes to accounting for money. Although the amendment may sound technical, it raises a crucial issue of financial probity and accounting practices.

Under the Bill as drafted, local authorities must follow accounting practices that are laid down. The Secretary of State is taking powers under the Bill to provide for what are described as specifications, which are rules relating to accounting practices. There was much debate in the other place about how those requirements would interact with other requirements of the Bill. Labour and other Peers tabled amendments to require the Secretary of State, in laying down the specifications, to have regard to proper accounting practices. Those amendments were withdrawn after promises were made by the Minister in another place that, later in the proceedings, amendments which encapsulated the principles of the Opposition amendments, but which were better drafted, would be tabled.

What happened was that, only yesterday—such is the haste with which the Bill has been forced through—the Minister tabled this extraordinary amendment, which reads:

"Before making a specification under subsection (4) above the Secretary of State shall consider the practices mentioned in subsection (3) above, but such a specification may override those practices."

The Secretary of State is taking to himself powers to override good accounting practices or, indeed, any accounting practices.

The Chartered Institute of Public Finance and Accountancy is highly respected by hon. Members on both sides of the House as being completely non-political and concerned wholly with professionals in local authority and public service accountancy. It wrote to our colleagues in the Lords to express serious reservations about that amendment and said:

"The institute is deeply concerned that the Secretary of State should have such freedom to override proper accounting practices. Although the Secretary of State may not intend to abuse these powers, the wording of the amendment would allow the Secretary of State to undermine the integrity of all or any local authority's accounts. Surely it cannot be right that a Secretary of State can direct a public body to do something which he knows to be inconsistent with 'proper practice'. Yet this is exactly what the amendment would enable him to do."

I hope that Conservative Members who take an interest in these matters are as concerned as many noble Lords were about the implication of the amendments.

The Minister sought to get himself out of a tight corner. He said:

"There has been some misunderstanding that the Government amendment would also give my right hon. Friend powers to override proper practices. It is not the Government amendment which provides for this; it is the Bill itself."

That is extraordinary.

Mr. Tim Smith (Beaconsfield): I do not think that that is extraordinary at all. Is that not the effect of clause 2(5)? — *[Interruption.]* The point is that the Bill already provides what the hon. Member for Blackburn (Mr. Straw) is suggesting that the amendment adds to the Bill. Clause 2(5) already provides an overriding power. — *[Interruption.]*

Mr. Straw: I am pleased to see that the hon. Member for Crawley (Mr. Soames) who, like my hon. Friend the Member for Liverpool, Walton (Mr. Heffer), has a nice line in braces, has awoken from his slumbers. He will be wholly familiar with the revisions of clause 2(5) which states:

"Subsection (1) shall have effect subject to subsection 1(3) above and to any specification under subsection (4) above."

I can read as well as the hon. Member for Beaconsfield (Mr. Smith).

The issue is whether it is right that the Bill or the Government amendment should override proper practices. We say that that is wrong. Ministers have to provide a far better explanation of what they are doing before anybody should accept that.

It was not only Labour Peers who objected to that but those on the Cross Benches and those who have had years of experiences in interpreting the law. For example, the noble and learned Lord, Lord Denning said that the ideas encapsulated in the Government amendment seem

"to be entirely contrary to principle. In a sense, an auditor is like a judge; He is a judge of accounts in the same way as an ordinary judge is a judge of men. As with a judge, it is the duty of an auditor to be impartial and independent of authorities."

He also referred to section 15 of the Local Government Finance Act 1982 which expressly refers to proper accounting practices:

"an auditor shall by examination of the accounts and otherwise satisfy himself . . . that proper practices have been observed in the compilation of the accounts." — [*Official Report, House of Lords*, 10 March 1987; Vol. 485, c. 941-42.]

When the Minister replied on this matter in the other place, he tried to draw a distinction between the responsibilities of the auditor and the accounting practices of the local authority. However, that is a distinction without a difference for these purposes, because the requirement of section 15 is for the auditor to ensure himself that the local authority has observed proper practices in the compilation of the accounts, not that the auditor has observed proper practices.

Mr. William Cash (Stafford): Is the hon. Gentleman not raising the point as to whether, in the conduct of their professional practice, auditors have engaged in what has amounted to creative accounting? I described that the

[Mr. William Cash]

other day, without disrespect to the chartered body concerned, as practices which have grown up which are inimical to good accounting practices as they apply to local authorities.

Mr. Straw: The hon. Gentleman is more confused than ever.—*[Interruption.]* I am glad to see that I have some approbation for that from behind the hon. Gentleman. The auditors have not engaged in any sort of creative accountancy practices. We shall debate that tomorrow morning on clause 1 of the next Local Government Bill. If there has been any creative accountancy, it has been by the local authorities. It has all been lawful. Much of it, as we shall discuss tomorrow, has been undertaken by Conservative authorities.

The question is whether the accounting practices have been proper. The hon. Gentleman may be alleging that accounting practices have been improper——

Mr. Cash: I am.

Mr. Straw: If they are improper, of course, we should be the first to say that no auditors should follow them. We are talking about the observance of proper practices. The hon. Gentleman says that he dislikes improper accounting practices. He had better realise when he votes on our amendment that he will be voting to give any Secretary of State, who may not always be the right hon. Member for Cirencester and Tewksbury (Mr. Ridley), the right to specify improper accounting practices and to have them enshrined in the law. That is the simple but serious issue.

I cannot for the life of me see why the Government have decided to draft their amendment in the way that they have. So far as we can see, it does not provide them with any needed protection. It appears to put a Secretary of State in a position where he can endorse improper accounting practices. In the words of the Chartered Institute of Public Finance and Accountancy:

"the wording of the amendment would allow the Secretary of State to undermine the integrity of all or any local authority's accounts."

That is a serious charge by CIPFA against the Secretary of State and Ministers. Unless there is a convincing answer to that charge, we shall vote for our amendment and against the Lords amendment. I hope that we will be joined in the Lobby by many other hon. Members.

The Minister for Local Government (Dr. Rhodes Boyson): I beg to move, That this House doth agree with the Lords in the said amendment.

The hon. Member for Blackburn (Mr. Straw) referred to the debate in the other place. An undertaking was given there, which we believe was carried through to the letter. It was given on Report and the amendment was brought forward on Third Reading. So we fulfilled the obligation that we took on.

Mr. Straw: The Minister is on the wrong amendment.

Dr. Boyson: I am not.

The question has been asked how the provisions permitting specifications to override the requirement of clause 2(1) to observe the proper practices in clause 2(3) interact with the provision in the Local Government Finance Act 1982, which requires a local authority's auditor to satisfy himself that the authority has used proper practices in the compilation of its accounts. I welcome the intervention by my hon. Friend the Member for Beaconsfield (Mr. Smith).

Section 15 of the 1982 Act requires the auditor to satisfy himself not only that proper practices have been observed in the compilation of accounts but that the accounts are prepared in accordance with regulations made under section 23 of the 1982 Act and comply with the requirements of all other statutory provisions applicable to the accounts. In other words, the auditor must satisfy himself that the accounts comply with the law. Once a specification is made, it is the law, and the auditor must satisfy himself that it is complied with.

As to proper practices, section 15 of the 1982 Act does not refer to any particular practices and describes them as proper. It simply requires auditors to satisfy themselves that proper practices have been observed, but they must also satisfy themselves that the law has been complied with. They would not be able to discharge their duty by ignoring the law and simply looking at proper practices. The proper practices must reflect the law. Something required by law cannot be improper. There is therefore no conflict.

Mr. Straw: If there is no conflict between proper practices and a specification, why have the Government used the words that appear in the amendment—

"such a specification may override those practices."?

That clearly suggests that it is in the minds of Ministers that a specification would be contrary to a proper practice and therefore would override that proper practice.

Dr. Boyson: It is up to my hon. Friend to say what is proper. That is what I said and it was extrapolated brilliantly by my hon. Friend the Member for Stafford (Mr. Cash) in a way which could be understood throughout the House. I shall repeat the last three sentences. They would not be able to discharge their duty by ignoring the law and simply looking at proper practices. The proper practices must reflect the law. Something required by law cannot be improper. There is therefore no conflict. That seems perfectly clear and I invite the House to accept amendment No. 1 and to reject amendment (a).

Mr. Michael Meadowcroft (Leeds, West): I support amendment (a). What always alarms me about Conservative Members and the Minister is their dismissive attitude to the whole of local government practices which at one time they professed to support. The Government appear to regard local government finance legislation as some kind of political adventure playground in which they can lash out wildly in all directions and encourage parliamentary draftsmen to produce ever more wild catch-all phrases in order, somehow, to prevent local government from getting round the legislation.

In this case the Government seem to be worried that their legislation still has loopholes. Because they are worried about that, they suddenly put in a phrase so that if local government appears to be circumventing what the Government want, they can simply determine by order what the law shall be. The Government do not want local government to be responsible. If they did, they would enhance the role of the Chartered Institute of Public Finance and Accountancy rather than denigrate it in this way.

I doubt whether anybody would seek to undermine the professionalism and intregrity of the people in the institute

who have worked hard to produce a code of practice that is acceptable throughout local government. That code has no political bias—it is a professional code of practice. The institute has put it forward for consultation and the Minister has not even told us whether he is passionately in favour of what the institute has produced. I presume that, if he is not, he will be able to suggest improvements and have negotiations with the institute. The institute would be happy to have such negotiations.

No doubt the Minister knows that the institute has written to hon. Members saying that it is not unduly concerned about the provisions of the Bill because it believes that the code of practice that it has worked on would stand. What happened when the Bill reached the other place? Suddenly, Lord Skelmersdale came along with amendment introducing a catch-all phrase which undermines the work done by the institute. That is not the kind of legislation that this House should ever support, because it is a case of the Government casually setting aside the work carried out by professional bodies.

The sort of thing that is happening here is precisely what Government Members have always criticised on the Left of the Labour party when in the past Labour has suggested that when in office it will pass an enabling Bill. The Labour party has said that it will introduce an enabling Bill giving powers to correct things by order, and that there would be no possibility thereafter of those things coming back to the House. The Government have rightly criticised that and said that it is undemocratic, but now what do they bring forward, but an enabling Bill?

The Government say, "Here is the legislation, and if it does not work the Secretary of State can set down anything he wants in order to overturn what is set out in previous legislation." This is a disgrace to the House and is far more significant than some of the proposed legislation that has come before us. The fact that we are debating an amendment to a Lords amendment at 12·30 in the morning is immaterial. We are dealing with a significant constitutional point. The House should not accept the Lords amendment, but should agree to amendment (a).

Mr. Tim Smith: I come to this legislation rather late in the day, but yesterday I was alerted by a Member of the other place, who is also a chartered accountant, to the fact that the legislation contained a point of concern for the accountancy profession.

The Government are proposing that a specification should be able to overrule an accountancy practice. I understand how this has come about, but it is an unfortunate development. The clause is designed to determine with more precision what is relevant expenditure and therefore what is eligible for rate support grant. I hope that I have got that right.

It is unfortunate that we must dictate to local authorities how they go about constructing their accounts to define what is or is not eligible for rate support grant. There should be a better way. In most cases, there will be an agreed practice, but in some cases it will be possible for a particular transaction to be dealt with by one or more practices. I suppose that some local authorities have been irresponsible and have presented a transaction in a way that will enable it to qualify for the maximum of grant.

Accountants and auditors who work in local government are concerned that we are reaching the point where little discretion will be left to professionals and that the content of accounts will be largely dictated by the Department of the Environment.

Mr. Straw: With permission, Mr. Deputy Speaker.

The Minister said that the amendment that had been brought forward in the Lords was consistent with undertakings given by the noble Lord Skelmersdale to the Labour and other Peers who supported the amendment in Committee in the Lords.

I wish to make it clear that the Labour and Cross-Bench Peers who moved the amendment in Committee were horrified when they saw this amendment. Baroness David said:

"When the Minister said that he would accept the amendment in principle and come back with his own amendment on Report, I thought we would get a real improvement. However, I find the reverse." — [*Official Report, House of Lords*, 10 March 1987, Vol. 485, c. 941.]

In no sense is the amendment an improvement on what was sought in Committee in the Lords. As Baroness David said, it is quite the reverse. It increases confusion and puts arbitrary power in the hands of Ministers, and we intend to press the amendment to a vote.

Question put, That the amendment to the Lords amendment be made:—

The House divided: Ayes 151, Noes 197.

Division No. 117] **[12.40 am**

AYES

Adams, Allen *(Paisley N)*
Anderson, Donald
Archer, Rt Hon Peter
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barron, Kevin
Beckett, Mrs Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Boyes, Roland
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dormand, Jack
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eastham, Ken
Evans, John *(St. Helens N)*
Faulds, Andrew
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, Mrs Llin
Gould, Bryan
Hamilton, James *(M'well N)*
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Haynes, Frank
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howell, Rt Hon D. *(S'heath)*
Hoyle, Douglas
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
John, Brynmor
Kaufman, Rt Hon Gerald
Kennedy, Charles
Lamond, James
Leighton, Ronald
Litherland, Robert
Lofthouse, Geoffrey
Loyden, Edward
McDonald, Dr Oonagh
McGuire, Michael
MacKenzie, Rt Hon Gregor
McNamara, Kevin
McWilliam, John
Madden, Max

Martin, Michael
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Pendry, Tom
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Randall, Stuart
Raynsford, Nick
Redmond, Martin
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rooker, J. W.
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smith, Cyril *(Rochdale)*
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stott, Roger
Straw, Jack
Thomas, Dr R. *(Carmarthen)*
Thorne, Stan *(Preston)*
Tinn, James
Wallace, James
Wareing, Robert
Weetch, Ken
Welsh, Michael
Williams, Rt Hon A.
Winnick, David
Woodall, Alec
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Tony Lloyd and
Mr. Allen McKay.

NOES

Alexander, Richard
Ancram, Michael
Ashby, David
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Body, Sir Richard
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bowden, A. *(Brighton K'to'n)*
Boyson, Dr Rhodes
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Rt Hon Sir Adam
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Cash, William
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Conway, Derek
Coombs, Simon
Coper, John
Dickens, Geoffrey
Dorrell, Stephen
Dover, Den
Dunn, Robert
Dykes, Hugh
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Evennett, David
Fairbairn, Nicholas
Fallon, Michael
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Franks, Cecil
Gale, Roger
Garel-Jones, Tristan
Hamilton, Neil *(Tatton)*
Hargreaves, Kenneth
Hawksley, Warren
Hind, Kenneth
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Jenkin, Rt Hon Patrick
Key, Robert
Knowles, Michael
Lamont, Rt Hon Norman
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
McLoughlin, Patrick
Madel, David
Malins, Humfrey
Malone, Gerald
Maples, John
Marlow, Antony
Mates, Michael
Mather, Sir Carol
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Miscampbell, Norman
Moate, Roger
Montgomery, Sir Fergus
Morris, M. *(N'hampton S)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Nelson, Anthony
Neubert, Michael
Nicholls, Patrick
Norris, Steven
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Patten, J. *(Oxf W & Abgdn)*
Pawsey, James
Peacock, Mrs Elizabeth
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roe, Mrs Marion
Rossi, Sir Hugh
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
[illegible], Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stradling Thomas, Sir John
Sumberg, David
Taylor, John *(Solihull)*
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Trippier, David
Twinn, Dr Ian
Vaughan, Sir Gerard
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Wall, Sir Patrick
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. David Lightbown and
Mr. Francis Maude.

Question accordingly negatived.
Lords amendment No. 1 agreed to.

Clause 4

VALIDATION FOR PAST AND GENERAL PROVISION FOR FUTURE

Lords Amendment: No. 2, in page 4, line 40, leave out "Conclusive block grant calculations" and insert

"Any basic block grant calculation"

12.45 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. Christopher Chope): I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker (Sir Paul Dean): With this we are to discuss Lords amendment No. 3.

Mr. Chope: These are both technical amendments to subsections (3) and (4). They are to make it clear that, when we come to make the conclusive calculations of block grant for 1981-82 and 1982-83 for England and Wales and for 1983-84 for Wales, we can take account of education pooling adjustments in the way we were intending and in the way local authorities expect.

Mr. Straw: The Opposition are not intending to oppose the amendments——

Mr. Chope: Very gracious of you.

Mr. Straw: The Minister says from a sedentary position that that is very gracious of us, and I take that compliment in the spirit in which it was intended.

The amendments illustrate the difficulties that the Government had in drafting their way out of the legal morass or bog in which they found themselves.

Question put and agreed to.

Lords amendment No. 3 agreed to.

Clause 7

RESTRICTIONS ON RATING AND PRECEPTING

Lords Amendment: No. 4, in page 6, line 39, leave out "and".

Dr. Boyson: I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker: With this amendment we are to discuss Lords amendments Nos. 5 and 7 to 15.

Dr. Boyson: These amendments provide for a new formula for determining rate limits for newly selected authorities, or are drafting amendments to schedule 2 designed to facilitate comprehension of a highly technical text. Everyone will agree with that.

The effect of the amendments is that newly selected authorities will have headroom to spend up to at least a level equivalent to their grant-related expenditure plus 9 per cent. On the basis of my right hon. Friend's current intentions for the 1987-88 RSG settlement, two authorities are affected by this change in formula—Gateshead and Newham, with increases in their intended rate limits of some 3p and 44p respectively.

Mr. Ron Leighton (Newham, North-East): These amendments are of major importance for Newham. I can think of no single issue that I have dealt with in Parliament which has had a greater direct impact on the borough. This flawed Bill, which was introduced in great haste and which is being rushed through both Houses because of the legal mess would, unamended, have had a devastating effect on the borough, robbing it of resources.

Immediately, a movement was mobilised in Newham to campaign for a better deal and an amendment to the Bill. On 4 February, a great demonstration, complete with meetings and a march of some 7,000 people, took place, followed by a lobby of Parliament. Many who participated must have wondered whether such effort and activity was worth it and would have any effect. I can only say to any doubters, in view of what has transpired:

"Say not the struggle naught availeth",

for the very next day the Minister of State's office contacted me to accept my previous invitation and to make arrangements for the Minister to visit Newham to see things for himself.

In the various debates that we have had on the different stages of the Bill, all three Newham Members have played a full part, as did the noble Lord, Lord Elwyn-Jones, in another place. A proper modesty forbids me from saying too much about their speeches, but I hope it can be said that they were persuasive and informative and laid out the facts in detail and accuracy.

It would be churlish not to recognise the constructive role of the Minister of State. Above all, he was prepared to listen; it is no use speaking if no one is prepared to listen. I for one appreciate the fact that he was prepared to listen and to visit the borough. Hence we have these amendments, which will allow the borough an expenditure limit some £7 million higher than it otherwise would have had—£7 million that is badly needed.

I do not pretend that the amendments will solve the borough's financial problems, for they will not. For example, we now lose even more block grant and the borough will still have to make many cuts. But the amendments will limit the damage and will avert the catastrophe that threatened us, and we cannot but appreciate that.

For the future, the three Newham Members will continue vigilantly to watch over the interests of the borough, strive to obtain a fair share of resources and justice for our area, and exert ourselves for the people who sent us here.

Mr. Cash: I am delighted that the Government have helped Newham. On the other hand, I must say quickly that the comprehension to which the Minister referred completely escapes me. I find the whole formula incredibly complicated, as I am sure does everyone else. But I wish my hon. Friend well, because apparently the formula achieves its objective.

Mr. Nigel Spearing (Newham, South): May I first associate myself with what my hon. Friend the Member for Newham, North-East (Mr. Leighton) said about these amendments? I do so though with mixed feelings, as I am sure that the Minister of State will understand. It is mainly because we have avoided an unforseen quirk in the formula which was imposed upon newly capped authorities. It reminds hon. Members of the powers that the Minister is taking. That matter was referred to in regard to the first group of amendments. In fact, the executive is advancing into areas hitherto the responsibility of the courts. Of course, we thought that that was achieved in 1688, but we are going backwards, apparently, into the year 1988. Indeed, the high court of Parliament, in its deliberations in the House and in another place, has at least dealt with a difficulty. For that—I echo the words of my hon. Friend—we are grateful.

Of course, the amendment only brings us back to the position that the Government intended us to be in before the amendment was accepted. When I moved the original amendment—to give a sum of grant-related expenditure plus about 10 per cent.—the Under-Secretary of State refused it for reasons that he thought were important. He referred to happenings in Newham and produced some figures. When my hon. Friend the Member for Newham, North-West (Mr. Banks) and I wished to intervene, he would not permit us to do so.

I shall quote but one instance to show the well-known flaws involved in quoting statistics without having background knowledge. For instance, the Under-

[Mr. Nigel Spearing]

Secretary of State said that 2,420 empty dwellings were in the possession of Newham council. He said that it was one of the worst, if not the worst, areas in the country. He had forgotten, did not know, or did not find out, that about 1,000 of such dwellings in my constituency were in empty tower blocks of the Ronan Point type. He mentioned other matters, as did Lord Skelmersdale when he replied to an amendment moved by Lord Elwyn-Jones. Since that date, and on the occasion of the Minister's welcome visit, the borough has supplied facts and figures that completely contradict the point made by the Under-Secretary of State. Hon. Members have not referred to the figures tonight. I shall not refer to them at length, but I shall give one example of the use of what I regard as flawed statistics. Unless we hear from the Minister or the Under-Secretary of State, who may reply to the debate, I shall take it that the statistics are broadly accepted.

The moral is that there seems to be some lack of communication between Newham and Marsham street, where my hon. Friends and I and, indeed, the Minister have done our best to bridge the gap. I do not know whether there has been more than one level of information flow or whether the sources of information on which the Under-Secretary of State and, sometimes, others have relied have perhaps not been as official as they might be. For instance, there has been concern about the speed of council house sales. Obviously, the council does not like it, but there is a legal obligation so to do. On 18 February the policy and resources committee of the London borough of Newham gave authority for private estate agents to speed up such sales. That is an illustration of the fact that sometimes what appears to be in figures is not present in fact or intent.

My hon. Friend the Member for Newham, North-East said that the Bill is only an amelioration. I understand from the borough that the gap of £33 million in next year's budget has now been reduced to £26 million. In terms of actual cash revenue, what was to be a gap of around £14 million has been reduced to £10 million. A reduction in one year of a needed £10 million is hurtful.

Newham's expenditure in the current year is £167 million. I understand from the borough that if services are to be held at the same level, taking into account inflation and rising bed and breakfast and other costs to cover matters that require statutory attention, the revenue for the forthcoming year should be about £175 million.

This amendment will provide for expenditure of £165 million, leaving a gap of £10 million. Painful cuts will therefore have to be made in Newham, the second most deprived borough in the country. There will have to be education and social services cuts and there will also have to be cuts in the services provided for the elderly and infirm who live in their own homes. I do not see how those cruel cuts can be avoided if the borough is to keep within the law.

Most hon. Members, including Conservative Members, will be glad to know that at its last council meeting the council adopted a budget that falls within the legal constraints of this Bill. However, that legal budget will involve cruel injustices being meted out to the people of Newham. Conservative Members may think that they are penalising those of a different political colour from themselves. That is one way of looking at it. However, they are penalising some of the best but some of the least privileged people in this country, however they may vote —and some of them do not vote. I am not surprised that they get fed up with politicians. Sometimes the difficulties that are caused by the cuts that are imposed by Marsham street are thought to be due to the council. Many people do not distinguish between Members of Parliament and councillors, let alone between those who are in Government and those who are in Opposition. People do not necessarily see where the responsibility for these cuts lies. It lies with the Government—nowhere else.

The rates figures are also significant. Despite these urgent needs, there is to be a rates reduction of 11 per cent. That will be welcomed by many but, as my hon. Friend the Member for Newham, North-East pointed out, one of the difficulties is that although we are being given an additional £15 million in rate support grant, there is to be an increase of £7·5 million in what the Chartered Institute of Public Finance and Accountancy calls flowback, but which I prefer to call clawback or a rates tax.

Despite the amelioration that this formula provides, there will be very real problems. I am glad to see that the Secretary of State has arrived in the Chamber. I want to ask him what would happen if the same thing were to happen in Gloucestershire. I have been looking at the figures, and I understand that the equivalent expenditure in Gloucestershire to Newham's £167 million is about £183 million. If Gloucestershire were faced with an £8 million cut in its revenue in the forthcoming year, I wonder how Gloucestershire county council would cope? I wonder, too, how the Secretary of State, the right hon. Member for Cirencester and Tewksbury (Mr. Ridley), would cope. What would people think of him and of the Government? I cannot imagine that the Gloucestershire cuts, if there were to be any at all, would come anywhere near to those in Newham.

I conclude this mixed speech of thanks by saying something that I believe ought to be said. It has been said on a number of occasions, but now that the Secretary of State is here it ought to be said very clearly indeed. I do not believe that by their actions this Government show that they believe in local government. In bulk financial terms, most of the services that are provided for our people arise from the interface between local government and local people. Yes, there is a DHSS office, Ministry inspectors for this and people in bowler hats, metaphorically speaking, who come from Marsham street and other Ministries. But most community services—50 per cent. as opposed to 60 per cent.—are paid for by taxpayers. The Government are responsible, and how responsible they are now that the Secretary of State has an iron grip on how the money should be used!

I cannot imagine how any Government who believe in the democratic accountability of services can produce such a succession of debilitating Acts of Parliament, confusions and procrustean activities, yet continue to think that the machine can work. Even if we did not have this last minute recantation there would be terrible strains on local government in Newham and elsewhere.

People are beginning to doubt whether the Secretary of State and his friends are wedded to local democracy. They ask, "Is this not a plot to give local government a bad name and to make it impossible for it to work, so that central Government powers become greater and local

government powers diminish? Does that not fit in with the Government's philosophy of reducing public involvement and centralising democratic accountability?"

Some hon. Members may think that a Mephistophelean approach, and the way in which the Government have proceeded suggests that that is, indeed, the case. The way in which the Secretary of State has dealt with the Bill, Newham and some of the most needy areas has confirmed that that view, not only has content, but nearly has proof.

Mr. Tony Banks (Newham, North-West): I shall be brief because most of the points have been made by my hon. Friends the Members for Newham, North-East (Mr. Leighton) and for Newham, South (Mr. Spearing).

We must acknowledge that the Minister of State has through his actions, particularly his visit to Newham, granted some of our requests. We proposed a major part of Lords amendment No. 4 in this House, but at that time the Government chose not to concede the point. Clearly, as the facts emerged, the Government realised that a major error was being made. If the amendment is passed—naturally, we shall not vote against it—Newham will be about £7 million better off than it would otherwise have been.

The amendment will still require Newham to cut its expenditure to a level closer to the GREA than 16 of the 20 rate-capped local authorities and to cut its rates by more than those of 16 of the 20 rate-capped local authorities. We must still find about £10 million-worth of cuts. In a borough such as Newham, that will cause great distress, pressure and hardship, when little more hardship can be borne by the people who live there.

We shall accept the amendment—naturally, we must take whatever we can possibly get in these straitened times—but it will nevertheless mean that next year Newham will face a disaster rather than a catastrophe.

Mr. David Clelland (Tyne Bridge): I am grateful to have the opportunity to say a word or two on behalf of the metropolitan borough of Gateshead. Until this moment, this has been a Newham debate. Perhaps that is just, because, as my hon. Friend the Member for Newham, North-East (Mr. Leighton) said, the Bill has major importance for Newham. Unfortunately, it is of minor importance to the metropolitan borough of Gateshead. If Ministers expect the borough to be teeming with gratitude, I must disappoint him.

Ministers are aware that the metropolitan borough of Gateshead has been badly treated in this exercise. At the council's budget meeting tomorrow, the amendment will make no noticeable difference to the borough's problems.

The council faces a £12 million reduction on what it would need to stand still on last year's budget. It cannot be described as a high-spender; it is not a profligate council. It is a local authority with needs, which are recognised by the Government through the inner area partnership and the national garden festival, which is to be held in the borough in 1990.

What the measure means to the metropolitan borough of Gateshead is no extra Government support; indeed, it means a reduction in block grant. It means an increase in an already inadequate expenditure level of some £500,000 from £98 million to £98·5 million. It means that instead of the council being forced to reduce its rate by 9 per cent. next year, it will have to reduce it by about 8 per cent.

Hundreds of jobs will still be lost and services will still suffer. The analogy as to Gateshead is of a man who was to have 10 fingers amputated and is told that he is to have only nine fingers amputated. I do not think the Ministers can expect such a man to feel much relief from that prospect.

Mr. Meadowcroft: Looking at the complicated formulae in schedule 2, I am glad to find that the printers have as much problem as hon. Members and that we had to have a correction slip. If I raise questions from an inquiring spirit, wishing to know answers, I hope that the Minister will take that in good part.

Why, if some help was given to the London borough of Newham, was there not a way of giving some help to the London borough of Tower Hamlets? The London borough of Tower Hamlets has been told by officers that out of its rate-capped sum of £124 million, £24 million, as a net sum, will have to be spent on housing 1,500 homeless families. It has no way of avoiding that.

The Minister may also be aware that his hon. Friend the Minister for Housing, Urban Affairs and Construction, by his midnight deadline at the appropriate date in February, cut off a scheme which might have been of great help to 600 families. It seems to me monstrously unfair to deal with a problem relating to a London borough nearby—which I welcome—but not with a borough which is affected just as much as Newham.

As far as I can make out from the formulae, there has been no increase in assistance under that formulae for the problems of the fire service. I told the Under-Secretary of State for the Home Department that I would be happy if the west Yorkshire fire service were able to meet Home Office standards. Unfortunately, because of the limits imposed by the Department of the Environment, it is unable to do so. The Under-Secretary believed that there was enough money under the provisions of the rules of the Department of the Environment for the west Yorkshire fire service to be able to operate effectively. What he may not have known at that time was that the fire service has now announced that it has mothballed a number of fire appliances. It will not be able to run them and, therefore, it will be unable to meet Home Office standards.

It seems odd that we are faced with a set of Lords amendments, which alter in some detail the complicated formulae yet which do not deal with the precise question that any logical person would find difficult not to accept. There has been a mistake, which should be put right so that the fire service can run effectively.

1.15 am

Mr. Straw: This group of amendments makes provision for Newham and Gateshead not to receive additional funds but to spend more of their ratepayers' money at a saving to the Government. In addition, it rewrites the Bill on rate capping.

We are glad that the Minister listened carefully to the representations that were made to him and was able to agree to these changes. I say that with no qualification. Like my hon. Friends from Newham and Gateshead I must also say that those authorities will still unfairly be placed in difficulties. It is important that while we thank the Minister for listening we should not give the impression that the Minister has provided any money. Indeed, the Treasury is probably smiling all the way to the bank because it saves on this arrangement.

Mr. Meadowcroft: The Treasury never smiles.

Mr. Tony Banks: It smirks.

Mr. Straw: No doubt it will be pleased. In many ways it will have supported Newham's representations because of the saving of rate support grant. That illustrates one of the many bizarre aspects of the rate support grant system. An apparent Government concession to ease the rate-cap limit saves the Treasury money. The people at a disadvantage are the ratepayers in Newham and Gateshead.

From the start, my hon. Friends the Members for Copeland (Dr. Cunningham) and for Houghton and Washington (Mr. Boyes) and I were concerned about the situation in Newham and Gateshead which was drawn forcefully to our attention by our hon. Friends the Members for Newham, North-East (Mr. Leighton), for Newham, North-West (Mr. Banks), for Newham, South (Mr. Spearing) and for Tyne Bridge (Mr. Clelland), and I want to pay tribute to them for the way in which they and their authorities ran their campaigns so intelligently to bring the plight of their areas to the Government's attention to ensure that there was a change of mind by Ministers.

My hon. Friend the Member for Newham, South spoke of the situation in Newham. He knows that I had a family connection with Newham because for many years my mother was a headmistress of a nursery school in a deprived part of Newham. No one can say that at any stage of its existence Newham has been a profligate authority — to use the standard term of abuse. In comparison with adjoining authorities of different political complexions Newham has had a reputation for economy to say the very least. On many occasions I went to see my mother's school — *[Interruption.]* The maintenance of school buildings in Newham does not compare well with other authorities, nor does the overall level of resources available to that authority.

It is no good the Secretary of State smiling. None of us has thanked the Secretary of State tonight and none of us intends to. One of the Secretary of State's problems, on which he is no doubt reflecting after yesterday's little episode, is a stupefying degree of insensitivity to problems of which he has no direct experience and a desire not to comprehend the fact that many people in Britain live in conditions in which no hon. Member would wish to live, certainly, not in the high rise or low rise accommodation of Newham that was forced on such areas by the right hon. Member for Leeds, North-East (Sir K. Joseph) when he was the Minister responsible for housing in the early 1960s.

The amendments raise other problems. They illustrate an arbitrariness in the way in which rate capping has been pursued this year because, it is said, of the problems and defects in previous legislation which require the Bill and because of the rules on hybridity which prevented Ministers from making individual judgments on individual cases. It was the Opposition's contention in amendments that we moved earlier in the proceedings, that it would still have been possible for Ministers without facing the dangers — from their point of view — off hybridity, to apply a re-determination process that took account of individual circumstances, but without the need for extra limbs to the algebraic formulae that appear on pages (2) and (3) of the amendment paper.

Rate capping was sold to a very sceptical House, and that scepticism was felt on both sides of the House not least on the basis that while the principles would apply to all authorities, individual Ministers would consider the merits of cases of authorities individually, case by case. They have not been able to do that within the framework of this legislation and they have introduced greater arbitrariness into the rate capping system.

My final point relates to an issue that I raised in the short debate on the guillotine motion.

Mr. Meadowcroft: The hon. Gentleman referred to the reluctance of the House at the time to accept the principle of rate capping. Does he regret the absence of the hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark), who has been a formidable opponent of such matters for some time? He said that if the Government believed that they could hurt those in need to benefit those without need, they had another think coming. It is a shame that the hon. Member for Selly Oak is not here to make his case this evening.

Mr. Straw: I certainly regret that the hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) is not present. I dare say that he took part in the earlier debate on the motor industry. However, unlike the Ministers in the Department of the Environment today, the hon. Member for Selly Oak takes the old Conservative view of local government and considers that a local government invested with substantial degrees of independence is an idea that is wholly consistent with, and indeed underpins, the old Conservative tradition. The hon. Member for Selly Oak has sought to defend that against the centralists, the Poujadists, who now occupy most of the Treasury Bench.

After that short diversion, I want to consider the issue that I raised in the debate on the guillotine motion and I would be grateful if the Minister would reply to this point. My point relates to the Greenwich decision and any appeal by authorities that are rate-capped. I spelt this out in the debate on the guillotine motion, but I want to repeat the point. Greenwich went to court because of an argument with the Secretary of State about the way in which the grant-related expenditure assessment for road maintenance, which had previously been held by the GLC, should be distributed between the various London boroughs. It is quite untrue, as the Department of the Environment press office has tried to dissemble was the case, that Greenwich had been given GREAs for roads that did not exist. That was never the case and no formula——

Dr. Boyson: Greenwich stole the money.

Mr. Straw: That is very interesting. From a sedentary position the Minister has just said that Greenwich stole the money from other authorities.

Dr. Boyson: As I understand the position—and the Opposition often makes great play of moral cases—money either belongs to someone or it does not. If the Government cannot legally give that money to the person who is entitled to it and someone else takes it gratefully, it would not be stealing in the sense of the law, but to the ordinary person it would appear that the latter had money that belonged to someone else. That is my interpretation of the Greenwich case.

Dr. John Cunningham (Copeland): But it is not stealing.

Dr. Boyson: It is keeping money that one knows one should not have.

Dr. Cunningham: It is not stealing.

Dr. Boyson: If the hon. Gentleman had listened, he would have heard me say clearly—*[Interruption.]* If the hon. Gentleman wishes to intervene, he can do so, but it is a limited debate and it will only stop others from talking.

If someone receives money which, in justice, should go to someone else, and keeps it, many people may not consider that to be stealing in the eyes of the law, but they would say that it was unjust. That is how I see the case. Bromley had the 90 km of roads allocated to it, but the money was not allocated to it as it should have been and it went elsewhere, including to Greenwich and other boroughs. They kept it, legally, but I still believe that the money should have gone to the borough that was allocated the roads. I answered the point in the previous debate. That is my understanding of the case. The interpretation of the courts is a legal, not a moral interpretation.

Mr. Tony Banks: Let us have another Local Government Bill then.

Mr. Straw: I am almost at a loss for words after hearing the Minister parodying the position of Greenwich — *[Interruption.]* I shall give way to the Secretary of State, too, if that is why he is shifting in his seat.

The Minister sought to parody the position of Greenwich by suggesting that it took money from Bromley. I remind him that Greenwich was in a position to receive money not as a result of any action that it had taken, but as a result of decisions taken by Ministers.

Dr. Boyson: They knew that it was not their money, but they kept the money. The hon. Gentleman would not have done it, and I would not have done it—or would he?

Mr. Straw: It may not have been a decision of this Minister, because there have been so many changes at the Department of the Environment that we cannot keep track of them. Let me spell out what happened. First — the Minister was not responsible for this policy — the Government decided to abolish the GLC. Greenwich did not participate willingly in that decision; indeed, it opposed the abolition. The GLC's grant-related expenditure assessments for highway maintenance had to be transferred to the boroughs, and that was done pro rata to the borough's GREA. The GLC's expenditure had to be spread among the boroughs and then a multiplier was set to equalise the cost to each authority. The formula for highway maintenance GREAs was improved as a result of negotiations between the local authority associations and the Department, with Ministers approving the change. Does the Minister deny that Ministers approved that change? I think that the answer is coming from his officials.

Dr. Boyson: This is a hymn sheet.

Mr. Straw: I wish it was. Does the Minister deny that Ministers approved that improvement in GREAs?

Mr. Meadowcroft: Let him read the answer first.

Dr. Boyson: It does not even answer it.

Mr. Straw: It is the wrong answer to the wrong question. The Minister had better see his officials afterwards.

The Minister must understand that the change in the formula took into account not only the length of the roads but the extent to which they were used and the greater intensity of traffic in inner London compared with outer London.

The point is simply that it was Ministers who agreed the original change in the GREA formula, which had the affect of benefiting Greenwich. Ministers encapsulated that in decisions which were then validated by the Rate Support Grants Act 1986, retrospectively, and it was the courts which then said that that validation meant that a subsequent change could not be overturned by Ministers. It was for that reason that the judge in the case said that the Minister had been hoist on his own petard.

1.30 am

The Secretary of State for the Environment (Mr. Nicholas Ridley): I intervene only to congratulate the hon. Gentleman on having talked for about 10 minutes, without having mentioned the fact that that was the case arising out of the Bromley error. He does not seem to acknowledge that it arose out of an error, rather than any determined judgment.

Mr. Straw: Of course, it is true that almost every decision that Ministers make on rate support grant is an error and has to be changed. — *[Interruption.]* I have thick files on the Bromley error. I corresponded with the Minister's predecessor but two on that errror, as his own private office files will show. It is not our fault that Ministers or the Department make errors and then bring forward legislation such as the Rate Support Grants Act 1986, which sets all those errors in concrete — *[Interruption.]* We shall await the final transcript of the case but I can say only that on the details of the judgment I have received, that is a fact of the case. If the case is as the Secretary of State describes it, it is a matter of surprise that a High Court judge could not only have found for Greenwich, but have said all the things that he did about the Secretary of State.

However, the Secretary of State, having lost on Greenwich, has now revised the rate support grant tables. If the Secretary of State wins on appeal, what happens to the rate support grants for each authority, particularly to those authorities which are in tight circumstances and which are rate-capped.

Dr. Boyson: I shall try not to get bogged down in the debate on any other error anywhere else.

The hon. Member for Leeds, West (Mr. Meadowcroft) raised the question of help being given to rate-capped authorities, particularly those rate-capped for the first time. We have to have a formula because otherwise we risk hybridity. That is obvious to anybody. The formula we set seemed to be the fairest and most just in so far as GRE is an indication of what should be spent to provide equal services throughout the length and breadth of the country. We came upon the formula, which had been discussed at an earlier stage of the Bill, to put a new piece in the Bill — grant related expenditure plus 9 per cent. If Tower Hamlets had come into that category, the authority would have had the advantage of the formula. However, it did not. The two authorities that did come into the category were Newham and Gateshead.

Mr. Meadowcroft: Why did the hon. Gentleman not consider—given that it is a legal definition—including the homeless families under the Housing (Homeless Persons) Act 1977 as a factor in setting the limits higher?

Dr. Boyson: The formula was already so complicated that if we had put all those in one, could have included another 51 and be back to GRE. All the aspects referred to by the hon. Gentleman are part of the GRE formula.

The hon. Members representing Newham have not been over-gracious this evening and we began to wonder whether we should vote against the amendment. I shall put that gently on the record. When one does something to try honestly to help somebody else, both sides should accept that.

The hon. Member for Blackburn (Mr. Straw) referred to the Greenwich judgment. An electoral judgment was made in Greenwich as well as the one we are discussing tonight. — *[Interruption.]* Greenwich was not a Conservative seat. It has been a Labour seat for 50 years. If we had won the seat it would have been even more amazing and a third Greenwich judgment would have had to be taken.

The rate support grant has to be changed because of the Greenwich judgment, and because we obey the law. What is legally right has been interpreted. If we win on appeal — we hope that we shall — in the first supplementary report we shall have to look at the matter again and put it right, otherwise someone else will object. But the decision has been made. If there is a change, we shall have to meet it, we hope on appeal, in a supplementary report.

Mr. Straw: If there is such a change and then a supplementary report, and if there is a loss of grant to the ratecapped authorities, those authorities could run into deficit as a result of the loss, through no fault of their own. Will that be taken into account in any subsequent decisions?

Dr. Boyson: I cannot deal with that now. We shall look at it within the law and the rules that have been laid down in this and other Acts. We cannot go into the details at present.

The decision on the change of formula was made not by me as Minister of State but by the Secretary of State after we had all discussed it together. The three hon. Members who represent Newham — the hon. Members for Newham, North-West (Mr. Banks), for Newham, North-East (Mr. Leighton) and for Newham, South (Mr. Spearing) — have represented their authority as well as any hon. Members could represent anywhere. I trust that I am not risking their reselection by saying that in the House. That decision was made by the Secretary of State when we met at the time. I thank my right hon. Friend for his co-operation after my visit there. He had to take my work for what was happening in Newham. We now know that Newham will catch up on the sale of houses. There has been a quid pro quo. We look forward to the fulfilment of the sale of houses over the next six months.

Mr. Spearing: I am grateful to the Minister for his words about the Secretary of State. Indeed, we are glad and grateful that the anomaly in the formula has been rectified. We made that clear during the Minister's visit. The hon. Gentleman will also realise, in case it be misunderstood, that there will still be great difficulties. In due course I shall acquaint the Secretary of State, the Minister of State and the Parliamentary Under-Secretary with some of the unfortunate consequences of the Bill, to which this is an amendment, which I am afraid cannot be avoided. Perhaps the Minister will understand the spirit behind the thanks, and the difficulty that characterised my words.

Question put and agreed to.

Lords Amendment No. 5 agreed to.

Clause 12

INTERPRETATION

Lords Amendment: No. 6, in page 8, line 29, leave out subsection (3) and insert—

"(3) for the purposes of this Part of this Act as it applies in relation to an intermediate year beginning in 1983, 1984 or 1985—

(a) "local authority" also includes the Greater London Council and the Inner London Education Authority within the meaning of section 30 of the London Government Act 1963,

(b) references to the Inner London Education Authority in section 1(1)*(c)* above, paragraph *(c)* below and paragraph 2A(10) of Schedule 3 to this Act shall be construed as references to the Inner London Education Authority within the meaning of section 30 of that Act,

(c) the Greater London Council and the Inner London Education Authority shall be taken to be separate local authorites, and

(d) "local authority" does not include a joint authority or the Inner London Education Authority established by section 18 of the Local Government Act 1985."

Mr. Chope: I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Straw: We do not oppose the amendment, but it arises, again, as a complication from the abolition of the Greater London council and the fact that there have been three different animals, all known as the Inner London education authority, in the past two years.

Question put and agreed to.

Lords Amendments Nos. 7 to 33 agreed to. [Special Entry.]

Investment Advisers

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Lennox-Boyd.]*

1.40 am

Sir John Page (Harrow, West): I am grateful to my hon. Friends for remaining here to listen to the debate. I am pleased to speak on a matter that is of vital importance to a small number of people and of great strategic significance to the Government and to the investing public.

For three reasons, I have a special interest in licensed financial dealers. First, constituents of mine have lost all or part of their savings because of the failure of licensed financial dealers to whom they had entrusted their money. Secondly, I have an interest as the promoter of the Insurance Brokers (Registration) Act 1977 which enshrines much of the philosophy of self-regulation in the insurance brokers' profession, which has been studied and in some ways followed by those who prepared the details of the Financial Services Act 1986 and in which I have been able to see the setting up and working of a compensation fund.

Thirdly, I speak as the chairman of the Savers Union. I do not have to declare an interest because this is a wholly honorary position. The union was set up about seven years ago on an all-party basis to be a supporters' club for people, mostly small savers, with money in national avings schemes, building societies and such organisations.

The chief enemy of the saver is inflation, and we in the Savers Union take a small dram of pride in the success that we have had in informing savers about the virtue of defeating inflation. The Savers Union has done a useful job, with a small and loyal membership. We may have a role in future looking after the interests of the small investor in the same way as the Automobile Association looks after the interests of the private motorist.

There is definitely a gap in consumer representation that needs to be filled quickly. I shall start the main part of my speech by talking about the problems of the small investor. In the last 10 years, the number of people holding shares has jumped from about 2 million to about 12 million. That is a staggering increase. Interestingly enough, of the present 12 million shareholders, more than half — about 7 million — hold shares in only one category, many of them in British Telecom or British Gas or in share schemes developed by companies for their employees. They are inexperienced investors and potential prey for sharp financial operators.

I was stung into action when two extremely nice constituents of mine visited me just before Christmas. They told me that they had an investment of £5,000 in Thames Television and that on one Friday they had taken their share certificates to one of the City Investment Centres offices—known in advertisements as CIC asking it to raise money on part of their shares, and to retain the other part for them in share certificates.

About 10 days later they again went along to the CIC office and found a notice on the door that said that the firm had had its licence to trade withdrawn by the Department of Trade and Industry. My constituents have no idea whether they will suffer a total loss or what percentage of their savings will be saved from the wreck.

I appreciate the Department's difficulties in having to withdraw a licence or close down a licencsed financial dealer. If the Department closes down a dealer too early, it may be considered that that action has caused loss to investors because the operators have not been given the time needed to get the business going properly. However, if the Department closes down a dealer too late, as many people feel happened with CIC, it means that more people's savings will be put at risk. That problem represents the kernel of the situation that I wish the House and the Minister to address.

An Adjournment debate on the subject of McDonald Wheeler Fund Management was initiated by the hon. Member for Thurrock (Dr. McDonald) on 17 November 1986. That debate — in common with this one — was answered by my hon. Friend the Under-Secretary of State for Trade and Industry. Therefore, there is no need for me to go over that ground again or the dubious role of Mr. Wheeler. I also have constituents who have suffered at the hands of that firm. Another spectacular collapse concerned Prior Harwin shareholders, but as yet, none of my constituents have told me that they are involved in that disaster.

The good news is that the Government have already taken wise, positive steps in the Financial Services Act 1986 to take care of problems arising from failures similar to those I have mentioned. The most important aspect of that Act has been the establishment of a compensation scheme. Such a scheme also featured in the Insurance Brokers (Registration) Act 1977. In that instance, the scheme is also supported by professional indemnity cover.

Just as those who deal with registered insurance brokers are covered by a compensation fund, so in future those who deal with registered investment intermediaries will be covered by a compensation fund. However, regrettably, the regulations covering intermediaries will not take effect for about 12 months. Therefore, the compensation provisions and fund will not be effective. We must take steps to deal with the gap between now and when the new Act comes fully into operation.

I ask the House and my hon. and learned Friend to concentrate their minds on what is to happen next year. The Government and the House must find a way to safeguard investors during that period. We may not be able to lock the stable doors before some of the horses have left, as in the cases which I have mentioned, but we have a duty to put a new padlock on the doors to keep horses in until the new stable block has been built, under the auspices of the Securities and Investments Board, which the Financial Services Act will set up.

At present, there is a category of intermediary known as a licensed dealer. I regret that the licence appears to be worthless as a protection of the public. It would be better if it did not exist. Under the licensing scheme, there exists the Financial Intermediaries, Managers and Brokers Regulatory Association which admits dealers to membership. The most important part of the name is "Regulatory". When I was first involved in this problem, I was inclined to be extremely critical of FIMBRA, but I now believe that I was wrong. It is trying and has tried desperately hard to do the right thing by investors, but is not yet invested with the necessary powers to enable it to do the job which will be given to it when the Act is fully in place. The great mistake was to put FIMBRA into operation before the whole Act was in place. I am confident that that should not have been done. There is a

[Sir John Page]

danger that the public's faith in FIMBRA has been seriously harmed, although, if my outline plan is carried out, the wounds need not necessarily be fatal.

However, in all seriousness, I have to say that, had it not been for the aura of respectability given to some intermediaries by being able to say in their letters and advertisements, "We are dealers authorised to operate by FIMBRA," my constituents have told me that they, and I believe others, would not have dreamed of giving those dealers that confidence. I therefore challenge the wisdom of operating FIMBRA before its compensation fund has been put in place.

Taking this background into consideration, what action should the Government take to safeguard the small investor during the vital next 12 months? I suggest that the following steps should be taken. First, FIMBRA should immediately instruct its members, except those such as registered insurance brokers who are already covered by a compensation scheme, not to use its logo until the Act is in place, or there should be a Government financial health warning ensuring that FIMBRA members in their advertisements and correspondence clearly state that there is no compensation fund or insurance unless theirs are specifically in existence. However, I have reluctantly been persuaded that it is not possible for retrospective compensation to be arranged to help those who have already suffered loss, and I deeply regret the loss and distress which they have suffered.

Secondly, all current investors who are not fully experienced in financial dealing should at once write to their bank managers, or call on them, to ask whether those who are handling their finances are covered by compensation schemes or other insurance policies, as are stockbrokers, registered insurance brokers and other professional advisers. They should then accept their bank managers' recommendations whether to continue or not with their present dealers.

Thirdly—this is the crux of my argument—I ask the Government to enter into earnest discussions with FIMBRA to persuade it immediately to put a compensation scheme in place such as it will need to do when the Act is fully in operation. The Government should be ready and willing to make a loan to FIMBRA of an appropriate sum—I do not know what that figure might be, but let us say £5 million—to be repaid in full after four or five years, when FIMBRA's own scheme of compensation is in operation. This will mean that the investing public will instantly be given the safeguards which they need and, which I believe they thought they had already. We cannot sit in this place with folded hands and watch calmly while further calamities befall our unsuspecting constituents.

Finally, I urge my hon. and learned Friend the Minister, who is wise, well informed and sympathetic, to talk to his right hon. Friend the Secretary of State and to FIMBRA about that which I have suggested. By adopting it, he will prove that the Government are determined to protect and encourage the new army of small shareholders whom their policies have rendered willing volunteers in the investment scene.

1.57 am

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Michael Howard): I congratulate my hon. Friend the Member for Harrow, West (Sir J. Page) on securing the Adjournment debate, and I am grateful to him for the way in which he has raised an important subject. There is, in my view rightly, a deep concern on both sides of the House that investors should be properly protected, and my hon. Friend has drawn attention to a number of important elements in any system of investor protection. My hon. Friend's record in championing the interestes of investors through the Savers' Union and the promotion of the Act which is colloquially known by his name, the Insurance Brokers (Registration) Act 1977, is one that needs no embellishment.

I should perhaps start by reminding the House that we are now in something of a transitional phase. The Government recognised some time ago that the existing system of investor protection was inadequate. The Financial Services Act 1986, which received Royal Assent in November, seeks to replace the existing system with a comprehensive new system of investor protection, drawing on the advantages of practitioner-based regulation but giving it firm statutory backing, and introducing also a range of new powers. I am grateful to my hon. Friend for his commendation of the legislation. We are determined to bring the new system into effect as soon as possible, but it will inevitably take a little while.

The Securities and Investments Board has applied recently to have powers under the Act transferred to it. In support of the application, the board submitted its draft rules and other relevant material, and these documents are being studied to ascertain whether they satisfy the requirements of the Act. My hon. Friend will be aware that the Act lays down a twofold test for the designated agency's rules. They must provide an adequate level of investor protection, but any significant anti-competitive effects must be limited to those that are necessary in the interests of investors.

If the rules satisfy the requirements of the Act, the next stage will be to lay an order before both Houses transferring powers to the board. I hope that that will be possible in the spring, and it will of course be debated then. Once powers have been transferred, it will be possible for the board to start recognising self-regulating organisations and authorising those applicants who prefer direct authorisation by the board.

All this is bound to take a little time, especially as the Act will extend the regulatory system to a number of new areas, and practitioners in those areas will need time to apply for and obtain authorisation. Nevertheless, it should be possible to bring into force the central provisions of the Act, including those which will make it an offence to carry on investment business without authorisation, by the end of the year.

As my hon. Friend has said, one of the most important features of the new regulatory system will be the provision that is made for compensating investors who lose money as a result of the misconduct of investment businesses. A regrettably large number of cases in recent months have highlighted the importance of such a scheme. Like my hon. Friend and many other hon. Members, I, too, have constituents who have suffered at the hands of some of those against whom regulators have taken action. Even though most investment businesses are perfectly reputable, I am sure that everyone would agree that the consequences of this kind of episode are such that there should be proper arrangements for compensation, funded by the industry as a whole.

That is why section 54 of the Financial Services Act 1986 allows the designated agency to establish a scheme for compensating investors who have a claim against an investment business which, perhaps because of insolvency, that business cannot meet. The board has published its proposals for such a scheme, which I am considering along with all the other material submitted. The proposed scheme is wide-ranging and will cover all kinds of investment businesses. The proposed limits on compensation are considerably higher than those applying to depositors with a bank or building society, and should ensure that full or at least adequate recompense is made in the most distressing cases involving relatively small investors.

Of course, I appreciate that the news of a better deal to come will be cold comfort to some of those who have suffered in some recent cases. My hon. Friend has asked whether the new compensation arrangements could be used to compensate these losses as well as any arising in the future. I much regret that the answer must be no. The Act does not make provision for compensation to be payable retrospectively, and there is a natural presumption against retrospective provision of that kind. Moreover, it is difficult to see how a scheme for retrospective compensation could be established on an equitable basis. It would, I suggest, be extremely unfair to penalise those prepared to submit to the new system of regulation by requiring them to pay for compensation for failures which occurred before the system came into force.

Similarly, I have to say to my hon. Friend that it will not be possible to accelerate the introduction of the compensation scheme independently of the implementation of the rest of the Act. The scheme relies on other provisions of the Act, especially those relating to authorisation, and cannot come into force in advance of them. But once the main provisions come into force there is no reason why the compensation scheme should be long delayed. The Act does not require a fund to be built up before compensation can be paid. Indeed, both the Act and the SIB's proposed rules envisage that a call on the scheme in its early years could be met by borrowing, to be repaid out of a subsequent levy on investment businesses. I think, therefore, that my hon. Friend's fears about the length of time before compensation becomes available may be misplaced.

My hon. Friend has also suggested that FIMBRA might introduce its own compensation scheme to cover the period between now and the coming into force of the Financial Services Act. There is no requirement under the Prevention of Fraud (Investments) Act 1958 for FIMBRA to have a compensation scheme, but equally there is no bar to it, and indeed the stock exchange has a compensation scheme. FIMBRA already requires its members to take out professional indemnity insurance but this, of course, provides no solution in cases where the principals of the business concerned act dishonestly.

If FIMBRA wanted to supplement this requirement with a compensation scheme, that would be a matter for it to decide. My hon. Friend also asked whether such a scheme could be financed by a long-term Government loan, and here I fear that I must again disappoint him. The compensation scheme to be established under the Financial Services Act will be financed by the industry itself and not the taxpayer, and I can see no grounds for departing from this principle for any extra-statutory scheme introduced as an interim measure. It is also noteworthy that the stock exchange scheme is not financed by Government.

In addition to the points that he raised about compensation, my hon. Friend made a number of interesting points about the powers of intervention available to regulators under the present scheme. In particular, he was concerned that existing investors may suffer when a regulator moves to restrict the business of or close down a business which has broken the rules. I fully accept this, and it is always a consideration which ranks high in the minds of regulators when deciding whether to take action. Nobody whose function it is to protect investors is liable to take lightly a step which is likely to damage severely the interests of a particular group of investors. But in this as in other areas the regulator will have to strike a balance. It may well be damaging to existing investors to move against a business, but the damage that could be done if he were allowed to continue trading could be much greater. The damage caused to existing investors in such a case is regrettable, but it can be justified in the interests of the investing community as a whole.

None the less, we recognise that investors gain little comfort from the knowledge that their suffering is necessary to protect others from a similar fate. Under the system to be introduced under the Financial Services Act, existing investors will be in a much better position when a regulator takes action. There will be a much wider range of powers of intervention available to the regulator. Those powers are set out in chapter VI of part I of the Act. They include powers to restrict the investment business that a person may carry on, to prohibit a person from disposing of or dealing with specified assets to vest in a trustee assets of the business and assets belonging to investors, and to maintain assets of a specified value in the United Kingdom.

Such powers may be used in a variety of circumstances, and in particular in any case in which their exercise is desirable for the protection of investors. The effect will allow regulators to protect the interests of existing investors at the same time as taking action to protect potential investors.

Another protection that the Act will give to existing investors will be the requirement to segregate clients' money into a separate account. Taken with the rules that the Securities and Investments Board proposes to make about safeguarding of other assets, this should ensure that the assets of a business are distinguishable from those of investors.

I cannot pretend that the provisions will on their own be effective in every case in protecting investors. The clients' money rules, for instance, will protect investors only if they are kept, and the powers to vest assets in a trustee will be effective only if there are assets available to be seized. There is no guarantee in this world that can eliminate once and for all the danger of fraud that can redound to the disadvantage of investors, but standing behind the rules will be the compensation scheme, which will be a considerable protection for any investor who suffers as a result of a regulator's necessary action.

I conclude by again thanking my hon. Friend for raising these important matters tonight. I share his concern at the tribulations of those who have lost money dealing with unscrupulous investment businesses.

[Mr. Michael Howard]

I regret that it is not possible, under existing legislation, to do more to help people in their unfortunate position. However, I hope that I have made it clear that the Financial Services Act will greatly improve the protection available to investors in similar circumstances in the future.

Question put and agreed to.

Adjourned accordingly at seven minutes past Two o'clock.

House of Commons

Thursday 12 March 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

COUNTY OF SOUTH GLAMORGAN (TAFF CROSSING) BILL

Order for Third Reading read.

Ordered,

That the Bill be committed in respect of Clauses Nos. 2, 4, 6, 12 to 14, 17 and 18, 26, 27, 33, 34 and 36 and so much of the Preamble as relates thereto.

Ordered,

That notwithstanding the provisions of paragraph (3) of Standing Order 111 (Reference to committees of opposed and unopposed bills), the Committee of Selection shall treat the Bill as an opposed Bill. — *[The Chairman of Ways and Means.]*

YORK CITY COUNCIL BILL *[Lords] (By Order)*

CITY OF WESTMINSTER BILL *(By Order)*

TEIGNMOUTH QUAY COMPANY BILL *(By Order)*

LONDON DOCKLANDS RAILWAY (BECKTON) BILL *(By Order)*

Orders for Second Reading read.

To be read a Second time upon Thursday 19 March.

Oral Answers to Questions

NORTHERN IRELAND

Museums (Allocations)

1. **Mr. Robert Atkins** asked the Secretary of State for Northern Ireland when he expects to announce the allocations for Northern Ireland museums for 1987-88.

The Parliamentary Under-Secretary of State for Northern Ireland (Dr. Brian Mawhinney): I refer my hon. Friend to the announcement that I made on 5 March 1987. The total museums' recurrent grant for 1987-88 has increased by over 8 per cent. to £4·3 million and both purchase grants and capital works allocations have been substantially increased. Further details are available in the Library.

Mr. Atkins: Is my hon. Friend aware that many of us will welcome this increased funding and particularly his announcement about the business sponsorship scheme? Will money from the scheme be available to help museums?

Dr. Mawhinney: I am grateful to my hon. Friend for his kind words and welcome. I believe that the £100,000 which I was able to announce for the scheme has been welcomed by those in the arts world and those in the museums world. I can confirm that the money will be available to the museums.

Mr. Nicholas Brown: Does the Minister intend to establish a maritime museum at Harland and Wolff? If he does not, will he explain what this year's £64 million of subvention to Harland and Wolff is for?

Dr. Mawhinney: So far as I am aware, I do not have any direct responsibility for establishing museums.

Community Relations

2. **Mr. Favell** asked the Secretary of State for Northern Ireland what role the churches play with the Government in seeking to promote good community relations in the Province.

Dr. Mawhinney: The churches are involved in various education and community work programmes for which they receive Government funding.

Mr. Favell: Will my hon. Friend ask the churches how we can unite the communities in Northern Ireland so long as the schoolchildren are segregated?

Dr. Mawhinney: The tradition of church schools is well established. It commands a degree of appreciation by people who live in Northern Ireland. The Government seek to run an education service which is, as far as possible, responsive to parents' wishes, subject, of course, to acceptable academic standards.

Mr. Stokes: Is my hon. Friend aware that the role of the churches in Northern Ireland, and, one would hope, of churches elsewhere in the United Kingdom and throughout the world, is far wider than merely to promote good community relations? Surely their job is to preach the gospel, administer the sacraments and to do all the things to make Christian communities.

Dr. Mawhinney: As a fellow member of the Synod, my hon. Friend will know that I entirely agree with him and share his views on that. Nevertheless, the churches also have a responsibility to contribute to good community relations. I hope that we can advance along that line, at least in terms of community work. The churches should be able to work together without any theological compromise.

Ms. Clare Short: Does the Minister agree that it confuses the debate to think that the problems of Northern Ireland arise from a difference about religion? Does he agree that it arises from a difference about who controls that statelet, the domination that they have over others and the widespread discrimination? Does the hon. Gentleman agree that it confuses the whole debate for people to suggest that all the trouble in Northern Ireland is because of different religious views?

Dr. Mawhinney: I know that the hon. Lady will understand when I say that I do not accept the designation of an integral part of the United Kingdom as a "statelet". I recognise, as does the hon. Lady, that a variety of pressures contribute to the difficulties in the Province. It would be hard to argue against the point that religion has had and continues to have a role to play as one of the factors. The Government have to bear that in mind in terms of seeking not only to endorse the principle of good

community relations, but in seeking to advance that with, as far as possible, the co-operation of the people and organisations in the Province.

Mr. Leigh: Following the question by my hon. Friend the Member for Stockport (Mr. Favell), will my hon. Friend confirm that it is the inalienable right of everybody in this country of all faiths, or no faith, to educate his children in a denominational school of his choice?

Dr. Mawhinney: I think that I have essentially answered that question in the affirmative in the first reply that I gave.

Anglo-Irish Agreement

3. **Mr. Archer** asked the Secretary of State for Northern Ireland what discussions he has had with the Foreign Minister of the Republic of Ireland concerning the Anglo-Irish Agreement.

The Secretary of State for Northern Ireland (Mr. Tom King): I met the last Foreign Minister of the Republic of Ireland on many occasions, most recently at a meeting of the Intergovernmental Conference on 8 December. I look forward to meeting his successor.

Mr. Archer: I thank the Secretary of State for that unsurprising answer, but may I ask him whether, when he meets Mr. Lenihan, he will extend good wishes from all parts of the House to him on his difficult but challenging task? Will the Secretary of State also send affectionate valedictions to the retiring Taoiseach? If Mr. Lenihan should inquire of the Secretary of State how the Intergovernmental Conference can best help in improving daily life, in reconciling people and in finding areas of agreement, will he be ready with a list of topics, and what will be in that list?

Mr. King: On the right hon. and learned Gentleman's last point, I refer him to the communiqués which show a continuing programme of work and, obviously, we look forward to continuing it. I certainly join him in the courteous welcome that he gave on behalf of hon. Members to the new Foreign Minister, Mr. Lenihan. We look forward to confirmation about whether he will be the co-chairman of the Anglo-Irish conference. I have already sent valedictory messages of goodwill to the former Taoiseach and to the former Foreign Minister.

Mr. Benyon: Will my right hon. Friend draw the attention of the Foreign Minister to the large number of unemployed families coming to this country from the Republic? This is causing considerable strain on our services. Will my right hon. Friend point out that this shows the mutual interest that both countries have in achieving prosperity in the south of Ireland?

Mr. King: It would not be interference in the affairs of a foreign country to say that we were all aware of the great concern during the election campaign over the issues of unemployment and emigration. Quite clearly, that is an illustration of aspects in which we have a clear interest, because a number of people who have emigrated from the Republic of Ireland are in this country.

Mr. J. Enoch Powell: What odds on the implementation of the European convention against terrorism by the Irish Republic is the Secretary of State now prepared to offer?

Mr. King: I do not think that betting is permitted in this Chamber. I note that the measures to enable the convention to be ratified have passed through both Houses in the Republic of Ireland and will come into effect on 1 December.

Mr. Latham: Will my right hon. Friend confirm that the Anglo-Irish Agreement was negotiated between two sovereign states, and that any question of changing the agreement would also involve the British Government? Certainly, it cannot unilaterally be done by an incoming Irish Government.

Mr. King: The point at issue is that if either party wishes to raise matters in connection with the agreement that is provided for in the agreement in relation to the operation of the conference. I note that Mr. Haughey was reported in an interview published in *The Irish Times* on 7 March as saying that he accepted that the Anglo-Irish Agreement was an accord that had been entered into by an Irish Government and therefore had to be accepted as binding.

Mr. Skinner: In his discussions did the Secretary of State mention that a recent poll in the *Daily Express* said that more than 60 per cent. of the British people want to see the troops out of Northern Ireland? Although not many hon. Members voted against the Anglo-Irish Agreement when it went through the House, if the Secretary of State has kept his eyes and ears open he will have noticed that a growing number of hon. Members are against that agreement because, like all its predecessors, it is bound to fail.

Mr. King: I had not appreciated before how strongly the hon. Gentleman is against the agreement. There must be more to it than I realised, and that gives me some real comfort. In the poll in the *Daily Express*, the question was "over a period", and a considerable number of people would hope to see an improvement in security that would enable the withdrawal of significant numbers of the British Army over a period.

Taoiseach (Talks)

5. **Mr. Silvester** asked the Secretary of State for Northern Ireland what plans he has to meet the new Taoiseach to discuss the Anglo-Irish Agreement.

6. **Mr. Flannery** asked the Secretary of State for Northern Ireland if he has any plans to meet the new Prime Minister of the Republic of Ireland to discuss Anglo-Irish relations.

Mr. Tom King: I know that the House will join me in congratulating Mr. Haughey on his election as Taoiseach. Although I have no plans at present to meet Mr. Haughey, I look forward to doing so before long.

Mr. Silvester: If Her Majesty's Government are to sustain their policy on the Anglo-Irish Agreement, is it not of great importance that we have urgent talks with the Taoiseach to see whether the continuity of the Republic's policy is sustained?

Mr. King: I accept that. The reality which is reflected in the Anglo-Irish Agreement is still valid. All the evidence of the damage that is being done by terrorism in Northern Ireland, in terms of physical outrage and terror and in terms of economic damage to the Republic, make it clearly of mutual interest to both our countries that there is the most vigorous possible attack against terrorism.

Mr. Flannery: Is it not right that when Mr. Haughey was leader of the Opposition in the Republic he had grave

reservations about the Anglo-Irish Agreement and made them obvious in the Dail? Does the Secretary of State remember that in particular he had reservations about what is called the veto of the majority of Northern Ireland? When he sees Mr. Haughey, will he explore this issue?

Mr. King: No. I make it clear that I note the comments that Mr. Haughey made to the political editor of *The Irish Times*, in which he accepted that the Anglo-Irish Agreement was an accord, and therefore had to be accepted as binding because it had been entered into by an Irish Government. I also note that he said:

"We will endeavour to contribute to the restoration of peace and stability in Northern Ireland in any way which may appear possible and feasible."

If that is correctly reported, I welcome that statement. and I hope that we can have an encouraging and productive working relationship.

Viscount Cranborne: How many items typically did the last Irish premier put on the agenda of the conference? Does my right hon. Friend intend to raise this question with the new Prime Minister and does he expect that number to increase?

Mr. King: I do not know whether I fully grasp the point of my hon. Friend's question. The items that we have discussed are in the communiqués and I expect that programme of work to continue.

Mr. Alton: Is it not the case that the one thing that unites extreme opinion on both sides of the Irish sea is opposition to the Anglo-Irish Agreement, and that anything that is done to dilute the commitment of the House or the Dail to the agreement would be playing into the hands of extremist opinion? Is not one of the best things that could happen for progress to be made on the creation of an Anglo-Irish parliamentary tier, which was envisaged in the signing of the original Hillsborough report?

Mr. King: The hon. Member knows that that matter is more for hon. Members and the House than for me. I see the merits in it. There is no question but that the most violent opposition of all to the Anglo-Irish Agreement comes from the IRA.

Mr. Gow: When it becomes clear to my right hon. Friend that the Anglo-Irish Agreement cannot achieve its declared purpose of peace, stability and reconciliation, will my right hon. Friend propose to the Irish Government a renegotiation of that agreement?

Mr. King: I hope that I have made clear to the House my commitment to the agreement and my belief that it offers the best prospect for a way forward in the difficult problems of Northern Ireland. I do not seek a renegotiation of it.

Community Relations Policy

8. **Mr. Stern** asked the Secretary of State for Northern Ireland when his Department last reviewed its community relations policy; and if he will make a statement.

Dr. Mawhinney: I am currently reviewing the community policy for which my Department has a statutory responsibility.

Mr. Stern: Does my hon. Friend accept that many hon. Members on both sides of the House will welcome this review, and will urge him to continue to take a lead on the matter?

Dr. Mawhinney: I am grateful to my hon. Friend for his encouragement. The Government recognise that it is important to do all that lies within their power to promote good community relations. That is the end that I should like to see achieved as a consequence of the review.

Mr. Madden: Does the Minister realise that one of the matters that is disturbing community relations in Northern Ireland concerns the extremely serious allegations being made by the Chinese Chamber of Commerce in Northern Ireland, myself and other persons, against RUC officers, civilian employees of the RUC and solicitors, who are alleged to be involved in an immigration racket? Why has the RUC detective at the centre of these allegations not been suspended while inquiries are made? When will Mr. Chan Hok-Chun, a victim of this immigration racket, be allowed to return to London and rejoin his wife? He is now in detention in Belfast. When will the Minister bust this immigration racket, about which I told him in January and February this year?

Dr. Mawhinney: I am not at all clear what that question has to do with my responsibilities for community relations. If the hon. Gentleman is saying that he has written to me in that capacity, I shall have to ask my Department what has happened to his letter. If, on the other hand, he has not written to me in my community relations role, which is what I understood him to say, then no doubt, if he feels so strongly, he will write to me.

Ulster Defence Regiment (Coleraine Headquarters)

9. **Mr. Duffy** asked the Secretary of State for Northern Ireland if he has completed his investigation into the raid on the local Ulster Defence Regiment headquarters in Coleraine, Co. Derry on 22 February; and if he will make a statement.

Mr. Tom King: RUC investigations into the raid are continuing. Four men have been charged with serious offences; two are part-time members of the Ulster Defence Regiment. I understand that the Ministry of Defence has convened its own internal board of inquiry, which has reported its findings and those are now being studied. A review of security at all UDR bases and establishments is being carried out. In the meantime, the Ministry of Defence has put into effect a number of measures to improve security at the Coleraine UDR base.

Mr. Duffy: Does the Secretary of State recall the concern that has repeatedly been expressed in the House about the role and integrity of the UDR? What reassurance does he envisage offering to hon. Members when a Loyalist gang can still get into UDR barracks, round up the entire arsenal, load it into a UDR vehicle, and get away, but for the RUC?

Mr. King: The answer to that is on the basis of information that was provided by a UDR member. As the House may know, I take an extremely serious view of this incident, which could have had the gravest consequences. I pay tribute to the action of the RUC, which so quickly repossessed a substantial number of weapons and an

amount of ammunition. Obviously, this is a matter of great concern. I do not wish to anticipate the outcome of the inquiry, but that is a matter which the UDR takes very seriously.

ACE Project

10. **Ms. Clare Short** asked the Secretary of State for Northern Ireland what conditions are imposed by the European Community on the use of community funds for ACE projects.

The Minister of State, Northern Ireland Office (Mr. Nicholas Scott): The European Community does not impose any specific conditions on ACE projects in Northern Ireland. The entire Northern Ireland ACE programme qualifies for support from the European social fund on the basis that it meets the eligibility criteria laid down in the social fund guidelines.

Ms. Clare Short: It seems from that answer that the six ACE workers at St. Mathew's, who were so wrongly threatened with dismissal on unspecified security grounds —which led to the closure of the only Irish language nursery in Northern Ireland—have no hope of justice from the EEC. Has the Minister, since the issue was last raised, looked into the threatened closure of that project and can he give us any more welcome news today?

Mr. Scott: The decision was made in compliance with the terms of the answer, with which the hon. Lady will be familiar, by my right hon.Friend the Home Secretary when he was Secretary of State for Northern Ireland. On at least one occasion where a grant had been denied on the basis of that parliamentary answer, it was possible for the organisation concerned so to reorganise its affairs that ultimately it became eligible for grant.

Mr. Archer: Does the Minister of State appreciate that the withdrawal of funding, without assigning any reason which can be challenged or argued, can have a devastating effect on the community and on the employees, and that it can operate unjustly. Does he realise that there is a genuine problem which should be discussed?

Mr. Scott: Certainly, as has been shown in the past, we are willing to discuss these matters, but the terms of my right hon. Friend's parliamentary answer, that it is important that where public funds are concerned there should be minimal risk of those funds ending up in the hands of paramilitary organisations, is a principle with which the House will agree.

Anglo-Irish Agreement

11. **Mr. Winnick** asked the Secretary of State for Northern Ireland what discussions have taken place with the newly elected Government of the Irish Republic regarding the Anglo-Irish Agreement.

Mr. Tom King: There have not yet been any discussions with the new Irish Government, but we look forward to full co-operation with them in operating the Anglo-Irish Agreement.

Mr. Winnick: The Anglo-Irish Agreement was not apparently an issue in the recent Irish elections, but would it not be true to say from surveys and various opinion polls that that agreement has as much broadly based support in the Irish Republic as it certainly has in the United Kingdom? Bearing in mind that the Provisional Sinn Fein received less than 2 per cent. of the vote in the Irish election, where is its mandate, can I ask, as I asked the hon. Member for Belfast, West (Mr. Adams) and his colleagues in Northern Ireland directly in 1983, for the continuing campaign of killings and terrorism by the Provisional IRA? How can that organisation say that it is acting in the traditions of 1798 and 1916 with a mandate from the Irish people?

Mr. King: I rarely agree with what the hon. Gentleman says in the House, but I entirely endorse and applaud what he has just said. Whatever views and judgments one draws from the outcome of the election in the Republic, the one absolutely clear conclusion to be drawn from the humiliating derisory vote for Sinn Fein is that it represents nobody in what it claims to be its attempt to represent some great Irish aspiration. That development was most encouraging and it completely removes any conceivable justification, were there ever to be one, for its intolerable campaign of violence in the north.

Mr. Stanbrook: What specific benefits does my right hon. Friend claim have accrued to Northern Ireland since the conclusion of the Anglo-Irish Agreement?

Mr. King: There certainly have been benefits, as was shown in the by-elections, for a start. Part of the concern of the Anglo-Irish Agreement is not merely that the majority, but the minority, should feel that their traditions and aspirations are respected. Anybody, above all Unionists, who cares about Northern Ireland must be concerned about the attitude of the minority, not just that of the majority. The most significant single factor was, perhaps, in the early stage, the significant switch of voting from Sinn Fein to the constitutional democratic parties.

Mr. Mason: Further to the question posed by my hon. Friend the Member for Walsall, North (Mr. Winnick), I hope that the Secretary of State will discuss with the Taoiseach the fact that people in the north have now become wise to the Provisional Sinn Fein's bomb and bullet campaign? Will he also note that the hon. Member for Belfast, West (Mr. Adams) is scurrying around Britain trying to rally support for his party? The Provisional Sinn Fein got a black eye in the southern Republican elections and I hope that the Secretary of State and the Taoiseach will now raise their profile politically and defeat the Provisional Sinn Fein still further.

Mr. King: I certainly would like to see that happen and I am grateful to the right hon. Gentleman for his support. It is undoubtedly true that, as I said earlier, while the IRA may conduct its violence in the north, the violent damage that it does to the economy of the south is all too clear, and it is the godfather of the appalling unemployment level through the island of Ireland.

Mr. Cormack: Before, quite properly, seeking to establish relations with the new Government, will my right hon. Friend take this opportunity to thank Dr. FitzGerald for what he did during his period of leadership of his party and his country?

Mr. King: I think that the whole House will have noted the universal tributes that have been paid throughout the British press following the announcement, by Dr. FitzGerald, of his retirement from the leadership of Fine Gael. I would certainly like to put on record the admiration and respect of myself, my colleagues serving in

the Northern Ireland Office, and indeed, the House for someone who has been an outstanding representative of this country.

Mr. Bell: In relation to the question put by my hon. Friend the Member for Walsall North, (Mr. Winnick), the response given by the Secretary of State, and given the rather peculiar attitude and outburst of some members of the Government Back Benches, can it be made clear that, at all times in the past and at all times in the future, a Labour Administration and a Labour Opposition condemn, totally and outrightly, the use of the ballot paper in the one hand and the Armalite in the other? This House associates itself absolutely and categorically with the total condemnation of Provisional Sinn Fein and states that the only route for those in Northern Ireland in the majority and minority communities is that of constitutional nationalism. That must be in the interests of all the people of the island of Ireland.

Mr. King: I am very grateful to the hon. Gentleman for the way he has spoken with the authority of the Front Bench on behalf of his right hon. and hon. Friends. I believe that the firmness of the House in the rejection of violence and terrorism are reinforced by events, especially the derisory vote for Sinn Fein. That shows that we are absolutely right in our determination to stand against it.

13. **Sir John Biggs-Davison** asked the Secretary of State for Northern Ireland if he will make a statement about the working of the Anglo-Irish Agreement with specific reference to cross-border co-operation on security.

Mr. Scott: Progress has been made since the signing of the Anglo-Irish Agreement in developing further cross-border security co-operation. There has been increased contact at all levels between the Royal Ulster Constabulary and the Garda Siochana. The programme of work agreed by the two police forces is now being implemented.

Sir John Biggs-Davison: With regard to security matters and assessing the Anglo-Irish Agreement will not the Parliament of the United Kingdom greatly miss the counsel and border experience of the late Lord Brookeborough? Do we not salute and grieve with the family of the right hon. and noble Viscount?

Mr. Scott: I certainly echo those sentiments and pay tribute to the contribution that Lord Brookeborough made on behalf of his community in Northern Ireland, on behalf of Northern Ireland as a whole, and to the way that he enabled the voice of his beliefs to be heard in this Parliament.

Mr. Campbell-Savours: Is not the Anglo-Irish Agreement gravely jeopardised by the unanswered allegations of Wallace and Holroyd? Now that the Taoiseach, Mr. Haughey, has said that he intends to carry out an inquiry into the allegations and, in particular, the alleged attempt to destabilise the Government of the Republic in the 1970s, surely the British Government should respond likewise. Surely Parliament is entitled to know whether Mr. Wallace and Mr. Holroyd are lying or whether they are telling the truth?

Mr. Scott: As my hon. Friend the Parliamentary Under-Secretary of State for the Armed Forces said in a parliamentary answer the other day, there has been no evidence whatsoever advanced in support of the allegations made by Messrs. Holroyd and Wallace.

Mr. John Mark Taylor: Before my hon. Friend leaves the subject of the expression of appreciation to the outgoing Prime Minister, does he not agree with me that that man has stood out among his contemporary rivals as the only real statesman among them?

Mr. Scott: I will not get into that territory, but I certainly echo the compliments that my right hon. Friend paid to Dr. FitzGerald for the role that he has played in Ireland and in the European Community during his time as Taoiseach. Obviously, we look forward to working with whoever is Head of Government in the Irish Republic.

Intergovernmental Conference

14. **Mr. Bell** asked the Secretary of State for Northern Ireland on what recent talks he has had with representatives of the Government of the Republic of Ireland through the Intergovernmental Conference.

Mr. Scott: Our most recent discussions with Irish Government representatives took place at the meeting of the Intergovernmental Conference on 8 December. The statement issued after the meeting sets out the subjects discussed. A copy has been placed in the Library.

Mr. Bell: Now that the new Government are in place in the Republic can we see to it that an early meeting of the Intergovernmental Conference is convened? Can we also see more economic progress and more economic items on the agenda so that the people of Northern Ireland and the people in the island of Ireland as a whole can see some benefit from the economy improving as a result of the Anglo-Irish Agreement?

Mr. Scott: The hon. Gentleman knows that we never announce the dates of meetings of the Intergovernmental Conference in advance. It is too early to say when one might be likely to take place. We want the work of the conference to be sustained. We have had some discussions on economic matters already, and I am sure that we shall continue to do so.

Mr. Wilkinson: In any talks that the Government may have with the new Government of the Republic, will Ministers make it clear that the co-operation of the Republic will be judged by the amount of assistance that is given directly to security forces of Her Majesty's Government in pursuing terrorists, and that we would expect the south to desist from arresting British soldiers who inadvertently stray over the border in the course of their dangerous duties?

Mr. Scott: I am sure that we shall look forward to cross-border co-operation with the new Administration in Dublin. Any Irish Government must understand that the activities of terrorist organisations in Northern Ireland present a threat to democracy throughout the island of Ireland, and they will be as concerned as we are to further develop cross-border co-operation.

Anglo-Irish Agreement

15. **Mr. Michael McNair-Wilson** asked the Secretary of State for Northern Ireland what steps he is taking to promote the Anglo-Irish Agreement in the Province.

Mr. Tom King: Ministers take every opportunity to explain why the agreement is of benefit to everyone in Northern Ireland, and to remove misapprehensions about it.

Mr. McNair-Wilson: I am grateful to my right hon. Friend for his answer, but he may be aware that there is an impression that since the Anglo-Irish Agreement was passed by the House and by another place with overwhelming majorities, the Government have been inclined to sit on their hands and not go out to the people of Northern Ireland to explain the benefits of the agreement. How many public meetings have he and his Ministers addressed in the Province? What sort of advertising campaign has been carried out? Has an attempt been made to send a leaflet to every household in the north explaining the benefits of the agreement?

Mr. King: I am grateful to my hon. Friend for his suggestions. We do not believe that a massive advertising campaign would be helpful, although we have placed certain advertisements to deal with clear misapprehensions. We have sought to discuss the concerns of political leaders and unfortunately, as my hon. Friend will know, they have felt unwilling to discuss them with us.

Mr. Porter: Does my right hon. Friend accept that advertisements must be based on fact, that it is a fact that over the months since the introduction of the agreement the majority of the population of Northern Ireland has seen little in it, and that, therefore, advertising would do little to promote it?

Mr. King: The agreement will not produce benefits that will lead to instant improvement. We are tackling difficulties and problems that have lasted over decades. I am certain that the population of Northern Ireland, especially the majority community, will regard a real improvement in security as a benefit stemming from the agreement, but my hon. Friend knows well that that is not something that we shall achieve overnight.

Mr. Mason: Is it not true that if the Secretary of State wishes successfully to promote the agreement in the Province, it must be understood that the most crucial aspect of it concerns security, including security for the Province as a whole and border security? What examples can the right hon. Gentleman give to the House or the Taoiseach, when he next meets him, that the agreement has worked in that regard? Can he prove to us that cross-border security has been improved?

Mr. King: Foundations have been laid, undoubtedly, for much closer co-operation. I think that the right hon. Gentleman will be aware of the joint threat assessment, for the first time ever, agreed between the Royal Ulster Constabulary and the Garda Siochana, the agreement on the need for close co-operation and the meetings that are taking place between senior police officers and police officers at all levels. There have been a number of individual successes. I accept entirely, however, that there have been outrages committed across the border, and it is our continuing ambition to improve our record in that respect.

Mr. Peter Bruinvels: Does my right hon. Friend agree that there has been an increase in the campaign of terror, especially by the IRA, and that in 1986, 61 people lost their lives and 1,450 were injured, including 622 policemen? Does he agree that it is most important to bring in more regular border patrols? If there is to be any cross-border incursions, does he agree that there should be give and take on both sides.

Mr. King: I certainly agree with the last point that my hon. Friend raised. On the matter of violence, it is not all IRA violence to which he referred.

Local Councils (Boycott)

16. **Mr. Meadowcroft** asked the Secretary of State for Northern Ireland if he will make a statement on the current situation regarding the boycott of local councils by certain members.

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Richard Needham): I deprecate the actions of some district councillors in Northern Ireland who have failed to discharge their responsibilities to their ratepayers. I very much hope that they will return to the council chamber to represent their constituents. In the meantime, the Government will continue to take such action as is necessary to ensure that essential services and jobs are not put at risk.

Mr. Meadowcroft: I accept and sympathise with the genuine dilemma faced by many Unionist councillors as between their deep loyalty to local government and their commitment to their party. I note that some of them have returned to their duties. Does the Secretary of State accept that it is an interesting point that the apparent solidarity of Unionist representation here does not reflect the differences between different parts of the Unionist cause in the north of Ireland?

Mr. Needham: I hope that the hon. Gentleman will agree with me that, whatever the depth of feeling that Unionist councillors may have, there is no excuse for not looking after their constituents, not attending councils and not abiding by the law of the land.

Mr. Cash: Does my hon. Friend agree that if Unionists are as divided as they clearly are in the Province of Northern Ireland, it does not help those of us who would like to see some degree of devolution in local government as well as in the more general political sense in Northern Ireland?

Mr. Needham: I agree with my hon. Friend. The sooner that Unionist councillors go back to their councils—many of them have done so—the better it will be for everybody.

Foreign Minister of the Republic

18. **Mr. Dubs** asked the Secretary of State for Northern Ireland when he last met the Foreign Minister of the Republic of Ireland.

Mr. Scott: I refer the hon. Gentleman to the reply that my right hon. Friend gave to a question by the right hon. and learned Member for Warley, West (Mr. Archer) earlier today.

Mr. Dubs: In discussions with the Irish Government about the Anglo-Irish Agreement, will the Minister make it clear that, although improved security must be an important objective, the nationalist population of the six counties would be let down badly if it were to be seen by them as the only objective? Is he aware that they will quite rightly wish to see further progress in other areas?

Mr. Scott: I agree with the point made by the hon. Gentleman. Indeed, reassurance of the nationalist community can be a help to the activities of the security forces in Northern Ireland.

Mr. Holt: As part of the Anglo-Irish Agreement includes a £50 million donation to this country from America, will my hon. Friend say whether we have yet received the £50 million, and, if so, how has it been spent?

Mr. Scott: Legislation has been passed to establish the international fund for Ireland, representing both parts of Ireland. The board has already had a number of meetings to consider how the money might most sensibly be disbursed.

Ms. Clare Short: When the Minister meets the Foreign Secretary, might it help to persuade him that the Anglo-Irish Agreement has been of some value if he points out that what it has really achieved is to expose the people of Britain to the unreasonableness and intransigence of unionism in Northern Ireland? Will he also point out that, according to the *Daily Express* poll, a majority of people in Britain want to withdraw from Northern Ireland and that more people in Britain think that the hon. Member for Antrim, North (Rev. Ian Paisley) is an evil presence than there are people who think that the hon. Member for Belfast, West (Mr. Adams) is an evil presence?

Mr. Scott: We so operate the Anglo-Irish Agreement with the Administration in Dublin that the benefits become manifest to all the people in Northern Ireland.

Security

19. **Mr. Spencer** asked the Secretary of State for Northern Ireland if he will make a statement on the latest security position in Northern Ireland.

Mr. Tom King: Since I last reported to the House on 15 January, six people—a major in the Ulster Defence Regiment, a Royal Ulster Constabulary reserve constable and four civilians—have died as a result of the security situation. Three of the civilian deaths are believed to have been as a result of the Irish National Liberation Army feud. The efforts of the security forces are continuing to yield results. Since the beginning of the year, a total of 72 people have beeen charged with serious offences, 47 weapons, 810 rounds of ammunition and 1,617lbs of explosives have been recovered in Northern Ireland. In addition to those finds in Northern Ireland, there was a significant find of arms, ammunition and explosives by the Garda Siochana in the border region on 27 January.

Mr. Spencer: Does my right hon. Friend agree that even minor acts of violence by prominent elected figures undermine the position of the security forces and needlessly make their task more difficult?

Mr. King: Certainly I deplore any public protest activities that distract the security forces from their overwhelming and clear responsibility, for which they should have the support of the whole population, and that is the fight against terrorism.

20. **Sir John Farr** asked the Secretary of State for Northern Ireland if he will make a statement on the current security situation in Northern Ireland.

Mr. Tom King: I refer my hon. Friend to the answer I have just given to a question by the hon. and learned Member for Leicester, South (Mr. Spencer).

Sir John Farr: What evidence does my hon. Friend have of any new sources of supply of terrorist arms from overseas to Northern Ireland, and in particular what importance does he attach to the threat by colonel Gaddafi to supply the IRA?

Mr. King: The House will be aware of earlier attempts some years ago to obtain arms from Libya. We are under no illusions about terrorist attempts to secure arms from a number of sources. We are grateful that the assistance of the intelligence and security services of a number of other countries has successfully prevented the supply of such weapons.

PRIME MINISTER

Engagements

Q1. **Mr. McLoughlin** asked the Prime Minister if she will list her official engagements for Thursday 12 March.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall be having further meetings later today, including one with the Prime Minister of Thailand.

Mr. McLoughlin: During her busy day will my right hon. Friend find time to consider the action that is being taken by some teaching unions? Does she not find it strange that they took action to get a pay rise, that they have now been awarded a pay rise, and that they are taking action again? Is it not true that the only people who will suffer as a result are the teaching professions and those in state education?

The Prime Minister: My hon. Friend makes his own point very effectively. The disruption in our schools is now totally unjustified, and I think it is absolutely appalling that some teachers pursue their own interests by damaging the education of the children in their care.

Mr. Kinnock: As information about an illegal concert party operating in the shares of Westland plc has been available to the Government for some months, what action have the Government taken to establish who precisely was involved with the nominee companies and what measures can be taken against such persons?

The Prime Minister: My right hon. Friend the Secretary of State for Trade and Industry made it quite clear some time ago that he was not taking any further action on this matter. I believe that that was announced some time in August.

Mr. Kinnock: Does that answer come from the Secretary of State and the Prime Minister because they are certain that no one who is involved in this operation falls within United Kingdom jurisdiction? If they are certain, can they tell us how they know that?

The Prime Minister: I am not quite certain whether the right hon. Gentleman is referring to something that has come to light in recent times. That, of course, will be considered in the appropriate way.

Mr. Kinnock: I was trying to clarify the basis upon which the Secretary of State for Trade and Industry and now the Prime Minister have taken their view. That is especially necessary, is it not, because 12 months ago the Prime Minister said that decisions about Westland plc should be in the hands of the shareholders. When, so

obviously, a concert party was operating that had a major effect on the outcome, does the Prime Minister not think that she ought to pursue the matter further?

The Prime Minister: I understand that on 28 August 1986, following receipt of advice from the Attorney-General, the Secretary of State decided, finally, not to appoint inspectors. Westland, the solicitors of Societe Nationale Industrielle Aerospatiale, the Takeover Panel and the Stock Exchange were all informed on 10 September. There has been no reaction from any of these parties.

Sir Peter Emery: Will my right hon. Friend, during the day, give instructions to those who may be accompanying her to Moscow to the effect that, for the defence of Europe, it is imperative that any agreement on disarmament should cover not only intermediate-range nuclear weapons but the shorter-range weapons, which may be no danger to the United States but are a major danger to European defence?

The Prime Minister: I am grateful to my hon. Friend. This is a highly complicated matter, as he knows. As I have made clear in the House on several occasions, we cannot look at any single aspect of arms control in isolation. An INF agreement must provide for restraints on those shorter-range systems which could be used to circumvent an INF agreement. These are the longer-range SRINF; in practice it means the Soviet SS12, SS22 and SS23. I believe that the draft treaty tabled by the United States will do that effectively. At the same time, there must be provision for follow-on negotiations to deal further with those systems and to rectify the imbalance in shorter-range systems, comprising shorter range INF and SNF with a range of less than 500 kilometres. We also need to tackle the conventional imbalance: as nuclear weapons are reduced, measures to deal with disparities in conventional forces become even more important. *[Interruption.]* Yes, it is a very important question. Because of its complexity I thought it right to get the position absolutely clear.

Mr. Steel: In view of the judgment in the House of Lords this afternoon disqualifying 47 councillors in Liverpool, will the Prime Minister recognise that the financial damage that they have left behind will require united action in the city and co-operation from the Government to rectify it? Will she, therefore, agree to meet next week a broadly based deputation of the political, church and industrial leaders from the city?

The Prime Minister: No, Mr. Speaker. Liverpool council was democratically elected. The decision which has been taken today has been reached properly in accordance with the law. There will be local elections and by-elections, I expect, on 7 May, when the council will be reconstituted. Those democratically elected must learn to take responsibility for their actions.

Mr. Shersby: Will my right hon. Friend take time during her busy day to consider the very serious concern expressed by many sections of the community about the possession of chemical weapons by the Soviet Union? Will she discuss the matter with Mr. Gorbachev during her forthcoming visit?

The Prime Minister: We have been gravely concerned about chemical weapons and we have been active in trying to secure disarmament in these weapons, as we gave them up a considerable time ago. I expect that that matter will come up during the deliberations.

Q2. **Mr. Campbell-Savours** asked the Prime Minister if she will list her official engagements for Thursday 12 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Campbell-Savours: Is the Prime Minister aware of the outrage felt throughout the northern region over the switch by the BBC of the transmission of programmes for Cumbria from Newcastle to Manchester? Is the Prime Minister aware—*[Interruption.]* Is is a very important distinction. Is the Prime Minister aware that despite a poll of 6,042 people carried out by Cumbrian Newspapers in which 96·8 per cent. of the respondents opposed the switch, and a poll that I carried out in the Grasslot miners' welfare in Maryport, where only two of 260 people I consulted agreed with the switch——

Mr. Speaker: Order. This does not relate to the Prime Minister's responsibility.

Mr. Campbell-Savours: The BBC insists——

Mr. Speaker: Order. Come to the question. Opinion polls are not a matter for the Prime Minister.

Mr. Campbell-Savours: The BBC insists on this decision—*[Interruption.]*

Mr. Speaker: Order. The hon. Gentleman must relate his question to the Prime Minister's responsibility. I think the hon. Gentleman has asked his question. Opinion polls are not a matter for the Prime Minister.

Mr. Campbell-Savours: Does the Prime Minister believe that the BBC should respond to what the people want and not take arbitrary decisions on its own behalf, without consulting the people?

The Prime Minister: I am aware of the hon. Gentleman's concern because he has written to me extensively about this matter. I believe my right hon. Friend the Home Secretary has explained to him that the reorganisation of television services by the BBC is wholly a matter for the BBC and the Government have no power to intervene in the regional organisation of BBC services. I am sure the hon. Gentleman will have put his own protests through to the relevant Committee, but by drawing attention to this matter in the House he has demonstrated his concern to the BBC.

Q3. **Mrs. Virginia Bottomley** asked the Prime Minister if she will list her official engagements for Thursday 12 March.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mrs. Bottomley: Will the Prime Minister urgently send President Reagan a copy of Monday's *Hansard* to remind him, prior to his meeting with the Leader of the Opposition, that successive Governments of all parties, and all sensible people, support effective defence policies?

The Prime Minister: I entirely agree with my hon. Friend that the defence policies of the Opposition would gravely endanger, the NATO Alliance, which is the cornerstone of our security. We cannot claim to be a loyal

member of that Alliance while disassociating ourselves from its strategy, based on nuclear deterrence. My hon. Friend is quite correct.

Mr. Heffer: Is the right hon. Lady aware that the so-called irresponsible council of Liverpool in the last three years has built 4,600 houses, put 11,600 people into work in the construction industry, built sports centres and nursing schools, kept down the rents of people living in council houses, and at the same time has kept down rates to 5 per cent.? If that is irresponsible, what about the actions of the Secretary of State for the Environment, who has broken the law five times and has had to come to this House in order to get legislation to put it right? It is a scandal.

The Prime Minister: Liverpool city council is responsible for running its financial affairs prudently. Three separate courts—the High Court, the Court of Appeal and the House of Lords—have now confirmed the district auditors' view that Liverpool councillors incurred losses for the city council by deliberately delaying the setting of a rate for 1985-86. The courts found that they acted wilfully or at best with disregard for the legality of their actions.

Q4. **Mr. Watts** asked the Prime Minister if she will list her official engagements for Thursday 12 March.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Watts: Will my right hon. Friend find time to consider the relative merits of public expenditure and tax cuts? In doing so will she reject the advice of those, like the Leader of the Opposition, who have substantial incomes, and consider instead the needs of families on average incomes who need large tax cuts to meet excessive rate increases imposed by local authorities?

The Prime Minister: I agree with my hon. Friend. As he knows, our aim has been, and will continue to be, to reduce the burden of income tax when it is prudent to do so, particularly to help those on modest incomes. He knows some of the examples which I have frequently used which demonstrate the point. A nurse on earnings of £155 a week pays £43 of that gross pay in income tax and national insurance contributions. A primary school teacher pays, out of a weekly salary of £205, some £61 in tax and national insurance contributions. Both of those figures make the case for reductions in income tax.

Mr. Dormand: In the little time left to the right hon. Lady before her defeat in the next general election, what does she intend to do to repair the damage to personal freedoms, to reverse the trend towards centralisation of power and to restore some regard for truth in public affairs?

The Prime Minister: On the first part of the hon. Gentleman's question, I would not deny him the pleasure of whistling in the dark. On the second part, I point out the steps that the Government have taken to enlarge freedom by the number of controls that we have cut and by taking away from trade union bosses practically the government of this country as well as the power to dictate to their members.

Business of the House

3.31 pm

Mr. Neil Kinnock (Islwyn): May I ask the Leader of the House to state the business for next week?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): Yes, Sir. The business for next week will be as follows:

MONDAY 16 MARCH — Second Reading of the Immigration (Carriers' Liability) Bill.

At Ten o'clock the Question will be put on all outstanding Supplementary Estimates and Votes.

TUESDAY 17 MARCH — My right hon. Friend the Chancellor of the Exchequer will open his Budget Statement. EC documents relevant to the Budget debate will be shown in the *Official Report*.

WEDNESDAY 18 MARCH AND THURSDAY 19 MARCH—Continuation of the Budget debate.

FRIDAY 20 MARCH—Private Members' motions.

MONDAY 23 MARCH—Conclusion of the debate on the Budget Statement.

[Tuesday 17 March

Relevant European documents

(a) 10155/86—Annual Economic Report: 1986-87

(b) Unnumbered—Annual Economic Report: 1986-87: Final version as Adopted

Relevant Reports of European Legislation Committee

(a) HC 22-ii (1986-87), para 6

(b) HC 22-x (1986-87), para 1]

Mr. Kinnock: Has the Leader of the House seen the report from the National Children's Home today entitled "Children in Danger"? In view of the obvious and serious need for help with housing, income support and improved health and welfare services for so many children in Britain, does the right hon. Gentleman agree that the House should debate these matters as soon as possible, and will he undertake to make appropriate time available for such a debate?

Following the haste in pushing through the Local Government Bill, the Secretary of State for the Environment's latest folly, when will the House have the opportunity to debate the rate support grant settlement?

Will the right hon. Gentleman make time for an urgent debate on the funding of scientific research and the accelerating brain drain whereby some of our best scientists in essential areas of research are taking up careers in countries where their justifiable needs for facilities and support are properly recognised?

Finally, there is to be a statement today about Sizewell B. Does the Leader of the House recall that on 12 February he agreed that there would be a debate on the subject as soon as possible after such a statement? Will that debate take place before the Easter recess?

Mr. Biffen: On the first point, I have not seen the report "Children in Danger", but I heard a radio programme about it this morning in which it was suggested that the subject could be considered in the context of income tax levels. I shall certainly bear in mind the right hon. Gentleman's point and consider what possibilities there may be for a debate, although undoubtedly many of the suggestions will fall within the debate that will be available following the Budget.

On the matter of a debate upon the rate support grant settlement, I hope that that can take place in the fairly near future and, doubtless, it will be a matter for consultation. Perhaps we could consider through the usual channels a debate upon the funding of research, although I must concede that there is not much Government time immediately available.

I take note of what the right hon. Gentleman said about consideration of any decision on Sizewell B, and I am happy to repeat the assurance I gave earlier. Perhaps the precise timing could be a matter for discussion through the usual channels.

Mr. Robert Adley (Christchurch): Is my right hon. Friend aware that in Dorset there is continuing concern about over-development and some confusion about the relationship between the Government's proposed new planning circular and existing planning circulars? In view of the great public interest and concern about that, will my right hon. Friend please ensure that the House has a chance to debate the planning circular at about the time of the closing date for the receipt of applications by the Secretary of State?

Mr. Biffen: I take note of what my hon. Friend said. I have indicated to the House that I think that it would be appropriate that there should be a debate on countryside policy, and, within that broad ambit, I shall consider sympathetically my hon. Friend's point.

Mr. David Alton (Liverpool, Mossley Hill): Is the Leader of the House aware that there will be widespread consternation and dismay among the 500,000 people who live in the city of Liverpool at the Prime Minister's announcement to the House this afternoon that she is not prepared to meet a delegation of Church leaders, business men and politicians from the city to discuss the city's grave problems? Is he further aware that there is currently some £800 million of corporate debt in the city but that contracts worth over £24 million have been entered into in the past 48 hours? The city will regard the right hon. Lady's decision as leaving its citizens to stew in their juice.

Surely the Leader of the House recognises that the situation is grave and serious and that there should be a debate next week. Will he provide time for it?

Mr. Biffen: The hon. Gentleman is making a number of assertions that he knows perfectly well I am not prepared to take up in the context of next week's business, because it is my task to say what arrangements can or cannot be made for our immediate and future debates. However, I congratulate the hon. Gentleman on having Liverpool as a topic for an Adjournment debate next Wednesday and perhaps we shall see how things go then.

Mr. John Browne (Winchester): Will my right hon. Friend accept that there is growing anxiety at the increasing rate of discharge from hospitals of people suffering from schizophrenia to local authorities which do not have adequate accommodation for their care? Will he accept that in Southampton that is done well and in places such as Winchester it has been planned well but that concern is at such a level that the Government should be diverting more resources to that area, particularly to the National Schizophrenia Fellowship? Will he also accept that it is a subject worthy of debate?

Mr. Biffen: I understand my hon. Friend's point, and I underline the significance of it. However, he will realise that during the coming week, when we shall have a debate upon the Budget, the whole area of public spending is

available for consideration. I hope that he will have an opportunity then to raise the point that he is seeking to make briefly now.

Mr. Alfred Morris (Manchester, Wythenshawe): Perhaps the Leader of the House will recall my plea last Tuesday, after the Minister's statement on the future of the artificial limb and appliance service, for a debate in Government time on that important matter at the earliest possible opportunity. Although I appreciate that the debate cannot take place next week, will the right hon. Gentleman look sympathetically at that request?

Mr. Biffen: Sympathy comes more easily from the Leader of the House than action. However, I shall look at the point that the right hon. Gentleman has raised.

Mr. Michael Latham (Rutland and Melton): On the matter of the answer my right hon. Friend gave to my hon. Friend the Member for Christchurch (Mr. Adley) on countryside policy, will my right hon. Friend ensure that this subject is given priority in the week after next? Is he aware that, following publication of the Government papers, it is essential that we have such a debate to discuss not only the countryside, but the role of agriculture within it?

Mr. Biffen: I totally accept my hon. Friend's point about the relationship between agriculture and a policy for the countryside. I cannot be precise about the timing of a debate, but I take note of what he has said and have sympathy with him.

Mr. Andrew Faulds (Warley, East): The right hon. Gentleman must bear some responsibility for the conduct of his colleagues. Can he take some action to try to prevent the honourable oicks and yobbos behind him who now chiack every leading Labour party speaker from the Front Bench? Is he not aware that that is not good enough for parliamentary conduct, and should he not remember that, if it comes to it, some of us have more powerful organs than the rest of them put together?

Mr. Biffen: Of course I take account of all of that. I have to tell the hon. Gentleman that I have never set myself out to be a Stalinist in my execution of duties as Leader of the House. However, I will exhort my hon. Friends to go to the Tea Room to see whether they can pick up good manners.

Mr. Eric Forth (Mid-Worcestershire): My right hon. Friend will be aware that there has recently been much talk of self-discipline and self-restraint. Will he consider having a day's debate next week on self-discipline and self-restraint? Will he suggest that the debate might be led off by the "Tandoori Tiger", the Leader of the Opposition, and might well be summed up by the "Tea Room Teaser", the hon. Member for Kingston upon Hull, East (Mr. Prescott), so that Conservative Members may learn the secrets of self-discipline and self-restraint so admirably shown by Opposition Members?

Mr. Biffen: I am sure that self-discipline is helpful to us all and necessary for a modest hon. Member. I also believe that the history of Parliament is one of controlled incontinence.

Mr. Robert Maclennan (Caithness and Sutherland): Is it the Government's intention to avoid holding the debate that is normally held on the proposals by the European Commission with regard to agricultural price fixing prior to the important meetings in which the Minister is engaged?

Mr. Biffen: Those are very important subjects, and I will certainly bear the hon. Gentleman's point in mind.

Mr. John Stokes (Halesowen and Stourbridge): Is my right hon. Friend aware that there is considerable concern about the working of the legal aid scheme, which is supposed to help very poor people——

Mr. Patrick Nicholls (Teignbridge): And lawyers.

Mr. Speaker: Order. I have often reflected that we need different microphones in the Chamber.

Mr. Stokes: —in view of the fact that a defendant recently received legal aid who owned a hotel worth £100,000 and a motor car worth £28,000?

Mr. Biffen: I cannot comment on the specific point mentioned by my hon. Friend. However, I suggest that, as my right hon. and learned Friend the Attorney-General will be answering questions on Monday, he might like to put his points then.

Mr. Jack Ashley (Stoke-on-Trent, South): Is the Leader of the House aware that there are thousands of young people with a limited life expectancy because they have serious and severe muscular dystrophy and, as a consequence, are prisoners in their own homes or are confined behind garden gates like dogs or toddlers because the Government will not provide them with outdoor powered wheelchairs despite parliamentary questions, deputations to Ministers and early-day motions? May we have a debate on that subject, if not next week, as soon as possible afterwards?

Mr. Biffen: I am sure that the right hon. Gentleman, who is a fair controversialist, will recognise that it was not so very long ago that we had a debate on the disabled. However, I will certainly bear his comments in mind.

Mr. Nicholas Budgen (Wolverhampton, South-West): Will my right hon. Friend find time to debate the relationship between local authorities that are controlled by the Labour party and the police, particularly in view of the disgraceful behaviour of the acting leader of the Labour party in Wolverhampton who cast doubt upon the impartiality of the Police Complaints Authority and where two Labour councillors last Saturday joined a march organised to abuse and revile the police?

Mr. Biffen: My hon. Friend raises an immensely serious point, and I am sure that it is not confined to Wolverhampton. I see no early prospect of such a debate in Government time. However, I wish him well in seeking the opportunity for a debate in other ways.

Mr. Robert Parry (Liverpool, Riverside): Is the Leader of the House aware that this afternoon a number of Liverpool city councillors were denied admittance to the Palace of Westminster? They intended to attend the other place to hear the decision on the appeal against their banning from public office. They had also made appointments with hon. Members. Will the right hon. Gentleman have words with the Serjeant at Arms to look into this matter? I am certain that if these people had been brokers from the City lobbying on behalf of big business they would have had no trouble getting into the Palace of Westminster.

Mr. Biffen: Of course, I shall look into the circumstances attending the matter raised by the hon. Gentleman. He will appreciate that, in so doing, I do not in any sense imply that there has been any fault by the authorities of the House.

Mr. Michael Marshall (Arundel): Does my right hon. Friend accept that there will be a widespread welcome for the response by my right hon. Friend the Prime Minister to a parliamentary question last Friday which showed that the entire Government were behind the efforts of Cable and Wireless to obtain a share of the Japanese telecommunications market? Does he agree that we should have time for a debate, given the massive Japanese investment in this country, the balance of payments, which is substantially in Japan's favour, and the unwillingness of many Japanese interests to allow British investment in their country?

Mr. Biffen: Of course I recognise the importance of that issue, but I do not believe that there is an early prospect of Government time to debate the topic. I am certain that my hon. Friend will, in his own way, use the opportunities that the procedures of the House provide.

Mr. Greville Janner (Leicester, West): When may we have a debate on the right of men to retire voluntarily at 60? Is it not ludicrous that, at a time of continuing high unemployment, men are forced to stay on at work when they are desperate to retire while younger people are kept out of the jobs that those people want to leave?

Mr. Biffen: I think that the hon. and learned Gentleman is implying that there should be a debate on pension levels. That has wide financial implications. As next week is devoted to the Budget debate, the hon. and learned Gentleman will be able to make his speech then.

Sir Kenneth Lewis (Stamford and Spalding): I hesitate to put this question after what the hon. and learned Member for Leicester, West (Mr. Janner) has said, but at least I am retiring at the next election. My right hon. Friend knows perfectly well that we like to facilitate Government business and are enthusiastic about doing so. Will he tell the House when we are likely to return after the Easter recess so that we may facilitate our personal arrangements, both outside and within the House? We should like to know whether we can meet people here on Tuesday or Wednesday. It is important that we know the day.

Mr. Biffen: I shall ensure that my hon. Friend and the House generally know the day as quickly as possible.

Mr. Eddie Loyden (Liverpool, Garston): If the Leader of the House and the Conservative party are really concerned about local democracy, we should have a debate on it, in view of the cock-ups by the Secretary of State for the Environment and the fact that today elected councillors were disqualified by the Lords. It is time for the House to have a debate on local government democracy, taking into account the impositions placed on local authorities by the Secretary of State and by the courts which have rejected those representatives. No doubt the hon. Member for Liverpool, Mossley Hill (Mr. Alton) is gratified by the fact that the Government have passed control of Liverpool council into the hands of the Liberal party without the electorate being involved.

Mr. Biffen: I am sure that the hon. Gentleman is not, even by inference, challenging the validity of the judgment of their Lordships. There is to be a debate next week on Liverpool. Perhaps the hon. Gentleman will try to use that opportunity to make his remarks.

Mr. Peter Bruinvels (Leicester, East): In view of Mr. Justice Latey's judgment in a recent surrogacy case, will my right hon. Friend consider having a debate on the Surrogacy Arrangements Act 1985, which supposedly was designed to outlaw commercial surrogacy? Is my right hon. Friend aware that many people are deeply offended that Miss Lorrien Finley and others, who arrange for womb leasing to take place, are allowed to get away with it? May we at least have a statement about measures to protect the unborn child?

Mr. Biffen: If my hon. Friend implies that the case to which he refers involved commercial surrogacy, I note what he said; but that would be a highly controversial interpretation of that case. I must be realistic about this; there is no prospect of Government time being available for such a debate, although I realise that it is well within the competence of any hon. Member, by private enterprise, to raise it in the House.

Mr. Stuart Holland (Vauxhall): Will the Leader of the House recommend to the Prime Minister that she makes a statement on the number of meetings that she has had with Major Walker of KMS concerning United Kingdom Government sales of arms to the Contra terrorists in Nicaragua? Will he also make plain to the Prime Minister that it is already evident outside the House that Major Walker is the Colonel North of this Government's Irangate, and that it is time the Government came clean on the matter?

Mr. Biffen: There are tasks for me other than to be a mere intermediary between the hon. Gentleman and the Prime Minister. I suggest that he makes direct representations.

Mr. John Wilkinson (Ruislip-Northwood): In his consideration of how business in the House is conducted, will my right hon. Friend look carefully at the possibility of re-establishing in the House the Committee on Science and Technology? It is quite wrong that we should be dependent on the deliberations, however expert, of the other place on important matters like civil research and development. There is need for a body of this kind.

Mr. Biffen: My hon. Friend makes an interesting suggestion, but it runs to the very heart of the departmental Select Committee structure which was established for the assistance of the House in its work. I shall bear in mind what he says, but I suspect that a debate on the matter belongs to the next Parliament rather than to this one.

Mr. Harry Cohen (Leyton): Will the Leader of the House reconsider his answer about the need for a statement or a debate on arms being supplied to the Contras in Nicaragua? Is he not aware that the United States Government have run into trouble because of illegal supplies to the Contras? It has been reported that decisions have been made by the British Government to help the Contras in this way. If any assistance is being given by the Government in that way, will the right hon. Gentleman ensure that it is made known to the House?

Mr. Biffen: The hon. Gentleman will have ample and early opportunity next Wednesday when my right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs will be answering questions.

Mr. Conal Gregory (York): In view of the Zeebrugge tragedy, will my right hon. Friend consider initiating a debate at the earliest opportunity? There is public disquiet in Yorkshire and in many other parts of the country about the public liability aspects of transport, and the Government have been pressing for an uprating of the Athens convention which limits liability to under £38,000 for death or serious injury. Even worse, in the event of death or serious injury on an aeroplane the Warsaw convention limits liability to under £14,000. Is it not right that in the very near future the House should have an opportunity to debate this?

Mr. Biffen: I thank my hon. Friend for raising that topic. It would have been rather extraordinary if this afternoon had passed without some reference to it. He will know that an inquiry has already been commissioned, but I note what he says about the possibilities of a debate. While I do not wish to hold out any immediate hope, I take account of what he says.

Mr. Clement Freud (Cambridgeshire, North-East): Bearing in mind that the new Member of Parliament for Truro will take his seat on Tuesday, will the Leader of the House assure us that there will be a full quota of ministerial statements to delay the new Member in taking his seat? Could one of those ministerial statements be on the subject of a private notice question that is to be tabled tomorrow on the dangers of passive smoking?

Mr. Biffen: In all charity I must tell the hon. Gentleman that the conclusion of his question was a mild anti-climax after all the expectation that was aroused by his earlier comment. Of course, all things are taken into account through the usual channels.

Mr. Michael Fallon (Darlington): It is the intention of the BBC to screen a series of programmes starting this weekend on the world of UB40 based on a very partial, shoddy report prepared by a pseudo-academic unit of Newcastle university. Will my right hon. Friend arrange a debate on the BBC and its obligations under the charter?

Mr. Biffen: It must be heroic optimism that prompts that question, because, even if I were disposed to have the matter debated, I could not do it in time to place the debate alongside when the programmes are to be shown.

Mr. Jeremy Corbyn (Islington, North): Will the Leader of the House make arrangements for an early debate on the Government's foreign policy, particularly towards central America, so that hon. Members can raise the serious matter of the supply of arms illegally from this country to a group of terrorists trying to kill people in Nicaragua? Will he also say whether the Government are prepared to undertake an investigation into the work of a mercenary recruiting organisation here that appears to have the tacit approval of Her Majesty's Government in their attempts to destroy the democratically elected Government of the people of Nicaragua?

Mr. Biffen: I have received a number of requests that there should be a general foreign affairs debate, and I hope that that can be undertaken reasonably soon. Meanwhile, however, all the hon. Gentleman's deep feelings will have to be sublimated into Question Time on Wednesday.

Mr. Ivor Stanbrook (Orpington): Has my right hon. Friend seen early-day motion 634, with a supporting amendment?

[That this House believes that overseas Civil Service pensioners should be allowed to count war service towards their pension entitlement in the same way as every other branch of the public service; and calls upon Her Majesty's Government to do justice towards a small number of mostly elderly people whose working lives were spent abroad in the service of the Crown.]

It has been signed by 108 Members. It refers to the fact that all the public services of this country are entitled to count war service in the computation of their pensions, except where that public service was overseas. Is it not a disgrace that this injustice should have been perpetuated for so long? Will my right hon. Friend arrange a debate on the matter so that that injustice can be removed as soon as possible?

Mr. Biffen: I must confess that I do not see the likelihood of an early debate in Government time on this topic, but it touches intimately on the financing of public sector pensions. Therefore, it would be appropriate for my hon. Friend to make a speech in the debate on the Budget.

Mr. Dennis Skinner (Bolsover): Has the Leader of the House made any progress in trying to tempt the Attorney-General to come to the House to make a statement on the subject of equality before the law, especially with reference to the fact that the Lord Chancellor said in the other place last week that the case involving all those connected with the swindle at Unimar and the Lloyd's insurance market, in which 1,000 people were cheated out of their money, should not be pursued because it would be a waste of time, too expensive and too exhaustive of the legal procedures?

Is not the fact that the £30 million involved in that case has now gone down the drain in stark contrast to the way in which today the Law Lords have made a decision about 47 councillors in Liverpool and Lambeth, who have been surcharged to the tune of less than £250,000? Is there not something wrong with the system of law in Britain and freedom under it when these people in the City, these crooks, these swindlers, these friends of the Tory party ——*[Interruption.]* Yes, and they have given money to the Tory party. There is something wrong in Britain when these people can get away with it, but councillors who are building homes and doing their best to provide services for the people in their communities can be kicked out of office by people who represent the establishment that has allowed these crooks to get away.

Mr. Biffen: It is to be deprecated when hon. Members attack a decision made by the Law Lords merely because it happens to be politically inconvenient. The hon. Gentleman has elaborated his case. It so happens that, on Monday, my right hon. and learned Friend the Attorney-General will be answering questions.

Mr. Skinner: I know.

Mr. Biffen: If the hon. Gentleman knows, I wonder why he asked me the question. He will have the chance to address his questions to the quarter to which they should be directed.

Mr. Harry Greenway (Ealing, North): I draw my right hon. Friend's attention to the most important Secondary Heads Association report on the serious decline in

[Mr. Harry Greenway]

competitive games and physical education in schools. May we have an early debate on this matter, which is important from the point of view of both the nation and our children?

Mr. Biffen: There is widespread recognition that games and team spirit imply qualities needed in this House and outside.

Mr. David Clelland (Tyne Bridge): In view of the Prime Minister's comment that those who are democratically elected must learn to take responsibility for their actions, will the Leader of the House draw the attention of the right hon. Lady to page 9 of today's copy of the Newcastle *Journal*, which carries a photograph of hundreds of my constituents queuing for free EEC food, some of whom described butter as a luxury? Is that not a damning indictment of the Tory party's policies? Will he ask the right hon. Lady to come to the Dispatch Box, or, better still, the ballot box, to take responsibility for her actions?

Mr. Biffen: I do not for one moment accept the highly coloured views that the hon. Gentleman has expressed, but I shall convey his remarks to my right hon. Friend the Prime Minister. I shall do that more willingly as they are connected with the Newcastle *Journal*.

Mr. Michael Shersby (Uxbridge): Will my right hon. Friend say when he expects to make time available to debate the reports of the Public Accounts Committee, one of which is on the operation of the legal aid scheme?

Mr. Biffen: There are well-established conventions regarding reports of the Public Accounts Committee and the debating of them. I shall try to follow those as faithfully as I can, and in so doing I hope to satisfy my hon. Friend.

Mr. Max Madden (Bradford, West): Is the Leader of the House concerned about the allegations that DHSS liable relative officers are asking most intimate questions of 16-year-old pregnant girls? Is he aware that the questions are alleged to include, "When did you first have sex? When was your baby conceived? What is your precise relationship with the father of your baby?" Will he ensure that the Secretary of State for Social Services issues an urgent instruction to all DHSS staff that such questions are not permissible and should not be put?

Mr. Biffen: I was not aware of the situation that the hon. Gentleman has outlined, but I shall convey his remarks to my right hon. Friend the Secretary of State for Social Services.

Mr. Tony Marlow (Northampton, North): May I join my hon. Friend the Member for Mid-Worcestershire (Mr. Forth) in asking for an urgent debate on parliamentary behaviour? It would give the Labour party an interesting opportunity of explaining whether its new doctrine of self-discipline would apply to macho little Welshmen outside Pakistani chippies in Ealing.

Mr. Biffen: I note what my hon. Friend says, and he clearly demonstrates that such a debate would be colourful, but essentially I have nothing further to add to the reply that I have already given.

Mr. Edward Leigh (Gainsborough and Horncastle): In view of the extraordinary outburst in Monday night's defence debate from the official alliance spokesman, who said that he was not responsible for Liberal policies, and the intervention in that debate by the leader of the SDP, who said that alliance policies were quite distinct from Liberal policies, may we have an urgent defence debate so that the House may establish once and for all whether the official 1986 Liberal publication, "These are Liberal policies" should be renamed, for election purposes, "These are not Liberal policies"?

Mr. Biffen: That is an interesting line of approach, but my hon. Friend must realise that I am circumscribed for debating time, and therefore he will have to use some ingenuity with the Order Paper as it stands. I should have thought that the varied financial implications of the alternative defence policies of the alliance would make that an appropriate topic for the Budget debate.

Mr. Tony Favell (Stockport): Bearing in mind the remarks that the noble Lord the Secretary of State for Employment made this morning on the black economy, and the resentment of those who milk the system that is felt by millions of honest taxpayers, may we expect an early debate on the subject?

Mr. Biffen: I have the great advantage of not having heard the remarks of my noble Friend the Secretary of State for Employment, but I will take a swing. I should have thought that next week's Budget debate, the levels of direct taxation and the implications for the black economy all hold together magnificently.

Mr. Geoffrey Dickens (Littleborough and Saddleworth): Will my right hon. Friend associate my name with the first request this afternoon by the Leader of the Opposition for a debate on the plight of children? Such a debate would give me an opportunity to tell people of the jeers, smears and smirks that I have had to suffer from the Opposition, and also for my colleagues and I to tell people that we remain undaunted in our efforts to protect children.

Mr. Biffen: I am so glad that the Leader of the Opposition has provided solace for someone. I associate my hon. Friend's name with his in a request for a debate.

Mr. Faulds: On a point of order, Mr. Speaker.

Mr. Speaker: I shall take it after the statement.

Sizewell B Nuclear Power Station

4.6 pm

The Secretary of State for Energy (Mr. Peter Walker): With permission, Mr. Speaker, I should like to inform the House that I have reached a decision on the application by the Central Electricity Generating Board to construct a nuclear power station using a pressurised water reactor; the Sizewell B station in Suffolk. In accordance with the statutory requirements of the inquiry rules, I am notifying the board, the local planning authorities and the objectors of my decision and my reasons therefor. I am placing copies of my decision letter in the Library of the House.

The CEGB's application has been the subject of the most wide-ranging and longest public inquiry that has been carried out in this country. I published the report on 26 January 1987. It was debated by the House on 23 February. On that occasion the thoroughness and well-written nature of Sir Frank Layfield's work were generally acknowledged by all hon. Members.

I can assure the House that, before reaching my decision, I have carefully considered the points raised during that debate and those that were made in the debate in another place last week.

Hon. Members have clearly studied the inspector's report with care. They will be familiar with the conclusion that there is a national interest in building a PWR, and that that can best be met at Sizewell. He found that a new power station is required to meet anticipated capacity need; that it should be approved in the near future; and that the proposed PWR is likely to be the least-cost means of adding that capacity. The inspector further concluded that there is good confidence that Sizewell B was sufficiently safe to be tolerable, and that the national need for the station overrides the local interest in favour of conservation.

Sir Frank therefore recommended that consent and deemed planning permission should be given for the station, but should be refused for the second access road. He also made a number of detailed subsidiary recommendations.

The inspector closed the inquiry in March 1985 and, properly, reported only on the evidence he received before then. In reaching my decision, however, I must consider whether anything has occurred since that date which is material to my decision and, if so, what weight I should give to any such matters.

I have, in particular, considered the relevance of Chernobyl to the safety of the proposed station. I have also taken into account recent changes in electricity demand and fossil fuel prices.

First, in relation to the Chernobyl accident, the chief inspector of nuclear installations has advised me that the PWR design for Sizewell B is of a different reactor type from the Soviet RBMK design. All nuclear power stations in the United Kingdom, unlike those in the Soviet Union, must have engineered control and automatic protection systems. Moreover, our system of regulation, unlike that which applied in the Soviet Union, ensures that there is a proper and reliable procedural framework of controls. All our experience in the United Kingdom has demonstrated that there is a superior safety culture to that which apparently existed at Chernobyl, and which allowed the repeated deliberate non-compliance with safety procedures.

The chief inspector of nuclear installations therefore advises me that the Chernobyl accident does not call for any reconsideration of the conclusions or recommendations of the Layfield report. I agree with his advice, a copy of which I am placing in the Library.

In his report, Sir Frank Layfield also discusses emergency plans in the event of a nuclear accident. My right hon. Friend the Prime Minister announced on 18 December that the Government were undertaking a review — in the light of our experience of the Chernobyl accident — of the United Kingdom's emergency plans and procedures in the event of a nuclear accident either in the United Kingdom or abroad. The conclusion of the first stage of the review was that, while planning needs to provide more specifically for an accident outside the United Kingdom, existing emergency plans continue to provide a valid basis for the response to any nuclear accident in the United Kingdom.

Turning to the economic case, I have noted that since the inquiry closed economic activity has risen, with associated growth in demand for electricity. Sizewell B, even if started now, is unlikely to be ready ahead of need.

On the other hand, fossil fuel prices have fallen since 1985. Projecting these forward to the end of the century and beyond is subject to great uncertainty. I have, however, examined the inspector's economic case against a range of coal prices considerably lower than those discussed in the report.

Even against that lower range, I have concluded that Sizewell B remains the cheapest option for meeting the anticipated need for new capacity. I have also concluded, as did the inspector, that the development of a further nuclear station would be a valuable step in achieving greater fuel diversity in our generating system.

In view of the inspector's conclusions and recommendations, together with my own consideration of the issues, I agree with his conclusions that Sizewell B is acceptably safe and would meet a national need by providing new capacity at least cost. That outweighs any disadvantage from disturbances to the locality.

I have therefore decided to give my consent, under section 2 of the Electric Lighting Act 1909, to the CEGB's application to construct the Sizewell B power station, together with deemed planning permission under section 40 of the Town and Country Planning Act 1971, and the necessary investment approval. In order to minimise disturbance to the locality, I have decided that this should be subject to the detailed local planning conditions proposed by the inspector, and should exclude the CEGB's proposal for a new access road, consent for which is refused.

In my decision letter, which sets out my detailed response, I also accept the substance of the inspector's other recommendations. A number of these recommendations will now need to be actively followed up outside Government. In particular, I agree with the inspector that a study of alternatives to the B1122 for heavy traffic should be made, and I am commending that to the Suffolk county council.

Sir Frank Layfield also helpfully made a number of observations and informal proposals for further action which he considered desirable. I am not required to reach a conclusion on those for the purposes of my section 2 consent. I have, however, examined them carefully and, where appropriate, they will be further considered by Government.

[Mr. Peter Walker]

In reaching my decision I have considered most carefully Sir Frank Layfield's comments on safety. I should make it clear that, as a separate process, under different statute, the CEGB also requires a licence from the independent nuclear installations inspectorate as well as my consent before it can start construction. The chief inspector of nuclear installations informs me that the nuclear installations inspectorate judges that there are now no safety obstacles of substance which would prevent the licensing of Sizewell B in the next couple of months. He has assured me that the nuclear installations inspectorate will consider carefully Sir Frank Layfield's comments and proposals on the safety of the reactor before issuing a licence. Sir Frank Layfield commented that both the CEGB and the nuclear installations inspectorate possessed impressive technical competence and engineering judgment of a high quality.

I am fully confident that the nuclear installations inspectorate will continue to satisfy itself about the safety of the station throughout the rest of its design, construction, operation and decommissioning. At each major stage in the construction and commissioning process, the approval of the nuclear installations inspectorate is required before the CEGB can proceed further.

Turning briefly to alternative sources of electricity I should make it clear that the Government are determined that renewable techniques should, in the longer term, make the maximum contribution of which they are economically capable. We are supporting a major research and development programme on which over £100 million has been spent to date. Strong support will continue to be provided for our programmes on wind, tide and geothermal hot rocks.

My decision on Sizewell B reinforces the importance that the Government attach to the role already played by nuclear power within the United Kingdom. It now provides some 20 per cent. of our electricity requirements and with those stations due for commissioning in the near future, a quarter of Britain's electricity will come from nuclear power. On any projection of world energy needs there is no way of meeting those needs in the coming decades without the emergence of a substantial contribution from nuclear power. My Sizewell decision today will enable Britain to play its part in that endeavour.

Mr. Stanley Orme (Salford, East): We regret this decision. It sets the wrong pattern for future energy requirements in the United Kingdom for the next decade and beyond.

Sir Frank Layfield laboured long and hard to produce his report, but that report is out of date both on the economics of electricity generation and on safety, particularly as Sir Frank Layfield did not deal with the Chernobyl disaster. We are astonished that those new factors have been dismissed by the Secretary of State. Will the right hon. Gentleman publish the evidence that convinced him on those particular points?

There is no justification for building the imported technology of the PWR in Britain. In view of the right hon. Gentleman's announcement, can he assure the House that that will not lead to the construction of the PWR family throughout Britain, which was recommended by Sir Frank Layfield, and that any further applications for the construction of PWRs will each be judged independently?

When does the right hon. Gentleman expect publication of the pre-construction safety report and the final safety report as recommended by Sir Frank Layfield? In his report Sir Frank Layfield lays considerable emphasis on the responsibility of the nuclear installations inspectorate. What steps are being taken to ensure that the NII is adequately staffed to fulfil its responsibilities?

Sir Frank Layfield makes a series of recommendations throughout the report. He lists 14 that he regards as the minimum that should be done if consent is given. Will the right hon. Gentleman assure us that that minimum is being done, and, indeed, that many more of the recommendations have been accepted and acted upon. In particular, will the right hon. Gentleman ensure that all the elements of Layfield's recommendation 4 on safety criteria will be complied with, including those on parliamentary and public consultation? When will the review of emergency plans in case of nuclear accident be completed and when will the report be published?

It seems extraordinary that the decision has been taken to proceed with the PWR before the Government and responsible agencies have solved the problems of the disposal of nuclear waste. I am sure that many Conservative Members will share my misgivings on that matter and will join me in urging the Government to produce an acceptable solution before proceeding with the PWR.

Finally, in a nation rich in indigenous energy sources, a saner, more economic and safer option would be the construction of modern and clean coal-fired power stations. To meet the nation's capacity need more quickly, and, we would argue, more cheaply, we shall continue to urge that policy upon the Government.

Mr. Walker: The right hon. Gentleman ended his question by referring to a nation rich in energy resources, but in the next few decades, as Britain's oil and gas resources decline, the Labour party wishes to eradicate the nuclear industry leaving Britain dependent on only one form of energy. I cannot think of a more irresponsible energy policy than that.

Fortunately, the Soviet Union published in detail for the International Atomic Energy Agency every detail of the Chernobyl event.

Mr. Orme: Human error.

Mr. Walker: No, it said first, that it was due to a wrongly designed reactor; secondly, to faulty engineering; and thirdly to human error. The chief inspector—the right hon. Gentleman considered the strength of the NII to be paramount—has advised me on the basis of all the evidence available to him and a copy has been placed in the Library.

The right hon. Gentleman referred to the PWR being imported, but I must point out to the House that 93 per cent. of the work done at Sizewell B will be produced in Britain by British firms. As a result of building Sizewell B Britain will, for the first time, have an opportunity in the massively expanding PWR market that is taking place throughout the world. Therefore, in terms of our trade policy, it is a considerable advantage to Britain.

I can assure the right hon. Gentleman that we shall guarantee that the NII is properly staffed. At present, a substantial recruitment programme is taking place in order to meet the requirements.

The right hon. Gentleman referred to the 14 recommendations. I can only say that the Government have accepted all the major recommendations that apply to them. The right hon. Gentleman will see that each of those recommendations is dealt with in the detailed letter that has been sent to the CEGB, a copy of which will be available in the Library.

On the alternative of coal, the right hon. Gentleman knows that it is up to the CEGB to apply to the Government and, as he well knows, it has been looking at the possibility of a number of coal-fired stations. I anticipate that in the near future it will probably be making such an application.

Mr. John Hannam (Exeter): I thank my right hon. Friend for making the right decision in this crucially important area, but in view of the importance to Britain in future of maintaining competitive electricity prices, how does his announcement of this nuclear programme today compare with the programmes of our major industrial competitors throughout the world?

Mr. Walker: I am afraid to say that I have only announced this afternoon the go-ahead for one PWR station in the foreseeable future. That is a modest contribution compared with our major competitors. France intends to build 15 new nuclear power stations by 1995. The Japanese have embarked on a programme of 16 new nuclear power stations before 1995, and have proposed a much bigger programme to move to 60 per cent. dependence on nuclear energy in the foreseeable future. Germany has reaffirmed its programme of four new nuclear power stations to be built by 1990. The United States has commissioned 12 new nuclear power stations in the past two years and 19 new nuclear power stations are under construction. Since Chernobyl, the Soviet Union has announced that it will double its nuclear power programme.

Mr. Malcolm Bruce (Gordon): The Secretary of State will be aware that my colleagues and I much regret and are opposed to today's decision. The Secretary of State's statement has virtually evaded every question associated with the decision.

Will he first explain whether consideration was given to investing the money that the PWR will cost into energy conservation instead? Does he agree that the savings that could be achieved would be greater than the power that will be created by building the PWR? Secondly, will he explain what the procedure will be for building further PWRs, especially as Sir Frank Layfield said that he regarded Sizewell as a prototype to be tested? Thirdly, does he agree with Sir Frank Layfield that a simulator should be built before the final power station is constructed?

Will the right hon. Gentleman explain exactly what the phrase "superior safety culture" means? I hope, for his sake, that it is not a phrase that will come home to haunt him. With regard to the nuclear installations inspectorate, is he satisfied that he will be able to secure the technical staff necessary to honour the guarantees that he has just made?

Mr. Walker: The hon. Gentleman said that I would understand that he would be opposed to the decision, and in preparation for this afternoon I studied the policy of his parties. I discovered that one policy of the Liberal party is virtually identical to that of the Labour party. One SDP policy is completely different, and I discovered a new alliance policy that is difficult to comprehend from trying to read it. I presume that is a way of fudging what is now alliance policy. In fairness to the alliance, there is one area of the nuclear industry that they wish to retain — Dounreay — because it is in an area represented by an SDP Member.

As for nuclear inspectors, I am satisfied that we shall be able to recruit nuclear inspectors of the appropriate quality. With regard to PWRs, if I receive another application from the CEGB it will be carefully considered in the light of the factors made known.

Mr. Patrick Jenkin (Wanstead and Woodford): Does my right hon. Friend accept that his decision will be widely welcomed on the Conservative Benches, not least by those of us who have been arguing that we should bring our nuclear industry into the mainstream of the world's nuclear industry? Will my right hon. Friend confirm that, far from being against the interests of the environment, the Royal Commission on environmental pollution recommended a modest programme of nuclear power stations to improve the atmospheric environment?

Will my right hon. Friend assure the House that the further stations in this modest programme will be subject to public inquiry, but that those inquiries will be limited to site-specific issues and will not cover the wide range of the Sizewell inquiry?

Mr. Walker: Future public inquiries must depend on the nature of the reactor and the nature of the request from the CEGB. With regard to this type of reactor, the Sizewell inquiry has served to ascertain the full facts and the full arguments on the topic.

My right hon. Friend has occupied posts connected with energy and the environment, and he is absolutely right that the Royal Commission pointed out the considerable environmental advantages of nuclear energy.

Mr. Tony Benn (Chesterfield): Is the Secretary of State aware that his statement will be widely understood as a complete victory for the nuclear lobby that, to my certain personal knowledge, for over 20 years has wanted us to adopt an American reactor? However, the right hon. Gentleman's announcement comes 10 years after the Americans abandoned the very reactor that he has now decided to buy. That is not a credible position to occupy.

Is the right hon. Gentleman also aware that on a decision of this magnitude he should not make the decision; Parliament should decide. It is quite wrong for him to listen like some managing director and then announce his decision. The House should have a debate in which the matter can be voted upon before a decision is finally reached.

Is the right hon. Gentleman also aware that, despite the ceaseless and ruthless campaign by Lord Marshall and others, public opinion is well ahead of him and the lobby in arguing that the time has come to pause. People want a pause.

[Mr. Tony Benn]

Is he aware that this question will arise in the general election? If the reactor is built, there will be a long period before we see the full uncertainty about adopting a reactor that the Americans have abandoned.

Mr. Walker: I wish to record the considerable contribution that the right hon. Gentleman made to the advance of nuclear energy in this country when he was Secretary of State for Energy. I know that he now regrets that contribution, but I do not think that many in this House do so.

It is nonsense to say that the United States has abandoned this type of reactor. At present, there is 11 times as much nuclear energy capacity in the United States as in Britain. The figures that I gave earlier to the House show that in the past two years the Americans have completed 12 new PWR stations, and currently 19 are under construction.

As for public opinion, I express my gratitude to the right hon. Gentleman because, over the years, the impact of his views on public opinion has always been to the benefit of my party.

Sir Trevor Skeet (Bedfordshire, North): I pay tribute to the Secretary of State for implementing the substantial report. I ask him to lay at rest one of the greatest public anxieties which is that, at nuclear power stations leukaemia cases can arise that can be destructive.

What is the date for commissioning? Is my right hon. Friend prepared to recommend to the Leader of the House that we have a further debate so that these matters can be extensively canvassed?

Mr. Walker: Obviously the Leader of the House will take note of what my hon. Friend said about a debate, and that matter was raised by the Leader of the Opposition.

On the question of leukaemia, a most incredibly irresponsible press release was issued by the hon. Member for Oldham, West (Mr. Meacher), the shadow Secretary of State for Social Services in which he referred to Sellafield as having "killing fields". I can guarantee that that view was totally and passionately opposed by the shadow Secretary of State for the Environment whose constituents live in that area and work at that station. The manner in which the figures were used in that statement gave a wholly false impression. I would be only too delighted for anybody to study the true evidence that has been produced. It certainly shows that there is no connection between the incidence of leukaemia and nuclear power stations.

Mr. Donald Stewart (Western Isles): I note the right hon. Gentleman's assurances about safety, but in my view they are rather injudicious. These stations are human artefacts and can be subject to human error, faults in design, metal fatigue, and so on. Many people believe that even the Russians do not build nuclear power stations to blow up in their faces. Accidents can happen anywhere, as we have seen in America.

The right hon. Gentleman has given us assurances about support for alternative sources of energy generation, but many of us do not accept those assurances. I am aware that funds have been reduced for the production of electricity from wave power. That has been the pattern followed all along by the Government. In view of the doubts about the cost and the disposal of waste, does he not think that the nuclear programme should be abandoned?

Mr. Walker: No. I believe that it has been proved throughout the western world that nuclear energy is an extremely safe form of energy and its safety record compares exceedingly favourably with other forms of energy.

As for Scotland, the continuance of a nuclear power programme has considerable employment implications for Scottish industry. I hope that the hon. Gentleman will remember that.

In every major area of renewable sources of energy the Government have increased expenditure and improved activity. We shall continue to do so.

Sir Ian Lloyd (Havant): May I offer my right hon. Friend my strongest possible endorsement of his decision, which I believe to be realistic, relevant, courageous and long overdue? Will he resist the siren voices that argue generally that because there has been no new order for a PWR power station in the United States, we should not take that route? As my right hon. Friend has said, about 30 such reactors have been built in the United States, and about 60 worldwide. We know that more are under construction and that more are likely to be ordered.

Would it not be true to say that to decide not to build a PWR station because of what happened at Chernobyl would be comparable to refusing to grant an airworthiness certificate to Concorde because a DC3 had crashed?

Mr. Walker: I agree very much with what my hon. Friend has said about Chernobyl. It is interesting that all the signs from the Soviet Union are that they will double their nuclear programme, and that they are almost certainly to take the PWR route. They will do so with their great awareness of the problems of safety.

There is no doubt that a great deal of activity is taking place in the United States. Our major industrial competitors, France, Germany, Japan and the United States, are all going ahead with nuclear power programmes that are far greater than ours.

Mr. Michael Morris (Northampton, South): Has my right hon. Friend been able to calculate the impact on jobs if the Labour party's proposals to scrap all nuclear industry were pursued?

Mr. Walker: The Labour party agreed at its last conference—this has become its policy—to eradicate the nuclear industry over the coming decades by phasing out, first, Magnox and, secondly, the advanced gas-cooled reactor. At that same conference a motion was proposed by Arthur Scargill, which was passed by an enormous majority, that sought to eradicate all nuclear energy during the lifetime of the next Parliament. It needs a move of only less than half of 1 per cent. at the next Labour party conference to cause that to become permanent Labour party policy. If that policy were implemented, the loss of jobs would be massive immediately.

Mr. Jack Ashley (Stoke-on-Trent, South): Is the Secretary of State aware that he is making the biggest mistake of his life and that the consequences of any possible future accident will be suffered by his children and all our children? Will he recognise that the assurances that he has given about PWR being "sufficiently" safe and being "acceptably" safe are a ghostly echo of the sort of

assurances that were given in the United States before the Three Mile Island PWR explosion, which was extremely close to a disaster?

Mr. Walker: There are Opposition Members who rather share my view on nuclear energy and its safety, and perhaps no one more than the shadow Secretary of State for the Environment, the hon. Member for Copeland (Dr. Cunningham). His educational background equips him rather well to understand these matters, and he has lived among a nuclear power station work force. Only a few days ago he wrote:

> "What I think the nuclear industry needs to do to widen its public support is expand its existing policy of more openness. This will add to the public's understanding of the issues, problems and advantages which the industry brings. The more open and informed the debate the better it will be for the nuclear industry".

I hope that the right hon. Member for Stoke-on-Trent, South (Mr. Ashley) will take note of that.

Sir Anthony Grant (Cambridgeshire, South-West): My right hon. Friend knows the anxieties of some of my constituents in Cambridgeshire, which I have expressed to him. Is he aware that what he has said today will go a long way towards reassuring them? Is it not sensible to reflect, when considering safety, that every year about 5,000 people are slaughtered on our roads and that there is no protest against petrol by the Liberal or Labour parties? As the area most concerned is East Anglia, will my right hon. Friend give a firm assurance that everything possible will be done to preserve the environment in that area?

Mr. Walker: I know that my hon. Friend is aware that Sir Frank Layfield took great care to examine the environmental impact of Sizewell B. He eradicated certain proposals that he considered to be environmentally unsound. I can assure my hon. Friend that careful consideration will be given by the Departments of Environment and Transport to any matters affecting the environment of East Anglia.

Mr. Kevin Barron (Rother Valley): Will the Secretary of State accept that his statement is seen as a reflection of the commitment that the Government have had towards the nuclear industry since taking office? Despite the investment in the coal industry, the right hon. Gentleman's announcement demonstrates the Government's prejudice towards it. The Government have been in office for nearly eight years and during that period there has been no new order for a coal-fired power station. Although the Treasury wins the argument on this occasion, Sizewell B alone will not meet the capacity that will be needed for the production of electricity in the mid-1990s. When will the House be told where sensible energy will come from in the form of new coal-fired power stations?

Mr. Walker: If our view were that the coal industry should be eradicated and that the nuclear industry should take its place, I would not approve the investment of £2 billion over the next three years in the coal industry. The Government's investment policies have led to the coal industry's productivity surpassing anything that was even dreamed of by the Labour Government. I believe that in the near future applications will be made by the consideration that has ben given to various sites. I can promise the hon. Gentleman that any such applications will quickly be considered.

Dr. Michael Clark (Rochford): May I congratulate my right hon. Friend on making the right decision for all the right reasons? I wish to ask him a question which I think would be asked by my near neighbour, my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), the Minister of State, Ministry of Agriculture, Fisheries and Food, if he were able to ask it. We know that the public at large do not have as much knowledge of nuclear matters as we would like them to have and that this relative lack of knowledge is exploited by those who have anti nuclear feelings. Will my right hon. Friend ask his Department to organise a campaign of public education so that much of their anxiety can be alleviated?

Mr. Walker: It is important that the facts are conveyed to the public instead of the distortions, especially in a locality that is involved in the nuclear industry. The industry itself, including the CEGB and the electricity authorities, have a duty to ensure that the facts are circulated.

Mr. Frank Cook (Stockton, North): The Secretary of State has asked the House to have regard to the "true evidence." Will he acknowledge that the Layfield report is essentially incomplete? The committee was promised an account of the British design and none was ever presented to it. It remains unfinished. That means that no licensing could ever have taken place. Will the right hon. Gentleman take account of the facts that the working pressure and temperature of a PWR are so high and reaction time so short that human capacity cannot deal with it?

In view of the right hon. Gentleman's exhortation to depend on the nuclear installations inspectorate, and remembering its craven refusal to accept an investigation of weld assurance records at Hinckley Point, how the hell does he expect it to take on board the complex assessment that is necessary for a PWR design?

Is the right hon. Gentleman aware that his colleagues have been giving their constituents an assurance that the House would have a second opportunity to discuss this issue on a reasoned and considered motion that would be open to reasoned and considered amendment? Will he have the courage now to leave his decision until the general election so that the British electorate can decide?

Mr. Walker: I shall be delighted if, during the next election, the Labour party continues with its policy to eradicate the nuclear industry. If it does so, it will deservedly lose thousands of votes on that entirely irresponsible policy. I have total confidence in the NII. It has a fine record, and the inspector said so. The more debates that take place on this issue on the Floor of the House, the more I shall be delighted.

Mr. Patrick Thompson (Norwich, North): Those who live in my constituency and others who live in the area around it will welcome the extra work and jobs that will result from my right hon. Friend's decision. Will he consider the concern that has been expressed during the winter months about the price of electricity, especially among pensioners and particularly during the harsh weather that we have faced? What will be the effects of the Opposition's policy on electricity prices?

Mr. Walker: It depends on which of the Opposition's policies one chooses. If one chooses Mr. Scargill's proposal, which was greeted by a hefty majority, it would cost an enormous amount. If they phased out nuclear

[Mr. Walker]

power, as is the official policy, at present, it is considered that that would add about 15 per cent. to the cost of electricity. The industries concerned — they employ 800,000 people and have a high use of electricity—will be adversely affected.

Mr. Michael McGuire (Makerfield): Is the Secretary of State aware that this is a regrettable decision? Is he aware that we have heard comments by my hon. Friend the Member for Stockton, North (Mr. Cook), who outlined a defect in the report? Is he also aware that the coal prices quoted in the report are hopelessly out of date and have been over-exaggerated? They would put a different complexion on the matter if they were brought up to date.

In what way does the proposed design differ from that of the Three Mile Island station? We cannot escape the fact that that station has been closed down for several years, is hardly likely to be opened for a long time and has cost a fortune. Is the Secretary of State further aware that since I have been an hon. Member I have heard Ministers on both sides—the right hon. Gentleman made a fair point —so exaggerate the benefits of nuclear power that the matter has almost become like a fairy story? I remember when we were promised nuclear power that was to be so cheap that it would not be metered. We have also heard the argument today that——

Mr. Speaker: Order. Will the hon. Gentleman ask a question, please?

Mr. McGuire: I shall put it in the form of a question, Mr. Speaker.

Is the Secretary of State also aware, on the matter of export orders, that if future orders are as good as the ones in the past, we shall not sell anything because our nuclear exports have been a disaster? Can the Secretary of State assure us that in the past — if I may use a homely expression — nuclear power advocates have been bragging on a pair of deuces. When shall we have the promised debate——

Mr. Speaker: Order. I shall use a homely expression. An important arts debate is to follow this. I ask hon. Members whom I endeavour to call on the statement to put their questions briefly.

Mr. McGuire: One final point, Mr. Speaker——

Mr. Speaker: Order.

Mr. Walker: The hon. Gentleman's contribution would have been somewhat shorter if he had been present for the statement. He would have heard the answers to some of his questions. I dealt with the cost of coal and what has happened since. I shall be interested to hear from Opposition Members whether, when they talk about the coal cost equivalent, they really talk about the international coal price. Will they deal with coal at the international coal price? If they did so, they would do immense damage to the British coal industry. Our nuclear industry has achieved massive export orders, of which I hope the hon. Gentleman is proud.

Sir Peter Emery (Honiton): Will my right hon. Friend accept my congratulations on bringing forward a policy that he and I first started in 1973? Thank goodness it has come to fruition at last. Will my right hon. Friend tell the House quickly what, at the moment, is the estimated total cost for the power station? When does he estimate that it will be completed? Can he assure the House that research is still being carried out into the application of the fast-breeder reactor?

Mr. Walker: Work on the fast-breeder reactor is continuing. The latest cost estimate for Sizewell B is just in excess of £1·5 billion. The research programme will certainly continue.

Mr. Robert Maclennan (Caithness and Sutherland): Is the Secretary of State aware that supporters of the British nuclear industry, including those within the industry, such as the chairman of the South of Scotland electricity board, have not all been enthusiasts for the PWR? What is the future of the British AGR programme? Will the Secretary of State assure the House that the limited resources of manpower and money that are necessary to develop the fast reactor programme will not be pre-empted by the decision?

Mr. Walker: I am grateful to the hon. Gentleman for his question. His views on the nuclear industry differ from the overall view of the party with which he is associated, which makes it clear that, in its view, nuclear power is not safe. Therefore, I suggest that, with his constituency interest, he must examine whether he can continue in alliance with such a party. Of course the AGRs will continue. On the AGR-PWR argument, the hon. Gentleman's party policy of making no orders for the foreseeable future would soon bring to an end the feasibility of going ahead with an AGR. The report clearly states that there is a cost advantage with the PWR and that it is safe. Alas, we have never obtained an overseas order for an AGR during a period in which the world has been building a great number of PWRs.

Mr. Michael Fallon (Darlington): Is my right hon. Friend aware that, today, he announced the biggest jobs boost for Teesside in 10 years and that it will be warmly welcomed by my constituents who work at Davy McKee, Cleveland Bridge, Darchem, and other companies? Is he further aware that their only nuclear fear is not simply the Labour party's conference resolution but the specific pledge of the right hon. Leader of the Opposition to scrap Sizewell if a Labour Government come to power?

Mr. Walker: Certainly the policies propounded by the Opposition will be exceedingly bad for the north-east. As my hon. Friend knows, I was in his constituency and in the north-east about a week or so ago. There was no doubt about their anxiety that we should proceed with the policy.

Mr. Nicholas Brown (Newcastle upon Tyne, East): The Secretary of State spoke of an energy shortfall that Sizewell will not come on stream in time to meet. Will he acknowledge that there will be tremendous sadness on Tyneside at his failure to order coal-fired power stations, for which the power plant industry on Tyneside could have a hope of tendering? Such stations would provide employment on Tyneside for the power plant industry and for the people who work in coal production.

Mr. Walker: As the hon. Gentleman knows, the Government have given considerable support in recent years to the procurement of some quite important overseas orders by industry on Tyneside and elsewhere. I am pleased that that has taken place. I have not rejected any application for a coal-fired station. I must wait for the

CEGB to make an application. It has been studying the sites. I have reason to believe that it will make such an application in the near future.

Sir John Osborn (Sheffield, Hallam): I congratulate my right hon. Friend on his bold and realistic decision, but it relates to one type of reactor in one location. I welcome the fact that he has referred to wind, tidal and thermal energy. I should like him to emphasise that fact, because he also spoke about new coal-fired power stations. Will he bear in mind the fact that consumers of energy want a power programme that will give industrial users prices that are competitive with those in other countries? I hope that he will be in a position to make a statment about further reactors. After his views are put forward, I hope that it will not take five years to reach a decision.

Mr. Walker: I certainly share the last hope that my hon. Friend mentioned. Certainly, when further applications come in from the CEGB, they will be carefully and quickly considered. Progress has been made in looking at the potential of such enormous schemes as the Severn barrage scheme and the Mersey barrage scheme. The developments that are taking place in geothermal energy are exciting. Alas, they are unlikely to make any major contribution to our energy supplies for some decades to come.

Mr. D. N. Campbell-Savours (Workington): Will the Secretary of State refrain from misrepresenting the views of my hon. Friend the Member for Copeland (Dr. Cunningham), who is opposed to PWRs, and yet, like myself, is a vigorous supporter of nuclear power? Will the Secretary of State accept that the design of an AGR station is inherently safer than that of a PWR station? Do not all previous experiences point to that fact?

Mr. Walker: I completely reject that statement.

Mr. Frank Cook: On what basis?

Mr. Walker: On the same basis as it was examined by Frank Layfield, and on all the evidence. A massive number of pressurised water reactors are operating safely throughout the world. I welcome the hon. Gentleman's opposition to the policy of his own party on nuclear energy. He must be very concerned, as is his right hon. Friend the shadow Secretary of State for the Environment, about the Labour party's ghastly policy towards Sellafield, which would absolutely destroy the prospects for that part of the country if the Labour party ever came to power.

Mr. Richard Alexander (Newark): Do not the protestations that we have heard today come ill from hon. Members who supported Mr. Scargill's strike to the hilt? Was that strike not intended to put the lights out in Britain and to leave the elderly and families with young children in the cold?

Mr. Walker: There is no doubt that the Labour party's energy policy is fully supported by Mr. Scargill.

Mr. Jeremy Corbyn (Islington, North): Is the Minister aware that millions of people will be deeply angered by the decision that he has at last been forced to announce? For all his alleged understanding of the issue, the Minister cannot solve the problem of nuclear waste, and he knows it. So long as there is a nuclear industry there will be the problem of nuclear waste. Is the Minister further aware that the building of the Sizewell power station will increase the transport of nuclear waste through north London to Sellafield and that that in itself will meet massive opposition? Finally, is he aware that the number of accidents that have been reported at Sellafield and other stations leads people to be very suspicious of chauvinistic claims about the safety of British nuclear power stations compared with others when, in reality, the industry is fundamentally dangerous? The Minister ought to be providing resources for the development of renewable energy sources. Finally——

Mr. Speaker: Order. The hon. Gentleman has already asked two questions.

Mr. Walker: I believe that nuclear waste problems can be dealt with in total safety. I suggest that the hon. Gentleman should ask his right hon. Friend the shadow Secretary of State for the Environment to take him on a visit to Sellafield and then he will be convinced, too.

Several Hon. Members *rose*——

Mr. Speaker: Order. A very important arts debate is to follow this statement. I shall endeavour to call all hon. Members who want to ask questions, but I should like to move on to the next business by 5 o'clock. Questions should be directed to nuclear energy not to coal.

Viscount Cranborne (Dorset, South): I, too, greatly welcome my right hon. Friend's decision in principle. However, he will be as aware as I am that his decision will almost immediately trigger an application from the Central Electricity Generating Board to build one and possibly two PWRs at Winfrith in my constituency, which will involve at least 90 m high cooling towers in the middle of Hardy country. Will he assure me that aesthetic grounds will play a very important part in the decision about whether to allow such a development?

Mr. Walker: Any application will involve the appropriate planning procedures. I can only consider a specific proposal when I receive it from the CEGB.

Mr. Allan Stewart (Eastwood): Following my right hon. Friend's answer to the right hon. Member for the Western Isles (Mr. Stewart), is my right hon. Friend aware that the importance of Sizewell orders has been emphasised as "crucial" by a number of key companies in Glasgow and Renfrewshire? Does he agree with me that his announcement will be warmly welcomed by companies such as Weir and Babcock? Is it not a disgrace that the hon. Member for Gordon (Mr. Bruce) should wholly ignore the interests of heavy industry in the west of Scotland?

Mr. Walker: Anybody who examines the list of contracts that will be placed as a result of building this reactor will recognise the considerable immediate advantages to Scotland, the north and other similar areas and the long-term advantage of potential export orders.

Mr. Cecil Franks (Barrow and Furness): I, too, congratulate my right hon. Friend the Secretary of State on reaching a courageous and bold decision. It will be welcomed particularly in west and south-west Cumbria. It will be welcomed not just in my constituency but also in the Copeland constituency where Sellafield is situated—as the hon. Member for Copeland (Dr. Cunningham) would confirm if he were here—and in the Workington constituency, which the hon. Member for Workington (Mr. Campbell-Savours) would also confirm if he had the courage to do so. Will my right hon. Friend comment on

[Mr. Cecil Franks]

the Government's policy regarding nuclear energy in general and on the prospects for west Cumbria and south-west Cumbria in particular?

Mr. Walker: The impact on Cumbria and on Sellafield is very considerable. It is interesting to note that locally the Labour party has one policy but nationally it has another. The Labour party's policy decision to stop processing nuclear fuels from abroad, which is the main reason for the financing of the development there—*[Interruption.]* As the hon. Member for Workington (Mr. Campbell-Savours) says, he constantly proclaims locally that Labour party policy will never be put into operation. Indeed, a member of the Shadow Cabinet has said that breaking these contracts, worth millions of pounds, would involve the Government in huge compensation claims, as well as damaging our position as a trading nation. He went on to say:

"I just cannot see a government, which will be looking for every pound that it can get to create new jobs, frittering away money like that."

When a member of the Shadow Cabinet says that the Labour party's policy on nuclear power would be to fritter away money, I think that the whole nation should take note.

Mr. Dennis Skinner (Bolsover): Would not the average voter say that if nuclear power stations were not built coal-fired power stations would be needed to provide energy and that at least an equivalent number of jobs would therefore be needed to provide that energy? Is it not curious that the Secretary of State should say that the Opposition ought to provide estimates of the cost of future coal-fired power stations when he cannot provide estimates for the cost of Sizewell? [HON. MEMBERS: "He has done that."] No, he has not. He has not provided the projected costs. Is not the truth of the matter that the Layfield inquiry was set up in 1979 as a kind of sideshow to siphon off the protests of those who were against it, so that the Tory Government could wait until a time such as today to produce this report, because they are in favour of American technology instead of British coal?

Mr. Walker: We are in favour of an energy policy that gives us the same energy efficiency as France, Germany, Japan, the United States and, in future, the Soviet Union. The saddest feature about the hon. Gentleman is that he has only one interest—to see that the energy policy of this country is totally dominated by the National Union of Mineworkers.

Mr. Andy Stewart (Sherwood): I have been listening very closely to my right hon. Friend's answer regarding the need for new coal-fired power stations. When he next sees the chairman of the CEGB, will he remind him that he has a site in Nottinghamshire? We have the coal; we have the productivity; and we have the Union of Democratic Mineworkers.

Mr. Walker: I shall certainly draw the chairman's notice to the remarks of my hon. Friend.

Mr. Piers Merchant (Newcastle upon Tyne, Central): I congratulate my right hon. Friend on reaching his decision, but may I ask him to clarify the impact on job creation that his decision will entail? Will he also use his good offices with the CEGB to urge early orders for further power stations, bearing in mind the need for such stations and the impact that they will have on the power station manufacturing industry, particularly in my area of the country? NEI-Parsons is situated in an area where there is already very high unemployment.

Mr. Walker: I am very well aware of my hon. Friend's concern, because he has been to see me on many occasions to argue the necessity for assistance in the development in those important industries. As for any application that is made by the CEGB as a result of its investigations of various sites for coal-fired power stations, I shall examine that application quickly and, I hope, effectively. On the job implications, about 13,000 jobs will be involved at Sizewell, but in the nuclear industry as a whole we are talking about 150,000 to 200,000 jobs.

Mr. James Couchman (Gillingham): Is my right hon. Friend aware that his decision will be applauded by many people because he has looked to the time when our fossil fuels will begin to run down quite rapidly? People look forward to security of electricity supplies. Does my right hon. Friend not agree that it comes ill from the Opposition parties, who have been whingeing on about the infrastructure and the need to give work to the construction industry, to complain about his decision?

Mr. Walker: I am grateful to my hon. Friend. I referred to the longer-term implications at the commencement of these exchanges and said that because we shall lose the benefits of our reserves of oil and gas in the North sea it would be incredible to eradicate a form of energy that is providing one quarter of our electricity supplies. Also in the long term, if the world were persuaded to eradicate nuclear energy, the impact on the Third world would be horrific.

Mr. Neil Hamilton (Tatton): Is my right hon. Friend aware that his announcement will be greatly welcomed in the north-west, where so many jobs in the nuclear industry are concentrated, and not least in my constituency where the headquarters of the National Nuclear Corporation are to be found? Does he agree that the consequence of a Government accepting the policy of the Labour party, or indeed the policy of the alliance enunciated by the hon. Member for Gordon (Mr. Bruce), to phase out nuclear power would cost up to 1,000 jobs in my constituency and many more thousands throughout the north-west?

Mr. Walker: In fairness to the alliance, my hon. Friend should distinguish between Liberal policy, SDP policy and alliance policy. I think that each constituency will get a choice. On the job consequences for the north-west, I agree with my hon. Friend. I am pleased to say that next week I shall be visiting some of the factories concerned with those jobs.

Royal Assent

Mr. Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified Her Royal Assent to the following Acts:

1. Rate Support Grants Act 1987
2. Local Government Finance Act 1987
3. Grampian Regional Council (Harbours) Order Confirmation Act 1987.

BILLS PRESENTED

Matrimonial Incomes and Remuneration (Notifications)

Mr. Hugh Dykes presented a Bill to empower and require regular notifications by male spouses of their incomes from all sources to their wives, and where applicable reciprocal notifications by wives in receipt of incomes not emanating from their spouses, and notifications of all or any changes therein: And the same was read the First time; and ordered to be read a Second time on Friday 8 May and to be printed. [Bill 114.]

Wildlife and Countryside Act (Protection of Birds) (Amendment)

Mr. Harry Cohen, supported by Mr. Tony Banks, Mr. Roland Boyes, Mrs. Ann Clwyd, Mr. Jeremy Corbyn, Mr. Eric S. Heffer and Mr. Peter Pike, presented a Bill to amend the Wildlife and Countryside Act 1981 to extend the protection of captive birds to poultry and to make other povisions relating to captive birds: And the same was read the First time; and orderd to be read a Second time on Friday 27 March and to be printed. [Bill 115.]

STATUTORY INSTRUMENTS &C.

Ordered,

That the draft Advice and Assistance (Assistance by Way of Representation) (Scotland) Regulations 1987 be referred to a Standing Committee on Statutory Instruments, &c.—[*Mr. Lennox-Boyd.*]

EUROPEAN COMMUNITY DOCUMENTS

Ordered,

That European Community Document No. 7969/86 relating to the control of emissions from diesel engines be referred to a Standing Committee on European Community Documents.—[*Mr. Lennox-Boyd.*]

The Arts

5.2 pm

The Minister for the Arts (Mr. Luce): I beg to move,

That this House congratulates the Government on the success of its arts policy which is resulting in an expansion of arts and crafts throughout the country and greater protection of the national heritage; approves the Government's strategy of increasing the inflow of funds to the arts from a diversity of sources; welcomes the tax changes, including the new payroll giving scheme, which will stimulate giving to the arts by individuals and companies; applauds the Government's continuing commitment to promoting sponsorship of the arts through the Business Sponsorship Incentive Scheme; endorses the new arts marketing scheme, designed to encourage a keener awareness of the benefits to the arts of good marketing; and acknowledges the political commitment shown by the Government in the form of record levels of public support for the arts.

Mr. Speaker: I have selected the amendment in the name of the Leader of the Opposition.

Mr. Luce: This debate in Government time is a demonstration of the importance we attach to the arts. I propose to be as short as possible in order to enable as many people as possible to contribute to the debate.

This debate gives the opportunity to reflect upon the remarkable performance of our arts and crafts in this country, and the greater protection now available for our national heritage. It goes against the grain for the gloom-mongers to admit that anything is going right, but there is now overwhelming evidence of expansion and growth in the arts.

The number of arts centres has virtually doubled to over 300 since we came to power in 1979. British record companies and publishers are booming. Export sales of British books are over £340 million annually and royalties to British record companies from abroad are estimated at $500 million. Reportedly, a new museum opens every fortnight and over 54 million a year now attend the 2,000 or so museums and galleries which this country boasts. Cinema attendances are up 72 million, and are growing. The number of youth theatres in England has soared to over 500, and there has been a healthy development in community and rural touring theatre.

With disposable incomes up substantially since 1979, this should come as no surprise. We are a wealthier society, and people are increasingly investing time and money to enjoy and learn from the rich diversity which the arts offer us. People want something deeper than just the material things of life and are turning to the arts to enrich their lives. As our economic growth continues, interest in the arts will grow too.

Central Government expenditure on the arts has also been rising. In both 1979 and 1983 we gave a firm manifesto commitment to the arts to maintain Government support for the arts. We have honoured that pledge. Central Government expenditure on the arts is up by 15 per cent. in real terms since 1979-80. These are record figures.

If the extra central expenditure following the abolition of the Greater London council and the metropolitan county councils is included, the increase in arts expenditure rises to 29 per cent. The successor local authorities rose to the challenge and came up with a total of some £14 million, more than filling the estimated £10 million gap left by abolition. This was on top of the big

[Mr. Luce]

increase in the local authority contribution to the arts since 1979 — all a bit embarrassing for the authors of the Opposition amendment.

Mr. Michael Marshall (Arundel): My right hon. Friend has referred to the Opposition amendment. The amendment in the name of alliance Members calls for various Departments to be brought together under a supremo Arts Minister. Will my right hon. Friend take it from me, representing the Society of West End Theatre, that the work he does as sponsoring Minister for the Arts, particularly on tax reform, is much appreciated? Will he also accept that a very important measure which will come to the House shortly is the Consumer Protection Bill? Will he undertake to keep a sharp eye on regulation and the code of practice on ticket overcharging, which are crucial to the future of theatre?

Mr. Luce: I am grateful to my hon. Friend for what he has said. I know of the work which he does for the Society of West End Theatre. He has repeatedly drawn to my attention some of the society's anxieties. Certainly I undertake to take a close interest in the issue that he has raised.

This year's arts budget was ahead of the overall increase in Government spending in the year, and ahead of projected inflation. We unwound three quarters of the taper for abolition areas, and we can now proceed on an efficient basis with the building of the British library at St. Pancras. It is now reaching its peak years for expenditure, taking just over 6 per cent of my total budget.

There are, of course, always competing priorities within the arts budget. However, the increases I announced this year for the British library construction were specifically not at the expense of the rest of my arts budget. When finally complete, the British library will be a major, modern, national institution of which we shall have the right to be proud. All this must be judged against a broader perspective.

Sir Geoffrey Johnson Smith (Wealden): I have listened to what my right hon. Friend has said about the British library. Does he accept that it is getting a disproportionate amount of resources this year? As a consequence it is little wonder that some institutes, such as the British Film Institute, of which I am a governor, feel that they have not been as fairly treated as they might have been and, I think, would have been, had not so many resources been taken by the British library. Surely there must be a better way of funding it.

Mr. Luce: I acknowledge the remarks of my hon. Friend, who does a great deal of excellent work for the British Film Institute. Expenditure on the library project has gone up quite fast because we are getting to a key stage of its construction. As I have said, in the coming financial year it eats into the budget to the extent of just over 6 per cent. The point I sought to make was that we always have problems with competing priorities and that the extra money that I have been able to achieve, which is just under £20 million over the next three years, for the British library is extra and does not come out of the arts budget. I wanted to make that point because it is important for people involved with heritage and the performing arts.

Mr. Clement Freud (Cambridgeshire, North-East) *rose*——

Mr. Luce: The more I give way, the more it eats into the debate.

Mr. Freud: Will the Minister agree that if the money does not come out of the arts budget, it could have gone into the arts budget?

Mr. Luce: I always find the hon. Gentleman, who takes a close interest in the arts, slightly convoluted in his arguments. The point I seek to make is that the extra resources I have been able to raise to enable us to forge ahead efficiently with the British library will come separately from the Treasury and not out of the existing arts budget that I have allocated for next year.

Mr. Robert Sheldon (Ashton-under-Lyne) *rose*——

Mr. Luce: I should like to proceed; otherwise it is unfair to other hon. Members who want to contribute to the debate. When I reply, I can pick up any points that have been made.

Our strategy is to encourage the fuelling of the expansion of the arts from a combination of the public and the private sectors. To judge any Government's policy purely on the level of taxpayers' support for the arts—important though that is—shows tunnel vision and is too limited in its approach. Rather, we must look at the global picture, and assess how public money and the tax system together can be used to increase the total of resources flowing into the arts.

We want to achieve two objectives: first, to use taxpayers' money to attract as much money as possible for the arts from other sources; and secondly, to get the best possible value for money from the taxpayers' contribution. It is important that as much as possible of the money voted by this House should reach the arts bodies themselves, and as little as possible be absorbed by administration.

I am very glad that the Arts Council and the RAAs, all of which do an excellent job, are to examine their adminstrative costs. I believe that my own Department, the Office of Arts and Libraries, staffed by only 52 civil servants, offers excellent value for money. What a contrast that is to some of the continental arts bureaucracies

One of the best examples of our approach is the operation of the business sponsorship incentive scheme, which has raised over £11 million of new money, including £3 million of Government money, 70 per cent. of which has gone to arts bodies outside London. Four hundred businesses have sponsored the arts for the first time and 250 existing sponsors have increased their budget.

Business sponsorship in general is rising fast; the total arts slice of this expenditure is now estimated at more than £25 million. I have recently undertaken to continue the scheme for 1988-89.

The opposition parties appear to be lukewarm about business sponsorship and to shy away from commercial support for the arts——

Mr. Norman Buchan (Paisley, South) *rose*——

Mr. Luce: I hope that the hon. Gentleman will have a chance to speak in the debate, and I shall certainly respond. I hope that he will let me proceed for a while.

Of course, the contribution that business sponsorship makes is relatively small, but it is growing. Sponsors back a much wider range of activities than some critics suggest —from early music to jazz, from puppet theatre to the Tate gallery. That all adds to the resources available to the arts, and it should be encouraged.

Here is the chance for the Opposition parties to do just that, and to endorse wholeheartedly the principle of arts sponsorship.

Mr. Buchan: Does sponsorship really add to the money available to the arts? Has not the right hon. Gentleman said on at least four occasions that all future development and expansion must come from the private sector; and that his only commitment is to maintain the level of public expenditure? If so, more money will not come into the arts from private sponsors; rather, private sponsorship will be used instead of proper and sufficient public funding.

Mr. Luce: I have great respect for the hon. Gentleman, but I cannot understand how his mind works. We are seeking an overall growth in resources, by whatever means possible, from the private and the public sectors.

My views on the matter are clear. The business sponsorship incentive scheme and the tax reliefs that are available for sponsorsip are ways of adding to overall resources. They are not a substitute for other forms of funding. Indeed, my vision is of the commercial sector working ever more closely in harness with the public sector. There are examples of such partnerships in action in the theatre world. For instance, the Beck theatre in Hillingdon is now being run with much lower subsidies from the ratepayer as a result of a partnership with a commercial organisation, and Apollo Leisure Ltd. has shown similar enterprise in taking over the Empire theatre in Liverpool. That is a principle that could be extended to other local authority theatres.

We are also encouraging arts bodies to help themselves by better marketing. This year I have introduced an arts marketing scheme on an experimental basis to complement the BSIS.

Mr. Tony Banks (Newham, North-West) *rose*——

Mr. Luce: The hon. Gentleman must allow me to go on, or the cohesion of my speech will be broken. Perhaps that is the hon. Gentleman's objective.

If it is successful, I shall build on and expand the marketing scheme. After all, the greatest income for the arts comes from the consumer and there is still much unexploited potential for attracting and entertaining audiences. As David Garrick, the great actor-manager said:

"The drama's laws the drama's patrons give
And we that live to please must please to live".

Another element in constructing our framework of opportunity for the arts is our gradual remoulding of the taxation system to encourage an atmosphere of giving. We have reduced the minimum covenanting period from seven years to four. We now give relief to companies for one-off donations. We have established a contingency reserve of about £10 million, taking one year with another, for acceptances in lieu of tax. In April, the payroll giving scheme—give-as-you-earn—will begin, and the arts must take that important opportunity to exploit those reliefs. Most arts bodies have charitable status and are eligible for these benefits, so they must go out and exploit the new scheme to the full.

The momentum of this strategy can be sustained only in an atmosphere where the arts world can depend upon central Government core funding. I have no hesitation in repeating once more that Government expenditure on the arts will be maintained. The success of arts bodies in securing additional private or public funding has not been and will not be penalised by the withdrawal of Government grant. That would be self-defeating.

Furthermore, I recognise the need of the arts for continuity and stability.

Mr. Robert Sheldon: As the right hon. Gentleman is approaching the question of Government funding, I want to make it clear that hon. Members on both sides of the House do not doubt the good intentions of the Minister in his attempts to extract from the Treasury the substantial sums that are needed to reinvigorate the arts. However, we are concerned about the strength of the right hon. Gentleman's dealings with the Treasury in trying to obtain essential funds. He has the support of almost the entire House in trying to obtain more funding for the arts than he has been able to extract so far.

Mr. Luce: I am trying to explain the important role that public funding has in the arts. For the next financial year I have received a 7 per cent. increase in my overall public expenditure, including that for the British library project. I accept that the library project takes up a large part of resources, but there is a 7 per cent. increase in my budget. I do not call that bad. It shows the importance that the Government attach to core funding in the arts.

Earlier, I was discussing the need for stability and continuity in the arts. Major arts institutions need to plan ahead. Like the Government, the Arts Council is now moving towards indicative figures for three-year funding for at least some of its clients, who will therefore be able to make long-term plans on a sounder basis.

The hon. Member for Stoke-on-Trent, Central (Mr. Fisher) has recently become the Opposition arts spokesman, following the sad demise of his predecessor the hon. Member for Paisley, South (Mr. Buchan)——

Hon. Members: He is alive.

Mr. Buchan: On a point of order, Mr. Deputy Speaker, may I say that my demise is greatly exaggerated?

Mr. Luce: I am glad that the hon. Gentleman has been touched by my remarks.

I must say that there seems to be some confusion about Labour party policy for the arts. What is Labour party policy, and what will it cost? Has the hon. Gentleman's party made any advance beyond its tired old concept of the public purse as the milch cow for everything? As for the alliance, its spokesmen may be able to enlighten us as to whether its policy is that expressed in the SDP Green Paper, that in the published Liberal party policy, or that to be found in its latest pronouncement, "The Time Has Come".

With three different policies, the alliance arts approach begins to remind me of the Schleswig-Holstein question. Only three people understood it; one has died, one has gone mad, and the other has forgotten.

There is a remarkable polarisation of views in this country concerning the arts. On the one hand, we have those who do not believe in any taxpayers' support for the arts. On the other, there are some prominent people in the arts world—I choose my words carefully—who assume that the world owes them a living and that Parliament and the Government are simply there to sign blank cheques for them. Such people are undermining their cause. There is a case for public support of the arts, and the arts world should make that case clearly, calmly and rationally.

Mr. Terry Dicks (Hayes and Harlington): Will the Minister explain, if the arts and especially ballet and opera are so good, why people who want to go there want to be subsidised to the tune of £20 a seat? If it is that good, people should be prepared to pay the full amount.

Mr. Luce: I know that my hon. Friend holds strong views on this subject and is one of those who represent one of the wings that have been mentioned, but I will say why certain areas of the arts should have public support.

The main reasons for central Government support for the arts are to promote excellence, to make that excellence more available to people around the country, to support our great national institutions—the national museums and galleries—and to foster the seedcorn of future talent. Of course, jobs and tourism are also important, and I do not in the least underestimate that, but the enrichment of the human spirit is the main justification.

John F. Kennedy said:

"The life of the arts, far from being an interruption, a distraction in the life of a nation, is very close to the centre of a nation's purpose, and is a test of a nation's civilisation."

As Arts Minister, I visit as many arts bodies, museums, galleries, libraries and functions as I can—over 200 at the latest count.

I can see for myself the flowering of the arts in this country. I visited the Royal Shakespeare Company. It has just announced its most ambitious programme of productions ever. I visited the British Film Institute. It is opening its new museum of the moving image on the south bank within a year or so, thanks to the support principally of Mr. Getty and the private sector.

I visited Nostell priory in Yorkshire which has been saved by the intervention of the National Heritage Memorial Fund set up by this Government in 1980. This great house, along with many others, is now preserved for the benefit of the nation.

I visited the Ruthin craft centre in north Wales, established with the help of the European Community and the Wales tourist board. It is a fine centre where craftsmen can practise their skills and market their productions at the same time. The national museums and galleries all have exciting plans for the future.

Of the many things I have already seen I will pick out only the Toshiba gallery of Japanese art at the Victoria and Albert, under the imaginative leadership of Sir Roy Strong. We all look forward to the opening of the new Clore gallery at the Tate next month by Her Majesty the Queen. The "Tate in the north" is due to open in Liverpool in 1988.

I visited the Leadmills in Sheffield, a tremendous hive of arts activities for young people, largely financed by the private sector. This arts centre is typical of the vibrancy of the performing arts today.

I have visited a large number of lively arts festivals, so well supported by their local communities, ranging from Edinburgh to Billingham to Brighton.

I visited the Burrell collection and the Kelvingrove collection in Glasgow. They will be centrepieces of Glasgow's European City of Culture celebrations in 1990.

Mr. Roland Boyes (Houghton and Washington): The Minister has listed places which he has visited. A lot of those places relate to the performing arts, painting, and so on. He knows that I have a great interest in photography. I know that the Minister, at my invitation, visited the photographers' gallery, but he has never intimated that photography is part of the arts world. If the Minister would mention his visit to the photographers' gallery it would do good for our newly formed photographic society and for all the people who are working in the industry.

Mr. Luce: I am grateful to the hon. Gentleman for drawing attention to the importance of photography which is expanding in this country. I was glad to have had the chance to visit the photographers' gallery.

I urge hon. Members on all sides of the House to back the activities of arts bodies in their own constituencies and to encourage them to take full advantage of the sponsorship incentive scheme and tax changes. Of course there are problems and pressures. They are largely the product of success. The rapid expansion of the arts has led to even sharper competition in claims for resources. There will always be more good causes than the Government can afford to satisfy.

I am impressed by the way that arts organisations are grappling with the challenges and are doing all they can to develop a variety of sources of income. They are determined to use both public and private sector money to expand. This Government are determined to do everything possible to enable them to succeed.

5.26 pm

Mr. Mark Fisher (Stoke-on-Trent, Central): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

'deplores the Government's failure to invest adequately in the arts and media; in particular condemns the Government's budget allocation to the Arts Council of Great Britain for 1987-88 which represents a cut in funding in real terms; regrets that the Government does not appreciate the importance and impact of the arts on the economy and employment, or the true value of arts projects to the regions and communities in those regions, who remain at a relative disadvantage by comparison with Central London; and calls on the Government to take positive steps both to increase and widen the audience for the arts and to promote policies which offer a greater diversity of opportunity for artists and producers, and which widen choice for the audience or consumer.'.

I welcome this debate and applaud the Government for providing the House with an opportunity to discuss the arts. I believe, as far as I can establish from research, that this is the first time in more than 35 years that any Government have tabled a substantive motion on the arts, and I congratulate the Minister. I suspect that this afternoon that will be the last time that I congratulate him. Hon. Members on this side of the House—and, I suspect, some of the Minister's supporters—are baffled over why he managed to persuade the Government to table the motion. We are no wiser, having heard the Minister's speech, because he has nothing new to say.

We have heard the old, tired congratulations of himself and his Government, wrapping the success of artists and companies in the country around the Government's lack of policy. We have heard the Minister referring to a strategy and then failing to mention what that strategy was. The Minister really said nothing. The Government have very little—indeed, nothing—to be proud of in their arts policy. The Minister gave only two new elements of his policy, both of which he had previously announced. The first was the give-as-you-earn payroll scheme, which does not come into effect until next month anyway. He gave no estimate of the possible effect of that scheme. The

Minister will find, if he speaks to any director of a regional theatre, that there is great scepticism that even substantial arts clients will benefit much from that scheme.

Mr. Cormack: Is the hon. Gentleman against it?

Mr. Fisher: I am not against it, but I do not think it will solve the problems in the regions. The Minister knows that and was unable to give any estimates.

The other interesting scheme that the Minister noted was the business sponsorship incentive scheme involving comparatively sizeable sums, from £9 million to £11 million of Government money. I am sure that the Minister will agree that, although 70 per cent. of it is spent outside London, the main regions that are benefiting are the south, the south-west, Scotland, the eastern region and the Greater London area. The Minister will recall a book recently published by the Policy Studies Institute on the whole problem of regional imbalance in arts funding. Those five areas take up the lion's share of arts funding, and that imbalance is what "The Glory of the Garden" strategy was seeking to address.

Inevitably, and hardly surprisingly, the business incentive scheme is growing and concentrating in those areas all the resources that have been kindly provided by industry. More than 50 per cent. of the cash goes to those five areas. The Minister must understand that this scheme, although revealing and assisting various interesting projects, far from addressing the imbalance in arts funding, will be increasing the imbalance indirectly and through its own relative success. The Minister must address himself to that problem and be candid enough to recognise that it is a problem.

The Minister referred to the wide range of activities that the scheme is encouraging, but he knows, because he has the figures from the Association for Business Sponsorship of the Arts, that the main interest is in music and theatre, which account for 237 schemes. Literature accounts for five awards and sculpture for three. Two of those literature awards are in Cheltenham, which is not notably deprived of arts projects and resources. The Minister must understand, if he is being straightforward with the House, that this scheme will be unbalanced both geographically and in the sorts of arts projects that are likely to benefit.

I hope that the Minister will understand that and be more sceptical about the success, in the national perspective, of all our arts and media that will be addressed by that scheme. I thought he might have been providing himself in this debate with an opportunity to announce something substantial and attractive like an easement in the Arts Council grant. That was very optimistic of me, although he would have received congratulations on both sides of the House if he had done so, and we would have welcomed it. I suspect he might have done so, if he had had the nerve and been able to respond to my right hon. Friend and to fight his corner with the Treasury. At this time of year, many budgets are often underspent, through no fault of their own, and sometimes through bad administration.

The Secretary of State for Wales shakes his head. It may not be so in the Welsh Office, but I ask the Minister for the Arts to check with the Secretary of State for the Environment whether English Heritage is not substantially underspent this year to the tune of £9 million.

The Secretary of State for Wales (Mr. Nicholas Edwards): The Welsh Office is not underspent, because I have launched the largest programme of arts support ever undertaken in Wales, including the £15 million expansion of the national museum of Wales.

Mr. Fisher: Hon. Members representing Welsh constituencies would be more satisfied if the Secretary of State would do something to save the Sherman theatre in Cardiff. If the right hon. Gentleman will address himself to that, he will receive congratulations from both sides of the House.

Mr. Patrick Cormack (Staffordshire, South): May we take it that Labour Members from Wales are reasonably satisfied, as not one of them is present?

Mr. Fisher: They are probably receiving petitions of anger and despair about the Sherman theatre at this very moment.

Will the Minister look into the rumour—I put it no higher than that—that English Heritage is substantially underspent, and will he lay claim to the funds involved as the Arts Council and the regional arts associations could spend £9 million very constructively?

I thought that the Minister might say something about his arts patronage scheme. On 13 January, when he opened the excellent Royal Academy exhibition of 20th century British art, he said:

"I am exploring the possibility of a modest scheme which will enable government departments to brighten up their working environment by exhibiting promising work by young artists."

Reporting that speech, *The Guardian* said:

"One idea is for prints of an original work to be made and distributed to those buildings most in need—notably local social security and unemployment benefit offices."

The Minister continued:

"Contemporary art in this country deserves more encouragement from all of us."

The Minister seems to have difficulty recollecting that interesting initiative. What has happened to it? Why was there no reference to it in his speech today? Did he perhaps regret those off-the-cuff remarks at the Royal Academy and tell his civil servants quietly to drop the matter? As on so many other points, the Minister had nothing to say about that today.

The Minister attempted to associate himself and the Government with the popularity and success of artists and their work in this country, but nothing could be further from the truth. Last year, the Arts Council base budget rose from £110 million to £113·8 million. The increase was less than the rate of RPI inflation, so it was cut in real terms, to go with the cut in real terms that the Government have imposed on local authorities and their ability to respond to the arts needs of their communities. It is hardly surprising that the chairman of the Arts Council, Sir William Rees-Mogg, described it as

"a blow to the arts in Britain."

That is the truth about Government funding of the arts, but it was not among the success stories described by the Minister.

It is scarcely necessary to weary the House with examples of major arts clients who are doing excellent work but who have either received no increase in funding, due to that cut in real terms, or have had their budgets and their valuable work cut back. Like the Prime Minister, the Minister for the Arts will no doubt say that this is to do with the international climate. He suggested it indirectly when he referred to overweening bureaucracies in other countries and praised his own Department for its leanness

[Mr. Fisher]

and smallness. In fact, comparable countries spend far more on the arts. Italy spends the equivalent of £274 million on subsidised arts. West Germany spends £15·77 per person per year. Sweden spent £24·82 per person in 1980-81. The equivalent figures in this country are £7·20 for England, £6·90 for Wales—*[Interruption.]* Those are the PSI figures. [HON. MEMBERS: "Too much."] I thought that someone said, "Rubbish." Compared with other countries, they are certainly rubbish figures. The figure for Scotland is £9·30 per person per year. In France, arts funding is 0·86 per cent. of total Government expenditure. In the United Kingdom, it is 0·34 per cent. Why do the British Government, almost uniquely in Europe, refuse to fund the arts as other countries recognise that they should be funded?

Mr. Alan Howarth (Stratford-on-Avon): Is the hon. Gentleman aware that France boasts a music inspectorate which spends more money and employs more people than does our Arts Council? Does he agree that it is better to have a sparse bureaucracy so that the available money can be spent on the arts?

Mr. Fisher: If that were only true, but the money is simply not there. More money is spent on music in Graz, Austria, than in the entire United Kingdom. The hon. Gentleman should appreciate that that is nonsense and that funding for the arts in this country lags behind the rest of Europe where its importance is recognised. It is no wonder that morale among audiences, administrators and artists is at its lowest ebb and that the Government have succeeded in uniting the arts world against them as no other Government have ever done. Artists and administrators are angry at the Government's failure to fund the arts properly.

The Minister referred rather courageously to the British library, but the story is less wonderful than he suggested. The Office of Arts and Libraries, in conjunction with the Property Services Agency, is engaged in the largest civic construction project that this country has seen for years. The Opposition do not dispute that the British library should have a new, unified building, but it is strange coming from a Government who set the value of the public library service so low that 200 public libraries have closed since 1979.

Mr. Luce: Rubbish.

Mr. Fisher: Those are the facts.

Mr. William Cash (Stafford): I know that the hon. Gentleman has a special interest and expertise in relation to libraries, as I believe that he was chairman of the Staffordshire library committee, but does he regard the cuts to which he has referred as the fault of the Government or the fault of the county councils or library authorities concerned? The amount of money made available has increased, to decreased, but it is a matter of the priorities given to these matters by the library services.

Mr. Fisher: Library committees and chief librarians throughout the country would love to respond to the needs of people using the library services, to provide decent book funds, new libraries and a whole range of new information and services, but they cannot do so. Two hundred libraries have closed, 500 fewer people work in libraries than in 1979 and book funds throughout the country have been cut by 34·2 per cent. although public use of libraries has increased. That is an appalling record and the Minister should be ashamed of it. We await his annual report with interest. I hope that it will be more substantial than last year's puny document.

Mr. Luce: It will be several pages longer.

Mr. Fisher: I hope that they will be pages of apology to people who use public libraries and to the public library service.

Mr. Luce: The hon. Gentleman seems not to realise that there are more books in public libraries than there were 10 years ago when the Labour Government were in office. What standards should we be seeking?

Mr. Fisher: It is easy to exchange figures, but the Minister has not responded to those that I have given, from the Library Association, that 200 libraries have closed and that book funds are 34·2 per cent. down on 1979. That is a disgraceful record. If the Minister tries to tell the public library service that he has done well, librarians of all political persuasions throughout the country will disabuse him. Any librarian in the country can tell him that they are strapped for money and for book funds.

Mr. Tony Banks: Is it not a fact that unless librarians go around burning books, even with declining budgets, the number of books will increase? Is not the Government's policy just the political equivalent of burning books?

Mr. Fisher: I agree with my hon. Friend.

The point that we were discussing when we were sidetracked was whether the British library is in safe hands. I believe that the public has a right to expect the Minister's Department, which is responsible, to be competent. Instead we find that in its first two stages the building is £112 million of public money over budget. Even when the Minister has gone back and looked at the accounts, started juggling the figures for VAT, increasing the allowance for inflation, indulging in the creative accounting of which he so disapproves when local authorities indulge in it, it is £25 million over budget. At such a rate, some experts estimate that the building may well cost as much as £1,000 million.

The Minister may say that it is structured in modules so that the Government can withdraw at any stage. I doubt whether that is correct. Will he confirm that the first stage, which is about to be completed, will not have adequate reading room facilities and therefore that it is inevitable that it will have to proceed to stages 1B and 1C? If that is the case, the modular system hardly has any credibility. Also, if that is the case, and stages 1B and 1C are inevitable, why have they not been costed and scheduled? Given that the Minister has lost control of the budget of that amazingly large building, does he not owe it to the House to account for it? It is hardly surprising that the Comptroller and Auditor General is currently looking into the matter. The House will await with some curiosity and apprehension his report on the state of the British library building.

There are other areas that we must deal with, apart from the British library. Perhaps the most immediate and serious is the whole question of museum charges. We have a Government who will not adequately fund museums but are happy to let the natural history museum and three other museums impose charges on 1 April. What a pathetic April fool the Minister is making of himself and

his Government. On that day—Conservative Members may not realise this—children who do not happen to have £1 will be turned away from those museums as will pensioners and the disabled who do not have £2 or a family with two children which does not have £6. Is that what the Minister wants? What a disgraceful record.

Is the Minister not aware of the fact that the original charter of the British museum proclaims proudly that its collection is intended

"for the use and benefit of the public who may have free access to view and peruse the same."

The public may not do that under this Government, even though charges will cause a slump in attendance. When the national maritime museum in Greenwich introduced charges in 1985, attendance slumped by 36 per cent. The Victoria and Albert museum introduced so-called voluntary charges, although there is considerable pressure on visitors to pay, and it saw attendances drop by 40 per cent. Is that what the Government want? Surely any Government with any sanity would want to widen access, particularly among young people, and increase attendance, but not this Government apparently.

We must accept the fact that we are dealing with a Government who really do not care or value the arts. They have completely failed to address the need to widen audiences or participation in the arts. Black and Asian communities account for 4 million people in our society, and I am glad that the Arts Council is developing a policy to address the needs of that substantial number. In spite of that, they feel that under this Government their arts are arts that Britain ignores, and they have every right to feel that.

The Government's physical and financial neglect of the arts stems from their blinkered view of the arts. For the Minister and the Government the arts remain essentially dance, theatre, opera, orchestral music, sculpture and painting. I was glad to hear the Minister utter the word jazz. I have never heard him say that before. It was good that he recognises that the definition of the arts is a little wider. Jazz may be his personal interest and I am delighted to hear him say so, but I believe that the funding priorities of the Government and everything that the Minister said show an essentially 19th century view of the arts. I would have liked to include literature in the list but, unfortunately, the literature budget of the Arts Council has been cut by 43·6 per cent. in real terms in the past two years.

All the areas of the arts I have mentioned are vital and excellent means of expression and communication. They are the bedrock of our arts, but they ignore the realities of the past 50 years. The arts today encompass publishing, broadcasting, radio, television, video, film, fashion, design and the new technologies of satellite and cable. Every one of us in the House probably watches television and video more often and listens to more records and the radio than we go to live concerts or the theatre.

Mr. Boyes: I was pleased to hear my hon. Friend expand the list of arts areas. However, he concluded his list without mentioning photography. When my hon. Friend becomes the Minister for the Arts after the next election, whenever it may be, will he give me an assurance that he will be mentioning photography in his list in future and supporting it as an important art form in Britain?

Mr. Fisher: I willingly and gratefully accept the admonition from my hon. Friend and I add photography to the list.

Those are the realities of all our lives as individuals and the communities that we are fortunate enough to represent in the House. The independent commercial arts in the commercial sector are as much a part and as vital to our culture as all the subsidised traditional arts. In spite of that, we hear little about them from the Government. They are certainly not included in this Ministry. They should be, but they are not. We see before us not the Minister for the Arts, but the Minister for part of the arts. The Government do not seem to understand the full range and scope of the arts. They are out of tune with the reality of all our lives. They are out of date, and I hope that they will soon be out of office.

The Minister may be beginning to catch a glimmer of that in his understanding. He has recently commissioned, as he told the House, a study of arts economics. It indicates —I hope that it is true—that he is beginning to become aware of the fact that the arts are not a drain on the Treasury but are a plus. The arts are a major industry and employer. To see just how major he can look at many of the studies that are being produced. "The Economic Influences of the Arts in Cornwall" is being produced by Cornwall county council and South-West arts. "The Economic Importance of the Arts on Merseyside" was produced last year by Merseyside arts.

The institute of employment research at Warwick university had a recent study which showed that libraries, arts and sports will be the fastest growing area of employment in the next 10 years, increasing by 30 per cent. The Minister's own study will, or should, show him that estimates of arts-based tourism may be as high as £5,000 million a year. The arts employ literally hundreds of thousands of people in our community. The payback from the arts in VAT, national insurance and income tax to the Treasury probably means that the subsidised arts cost the country virtually nothing. Therefore, when the Minister says that he cannot afford to increase the subsidised sector of the arts, he misunderstands the economic impact of the arts and their industrial importance.

I was glad to hear the Minister refer, for the first time that I have known him do so, to the export earnings of the record industry in 1985 being $495 million. The same is true of the publishing industry which this year will top £2,000 million turnover and which last year had a net surplus in exports of £550 million. When our deficit on balance of trade in manufactured goods may well top £8,000 million this year, that is an area of our industrial life and economic activity that has a substantial surplus and is growing. The Minister would do well to remember that and, when responding to my right hon. Friend the Member for Ashton-under-Lyme (Mr. Sheldon) in taking his case to the Treasury, I recommend that he presses that point because I doubt whether there is a single Department of State in the Government that is in balance of trade surplus in that way.

The next Labour Government will recognise those realities and bring together not only arts and libraries, museums, galleries and crafts, but bring with them publishing, photography, film, press, video, satellite and radio in one unified ministry for the arts and media. Our policies——

Mr. Buchan: Will my hon. Friend repeat his last sentence, because I was sacked for saying it?

Mr. Fisher: I willingly repeat it, and hope that the thunderbolt does not descend upon me, and that I do not reach a demise, in the Minister's terms.

Our policies will make a priority of widening the audience for such activities. They will make a priority of increasing choice for the audience and the consumer; of widening opportunities for the artist or producer; of ensuring that the freedom of expression and independence of the artists and producers is paramount; of devolving arts activities to the regions and to communities within those regions; of opening up our airwaves to community radio; of re-regulating television to increase the access of independent producers; and of establishing a British screen authority to give a firm foundation to an indigenous British film industry. I am sorry that the hon. Member for Wealden (Sir G. Johnston Smith) is not in his place, because I know that he has expressed an interest in the British film industry and the BFI.

Above all, we shall make the arts and media for the first time a statutory responsibility for local authorities and provide an element in the rate support grant to finance those activities. That step more than any other will transform the arts in the communities that we represent, and in regions throughout the country. Conservative Members have often said in the last few months that they support a devolution of the arts from central London. I hope that when we introduce those policies in the next Parliament they will back them to ensure that communities can respond to the needs that they undoubtedly have.

The Minister asked how much it would cost. No doubt Conservative Members are using their calculators—the technology may even come to them—and are also asking, "Where is the money coming from?" But, unlike this Government, we shall ensure that the money will come——

Mr. Luce: Where from?

Mr. Fisher: If the Minister will restrain himself for a moment, he will hear where the money is coming from.

Mr. Nicholas Budgen (Wolverhampton, South-West): The IMF?

Mr. Fisher: That is not one of the Arts Council's clients.

Unlike the alliance, we shall not get the money from tax incentives. The right hon. Member for Plymouth, Devonport (Dr. Owen) has talked about the arts a good deal recently outside the House, now that he is beginning to understand that there are votes in the arts. However, interestingly, he has never spoken about arts in the House, certainly not in this Parliament. Sadly, he is not in his place today. He may be in Truro, counting his votes before they are cast.

The right hon. Gentleman said in a speech to the SDP arts session in February 1986:

"What the arts need is a tax incentive structure similar to that in the USA."

Like so much of what the right hon. Gentleman says, it was sadly ill-informed. Perhaps he should stick to subjects which he knows about something. Clearly, he knows absolutely nothing about the arts. I am more generous than my hon. Friends; I am sure that the right hon. Gentleman must know something apart from his own undoubted good looks, on which he is an expert, because he gazes at them every day. Our arts need a United States-type tax system like a hole in the head. It is a system which every year sees major orchestras, opera houses, theatres and festivals go bankrupt. Last year, in California alone, the Oakland symphony orchestra and the San Diego orchestra went into liquidation because of that wonderful tax incentive scheme that alliance Members so praise and laud.

Mr. Freud: Oh, no.

Mr. Fisher: The hon. Member says, "Oh, no." We have another alliance split. The Liberal party says, "Oh, no," and the right hon. Member for Devonport says, "Oh, yes." As the Minister says, it is difficult to know what the alliance stands for on any subject.

Mr. Dicks: Does the hon. Gentleman not agree that the orchestras had to close down because people did not want to pay an economic price to listen to them play?

Mr. Fisher: Now we have a Tory split. Again, the public will not know whom, to believe—the hon. Member for Hayes and Harlington (Mr. Dicks) or his right hon. Friend. They will be confused. At least the Labour party has a credible policy. I am sure that my hon. Friends will agree that the party is solidly and proudly united behind that policy.

The Secretary of State for Wales—I am glad that he is still in his place, and I appreciate his attendance—asked where the money was coming from. Our funding will come from a wide variety of sources. Some will come from central Government on the basic arts budget. There will be a new one-off capital fund for housing the arts, because so many of the arts buildings in our constituencies are in a dire state of repair. Money will come from the rate support grant, and from local authorities responding to the needs of their communities. It will also come from audiences and from the public, and an expansion of arts provision will lead to expanded income for arts clients.

The money will also come from private investment. We shall encourage local authorities to support the arts in a wide and plural way, not only through grant and subsidy as at present but through loans, investment and underwriting of activities. Local authorities will act not only as providers through grant and subsidy, but as enablers of activities. If Conservative Members wish to complain about that, I shall be interested to give way to any of them. There will be a substantial increase: they will see how substantial it will be.

While this Government persist in their blinkered approach that the arts are just the subsidised arts—and very badly subsidised at that—their priorities are wrong. The hon. Member for Twickenham (Mr. Jessel) has been very quiet. No doubt he will soon be talking about military bands. He has done such a superb job for military bands that they are funded by the Government to the tune of £48 million a year. There can be no hon. Member who represents a constituency so superbly as the hon. Gentleman, who has succeeded in getting £48 million for his own peccadillo while the rest of the music world longs for such funding. Under this Government, because of the ingenuity of artists and administrators, the arts will survive. But that is no thanks to the Government, and opportunities will be lost.

Mr. Richard Alexander (Newark): At a conference on the arts last week, the hon. Gentleman spelled out the

Labour party's policy in some detail. One of the planks that he gave his audience was that spending on the arts would be doubled. Is it not interesting that he has not repeated that pledge today? Or has he abandoned it already?

Mr. Fisher: The hon. Gentleman was in attendance at that conference for only a few minutes. The conference was organised by the Arts Council but, apart from a speech by the Minister, it was sadly ignored by Conservative Members. The hon. Gentleman is mistaken. My hon. Friend the Member for Paisley, South (Mr. Buchan) gave some figures for our spending plans, but I did not, although I talked about a substantial increase. The hon. Gentleman's memory has played him false.

The arts need from the Government not only funding —even in its present inadequate form—but a lead. It is interesting that yet again — the Minister and I have debated this in the past—there has been no vision from the Government. We heard about strategy, but the only words that I could grasp that had anything to do with strategy were that the Minister would ensure continuity and stability. What a sterile and depressed lead that is to give to the arts. All that he is offering is continuity and stability — the continuity of more cuts, I suspect, and more reduced funding.

The arts and the media are our means of expressing and defining our culture and ourselves as individuals. They are a means of criticising and challenging our values, our beliefs and the way in which we see each other. They are the most concentrated way that we as a nation can express what we believe in, what inspires us and provokes us, what reminds us of our past and gives us hope for the future. That is a word that the Minister could not offer. He could not offer any hope to the arts. We live in a society with very little hope because of the new realism that has been forced on it by the Prime Minister.

We are faced with a depressing and bleak future. However, there is an alternative. People's opinions are important. They can be expressed and the arts give a chance for communities and individuals to express themselves, to define their culture and their relationship to each other and to give them some hope, dignity and possibility for the future. The arts cannot do that while the Government are here and refuse to fund audiences or artists in expressing those hopes for the future. Under a Labour Government, the arts will be able to begin to do that, and will do that.

Several Hon. Members *rose*——

Mr. Deputy Speaker (Mr. Harold Walker): Order. This is a short debate and short speeches might be appropriate.

6 pm

Mr. Patrick Cormack (Staffordshire, South): I will try to obey your injunction, Mr. Deputy Speaker. However, first on behalf of all hon. Members, I should congratulate the hon. Member for Stoke-on-Trent, Central (Mr. Fisher) on a maiden speech from the Opposition Front Bench. Rarely has there been such a maiden speech containing a string of perorations interspersed with a mass of contradictions. Conservative Members have a fond affection for the hon. Member for Stoke-on-Trent, Central because we still hold his father in the highest regard. When the hon. Gentleman speaks, he still betrays that he is a little bit of a chip off the old block. His courtesy and the real demonstration that he was not educated at Grange Hill endear him to us.

The strength of arts policy over the years has been the fact that it is largely bipartisan. The hon. Member for Stoke-on-Trent, Central went a long way towards destroying that this afternoon. However, on one point I can go along with him. There is a measure of agreement on both sides of the House with the recommendations on museum charges made by the Select Committee on Education, Science and the Arts in 1981-82. That all-party Select Committee report expressed the view that charging was acceptable, but that there should be certain categories of exemption. It should be up to individual institutions and their trustees to decide whether charges should be made, but it believed that the categories to which the hon. Gentleman referred should be exempt.

I want to thank and congratulate my right hon. Friend the Minister not just for ensuring that we have the first debate, as the hon. Member for Stoke-on-Trent, Central said, for some 35 years on a substantive Government motion on the arts, but also for what he has done in battling valiantly in difficult times. He has not achieved all that I should have liked him to achieve, but, by Jove, he has achieved a great deal.

All Conservative Members can be modestly proud of the Government's record. At the risk of wearying the House — I shall not cite more than two or three examples—we should remind ourselves of some of the milestones that have, with all-party support, been erected during the past eight years: for example, the creation of the National Heritage Memorial Fund, which was a very significant achievement, and the transformation of the Historic Buildings Council and the Ancient Monuments Commission into the Historic Buildings and Monuments Commission, again with all-party enthusiastic support and a very much bigger budget. We must also remember the Government's response to the recommendations in the Select Committee report on the in lieu provisions. We now have a much more satisfactory and workable solution to that problem.

I can point to a specific example in my constituency. The Government have saved Weston Park, one of the most gracious and elegant English country houses which, because extra money was made available a year ago, has now been saved, with its contents, for the nation. A private trust has been set up so that Weston Park can continue to be enjoyed and seen by many people.

All these are significant achievements and my right hon. Friend the Minister has been particularly successful in generating extra enthusiasm for the whole concept of business sponsorship.

However, it would be churlish if, in congratulating my right hon. Friend the Minister, we did not remember that he is the fourth Minister for the Arts in the past eight years. My right hon. Friend the Member for Chelmsford (Mr. St. John-Stevas), my right hon. Friend the Member for Southend, West (Mr. Channon), the present Secretary of State for Trade and Industry, and the noble Lord, Lord Gowrie made significant contributions. Their work has been widely recognised and welcomed. They succeeded Ministers from previous Labour Governments who also made notable contributions. The right hon. Baroness Lee, whom I had the good fortune to defeat in 1970 to become a Member of this House, was the first Minister for the Arts. I always like to think that we have a strong bond

[Mr. Patrick Cormack]

between us in our common love of the arts. Baroness Lee, Lord Donaldson and others, have, in an all-party sense, made their contributions.

When we consider the subject, we are bound to agree that there has been an advance since the Select Committee took evidence in 1981 from Sir Kenneth Cork, the then chairman of the Royal Shakespeare theatre. He said:

"The very small call we can make on the National purse in terms of the economy as a whole is justified because of the dividends we bring to the country's economy through the expenditure of people coming to the theatre, and outside the theatre, but Her Majesty's Government does not recognise this, and appears to look upon us as a lunatic charity."

We have come some way since then. There has been real progress and Sir Kenneth would be unlikely to make that statement if he came before a Select Committee of the House now.

Not that that means that all is well or that everything is right. My right hon. Friend the Minister referred to the British library and the money that he has been able to extract from the Treasury—would it were more. The fact is that money spent on the arts is about the most cost-effective of Government spending. People who talk about subsidies in disparaging terms make me very angry. In the German states the prince provided money to enable the opera to flourish in his state, and in the 19th century donations were made by rich people in this country to the arts and a similar thing happened in the United States. Indeed, there has never been a time when the box office has paid for everything and there has never been a time when great collections have been amassed without donations from individuals or Governments.

There is a real need for sizeable contributions from central and local government. That need will remain. My right hon. Friend the Minister has recognised that. I am particularly glad that my right hon. Friend the Secretary of State for Wales is present. All Conservative Members are very sorry that he is not standing at the next general election because he has done more for the arts in the Principality than any other Secretary of State for Wales. The Principality will, for generations to come, have cause to be thankful for what he has been able to spend in the Principality from public funds. He is rightly proud of that, as we all are.

Having said that, I want to be mildly critical, because many things still remain to be done. As I have said, arts spending is the most cost-effective way of spending public money and the returns are enormous. The budget in national terms is minuscule and we could do with more money. I hope, for instance, that very shortly the Minister will be able to ensure that the Royal opera house can go ahead with one of the most imaginative plans that it has been my good fortune to see for a very long time. It will rely very largely on private funding, but it also needs ministerial support, blessing and encouragement. I hope that my right hon. Friend will refer to it, if only briefly, when he replies.

The all-party arts and heritage group visited the Royal opera house just before Christmas and we were all very excited by its plans. That underlines the aspect of consensus. However, I was slightly surprised at the rebuke delivered by the hon. Member for Stoke-on-Trent, Central to the right hon. Member for Plymouth, Devonport (Dr. Owen) in absentia.

When we produced the Select Committee report in 1982, we had all-party support, ranging from the hon. Member for Sheffield, Hillsborough (Mr. Flannery) to my hon. Friend the Member for Gravesham (Mr. Brinton). That spans a wide political spectrum. The Committee included Mr. Christopher Price as Chairman. We all called for some American-style concessions. I hope that the hon. Member for Stoke-on-Trent, Central has got it wrong, just as I hope that he got it right when he talked about policy for which the hon. Member for Paisley, South (Mr. Buchan), whom we all miss, was sacked from the Labour Front Bench.

I should like now to consider some of the things that need to be done. I shall single out a few of the Select Committee's recommendations which were made several years ago but which have not been properly recognised. We called for the creation of a

"Ministry for the Arts, Heritage and Tourism . . . to absorb the work of the Office of Arts and Libraries and to concentrate in the hands of one minister of Cabinet rank all central government responsibility for the arts, libraries, film, broadcasting, heritage and tourism."

That was an all-party recommendation. Of course, it does not lie with my right hon. Friend to implement that recommendation. It would be discourteous and ridiculous in the extreme to rebuke him for the fact that it has not been implemented. I hope that he will convey to my right hon. Friend the Prime Minister the fact that many hon. Members still believe that that is the right way forward.

Mr. Tony Banks: Will the hon. Gentleman remind the House how many recommendations were in the Select Committee report and how many of them have been implemented by the Government?

Mr. Cormack: The hon. Gentleman has anticipated my next remark. I was going to make the point that there were 77 recommendations. How many have been implemented is an impossible question to answer with total precision because bits of recommendations have been adopted.

Mr. Buchan *indicated assent.*

Mr. Cormack: The hon. Gentleman is nodding vigorously. Some of the recommendations have been adopted more or less in their entirety—such as the in lieu recommendations — but many others could be implemented to the benefit of the arts in general.

Although my right hon. Friend the Minister for the Arts has started to report to the House, the reports are not quite of the length and detail which we had in mind in annual arts White Paper for which we called.

The Select Committee said that six months' formal notice should be given to an arts organisation if there was to be a significant alteration to its level of public grant. If that recommendation were implemented, it would relieve the anxiety of many people. My right hon. Friend the Minister has made statements from which I infer that he is sympathetic to that approach. I hope that we shall move quickly in that direction.

I do not wish to prevent other hon. Members from taking part in the debate by making too long a speech; I do not want to follow the example of the hon. Member for Stoke-on-Trent, Central. In recommendation 29 the Select Committee said:

"The skill and expertise of the Crafts Council should be called upon by the Manpower Services Commission when devising schemes for the training of the unemployed and of young apprentices."

It is time that the crafts were given a proper recognition. There is nothing demeaning about following a craft—indeed, quite the opposite; there is everything noble and proper about doing so. The way in which we almost look down upon those who work with their hands, as distinct from those who apparently work with their brains, does none of us any credit. To be a craftsman, one must have an intuitive sense and a keen brain. I have been involved in helping to persuade one or two organisations with which I have a connection to sponsor a new craft fellowship scheme called the William Morris craft fellowship. This year, we have selected four young people —three men and one woman—who will follow a course for six months and learn a range of new crafts. We hope that they will become leaders in their companies and not merely supervisors but high-grade supervisors who, by their infectious enthusiam, make others want to follow the crafts.

Mr. Tony Banks: Will the hon. Gentleman join me in hoping that those people also become Socialists, like William Morris?

Mr. Cormack: If William Morris were alive today, he would not recognise on the Opposition Benches the ideals for which he strove. The hon. Gentleman left himself open to that comment.

I hope that the Government will realise that, in supporting the crafts, they will be doing many things. After all, all the grants through the heritage memorial funds and elsewhere are of little benefit unless there are the craftsmen to do the restoration and people who have skills to pass on to future generations. A great deal of public money could be used profitably—I mean "profitably" in every sense—in encouraging young people to go into the crafts, working in environments that could only help to uplift them.

I trust that my right hon. Friend the Minister will have early discussions with my right hon. and learned Friend the Paymaster General and others to ascertain what can be done to encourage more people to go into the crafts —not just young people but those who find themselves unemployed later in life. They often can learn a craft or skill and so bring back a new meaning, purpose and hope to their lives. The hon. Member for Stoke-on-Trent, Central talked about hope. This is a good example of where one can bring hope to individuals.

Mr. Alan Howarth (Stratford-on-Avon): I have listened with interest to my hon. Friend. I share his view on the importance of encouraging good craft training. Does my hon. Friend feel that the new city technology colleges might offer the opportunity to establish centres of excellence in craft training? That might be among their strengths.

Mr. Cormack: I certainly would not rule that out, but I must admit that that idea had not occurred to me. This is not to decry the concept, but I would much rather that money were put into cathedral workshops and such places to build true craft centres in an environment in which young people have the very best of the past all around them, and the challenge and vision that that presents.

I wish to obey the injunction to make short speeches, so I shall not continue much longer. We have much to be pleased about, although nothing to be complacent about. I am glad that, at the end of the debate, it is unlikely that there will be a major Division. That is good because certain issues transcend petty party differences. Since the war, there has been reasonable consensus which was only challenged—jokingly, I hope—by the hon. Member for Stoke-on-Trent, Central.

Mr. Buchan: The hon. Gentleman is almost right. It is true that there has been bipartisanship between the hon. Gentleman and two or three others, but there is a big division when it comes to that bunch of moronic philistines on the Conservative Benches with whom he has associated.

Mr. Dicks: Quite right.

Mr. Cormack: I gather from noises off that my hon. Friend accepts that rebuke as a compliment, but I think that the majority of my hon. Friends do not. The Government do not deserve that stricture. No Government are perfect in all respects of their policy. Although I have not been backward in criticising the Government from time to time, I believe that we have made significant achievements in the heritage and the arts, and my right hon. Friends the Minister for the Arts and the Secretary of State for Wales and all their colleagues have every reason to be proud of them. I congratulate them on what they have done.

6.18 pm

Mr. Clement Freud (Cambridgeshire, North-East): I too, congratulate the Government and thank them for this debate—the first in 35 years, which is longer than some of us have been Members. I should like to take up one point made by the hon. Member for Staffordshire, South (Mr. Cormack). He said that he hoped that there would not be a major Division. I do not know what a "major" or "minor" Division is, but a motion

> "That this House congratulates the Government on the success of its arts policy"

must be resisted by all those who feel that the Government deserve scant congratulations on their arts policy.

Mr. Toby Jessel (Twickenham): Is it not a major division when the Liberal party wants to abolish the Arts Council and the SDP wants to retain it?

Mr. Freud: I am sorry that I gave way to the hon. Gentleman, but it was right for him to ask the question. I shall deal with it later in my speech. On something as fundamental as self-congratulation on an arts policy, those who feel that congratulations are not due have a duty to vote against the motion, which bemuses me.

I had lunch today with the great and good Lord Goodman and he asked me, "What is happening in your House this afternoon?" I explained this motion to him and told him that the Prime Minister headed the cast list of those who supported it. He said, "I hope that the Prime Minister has taken out thunderbolt insurance." One cannot blame Lord Goodman's sentiments, for it would be hard to find any director of films, theatre or museums who felt that the Government deserved congratulations on the success of their arts policy — not Sir Peter Hall, David Puttnam, or Sir Roy Strong. Not infrequently I meet the Minister at arts venues and he knows that there is little admiration for his Government's policies. I am saying not that the arts are unable to look after themselves, but that they deserve more support than they are currently getting.

I do not wish to personalise, but when one looks at the names on this motion—the Prime Minister, the Foreign

[Mr. Freud]

Secretary, the Chancellor of the Exchequer—one realises that it is not exactly a list of supporters of the arts. The Minister is lucky to have got into the list in sixth place. It would have been depressing had he been left out altogether.

We are probably the only country in which the office of Minister for the Arts is combined with the office of Minister of State, Privy Council Office. That is as unrealistic as having one person in charge of the police and broadcasting—which, of course, we also have.

I should like to talk about the policy of the alliance. We have frequently said that we should create a broadly based Ministry of the Arts and give parliamentary responsibility not only for photography, but for films, theatre, broadcasting and recreation to one Cabinet Minister instead of making those things the less favoured responsibility of the Department of Trade and Industry, the Department of the Environment, the Home Office and the Department of Education and Science.

The Minister had his little weekly rent-a-joke at the expense of Liberal policy, SDP policy and alliance policy. The hon. Member for Twickenham (Mr. Jessel) wanted to know why one of the parties in the alliance was originally in favour of an Arts Council while the other one was not. The difference in opinion was quite simply on the constitution of the Arts Council. Both parties in the alliance were totally in favour of the arm's-length principle.

Both parties wanted an Arts Council that was better funded and more reactive and that spent more money outside London than in it. Whether this was to be a boosted regional authority or a stronger London base was a matter upon which, until we became an alliance, we had our own separate arts policies. We did not publish our alliance policy until "The Time Has Come" came out in January. The Minister spoke about that publication and has possibly read it.

The problem with the Government's arts policy is its short-termism. We have suggested that there should be endowments to provide long-term stability rather than have our arts staggering from crisis to crisis, which is what is the current scene. That would avoid theatres and centres of art having to spend money at the end of the financial year so that the cupboard is bare when the following year's application is made. I know that similar spending occurs in many constituencies where at the end of the financial year all the council houses suddenly have their front doors painted in a new colour because there is no other way to incur instant expenditure and to exhaust the budget before applying for more money.

If arts funding were properly planned, the rewards would be given to saving money and not to spending it. That is crucial. Our policy, which is enshrined in print, would be to double in real terms the funding of the arts over the lifetime of our first Parliament. We are greatly in favour of sponsorship when it comes along, but one must accept, as the Select Committees accepted over the years, that sponsorship can only ever provide a small percentage of the money that is needed by the arts. Sponsorship is the sizzle, but it can never be the steak.

A system of public domain royalties as practised in Italy and France is attractive. Under that system a playwright or an author, when he comes out of copyright, does not immediately allow his work to be used or published without payment. We hope to introduce a system whereby for a play that is out of copyright the royalties, at a lower percentage if the artist is dead, could go into the public domain and be used for the training and support of young people seeking to pursue a career in music, the theatre, or whatever it was that the out-of-copyright artist created.

I should like to speak about centres of excellence in which the authors and directors currently seem to make much more money than the centres, which take all the risks. I do not for one moment accuse Trevor Nunn or Sir Peter Hall of making more money out of "Les Liaisons Dangereuses" or "Amadeus" than was earned by the theatre, but we are persuaded to emulate the terms of contract currently given to the directors of museums.

If the director of a museum, who is a well-paid civil servant, writes a book or makes a speech while he is a director, the moneys go to the theatre or museum that he represents.

Mr. Buchan: I am not at all sure that the hon. Gentleman has got that right. It is possible if it is like the recent cases in connection with the Ashmolean museum or in relation to the Burrell collection that was sought by the curator, but those cases are different. If someone like Sir Michael Levey writes a book, as Sir Michael has done recently, on an arts subject, he will receive the copyright royalty payments in the same way as anyone else. Surely the crucial thing about the dramatic producer is that he helps part of the creative process and, to the extent that his production is part of the creative process, I am perfectly happy to allow an element of copyright to remain with him in addition to the payment for his work as a professional director.

Mr. Freud: I do not contradict what the hon. Gentleman says. Even in the best of all worlds one cannot introduce retrospective legislation. It is right that if somebody is well paid and has the interest of his centre of excellence at heart, what he does during the time that he is under contract should substantially benefit his place of work.

The Minister has talked about the British library's extra grant of £20 million. I am concerned about that. The library has harmed the other museums and libraries in that they too could have done with that support. The Minister will have some trouble justifying the emergency payment, for I have yet to meet anyone who knows enough about it. What will be the running costs? What will be the number of staff and on what sort of contracts will they be? I am enthusiastic about the British library, but I am concerned that an awful lot of money is being used that would otherwise be available to the arts at large.

Mr. Nicholas Edwards: The hon. Gentleman has made an important policy statement and I want to make sure that I understand it. Is he saying that it is alliance policy that the director of an institution, such as a museum or the National theatre, would not be able to have any earnings through his writings or his other creative talents? That is a revolutionary step if the hon. Gentleman is really suggesting it.

Mr. Freud: I can tell the unrevolutionary right hon. Gentleman that there are many contracts in which museum directors are not paid for such work, and the

royalties that they receive while directors of the museum go to their museum. I was simply stating that this is something of which I would approve.

When I was education spokesman, I used to argue that the microcosm of Liberal education policy was the Open university, in which there is something for everyone; one can be young or old, well or handicapped, a city dweller or living in the country. The Open university gives people a chance and then a second chance and is a marvellous instance of what our education policy is about.

Now that I speak for the arts, I feel that the Edinburgh festival is something that should be looked at with care and consideration, because in Edinburgh during the festival good things happen that should be happening in the arts around the land. The local authorities are helpful, the landladies are co-operative and there are fewer housing problems because people support the Edinburgh festival. There may be specific problems, but what we see in Edinburgh, is good. The city embraces the arts—music, orchestra, ballet, opera, concerts, theatre, people dancing in the streets—and lets them perform in waiting rooms that are not needed.

Not only should we give such encouragement to the arts. We must create a climate in which the arts can flourish and we have to accept the people who take part in the arts as respected members of the community. Perhaps that is where we are most wrong. In France, Germany or Italy, a competent itinerant musician is a respected member of the community. He can get a mortgage, borrow money and have a bank account. Such things are extraordinary difficult in this country for artists because we treat artists of quality as if they were itinerants first, artists second. That is the wrong attitude.

There are items to be welcomed in the motion. One should not spend one's entire speech knocking it. I welcome the sponsorship scheme, although there is something ugly about congratulating oneself on having found other people to discharge one's responsibility. I quite welcome the marketing scheme, although I am sorry that the limit is £10,000, so that it is confined to people who can produce half of that—£5,000. On the whole, those who most need marketing are probably those who least have £5,000.

An alliance Government would look at the basements of national galleries and museums and consider raising money for the living arts from the dead wood that is often so expensively preserved from death watch beetle. We would make it a duty on developers to spend 1 per cent. of their development costs on arts-related projects, be it sculptures, painting or proscenium stages. We would look at the millions of pounds that should go to the arts but find their way into Christie's and Sotheby's. The latter employs the former Arts Minister, who could not cope on his Government salary, at a salary of £150,000 a year, mostly from money made by commission on selling bits of our national heritage.

While we are cleaning up the City, it might be time to clean up the arts market, because nowhere will one find more laundering of money than takes place in the big arts auction houses. It is absurd that, while the City is trying to identify holders of small percentages of company equities, the identity of people who buy a £7 million painting can remain anonymous.

There is no lack of energy in the arts. The apathy and lack of understanding come from the Government and from local government, which is often unco-operative and unsympathetic. The Treasury insists on taxing the performing arts and slowly killing the goose that lays such golden eggs. The hon. Member for Hayes and Harlington (Mr. Dicks), with whom I debated theatre subsidy some weeks ago, is plain that he is against subsidy and has never found any good reason for it. Let me try to give him one good reason.

The town of Leicester has a brilliant theatre. Last year, it produced the musical "Me and My Girl", which was an outstanding success. The theatre is a client of the Arts Council and is well subsidised by the local authority. "Me and My Girl" could have run commercially for nine months, if not a year. However, is it right for a local theatre to receive money and present to the local people the same successful musical month after month? It is right that after a month or two a successful show should be taken off and replaced by other plays so that the same people can go to the same local theatre and witness other interesting productions.

Mr. Dicks: Would the hon. Gentleman take the same line if Leicester city football club, whose games are watched by many thousands of people, were in poor financial straits? Would he be advocating that the local authority or the Arts Council be subsidising that? My guess is that he would be saying no, because he would expect the club to survive on getting people to come into the ground and pay the economic cost. What is wrong with that?

Mr. Freud: By combining the arts and recreation, which an alliance Government would hope to do, all the responsibilities for civil entertainment would be under the same Minister. He would look with as much compassion at an ailing football club as he would at an ailing theatre. The criterion would be quality and the wishes of the participating community.

Mr. Tony Banks: I suppose that there is something appropriate about "Me and My Girl" running for nine months, but does not the hon. Gentleman feel that a good performance of "Me and My Girl", like "Guys and Dolls" at the National theatre, has a great deal to commend it?

Mr. Freud: That is absolutely so, but it is wrong in one location in which there is a dearth of theatres and a substantial number of people who want to go to see a variety of theatrical productions.

An alliance Government would look with great care at the creation not just of enterprise zones for industry, but of enterprise zones for the arts. There is no reason why, for instance, key housing should not be given to an important artist — or photographer — rather than to someone who has a key job in industry. In our amendment we talk of the Government tinkering, and we use that word deliberately because there is not one decent, cohesive, long-term policy that will do more for the arts than save the Government short-term embarrassment.

There is no promise to legislate against philistine local authorities, which seem to be legislated against in respect of all other shortcomings. We are now on our fifth local government Bill. I would welcome a Bill which forced local authorities to contribute to the well-being, via the arts, of their people. I would welcome a Bill that realistically protected authors' and composers' copyright. I am convinced that in the Government's eyes the arts has a low position on the totem pole; it is our intention to raise that and put this in its proper place.

6.40 pm

Mr. David Crouch (Canterbury): I was intrigued to hear about the lunch conversation that the hon. Member for Cambridgeshire, North-East (Mr. Freud) had with my friend Lord Goodman. I was further intrigued by the advice that he gave to be passed on to my right hon. Friend the Prime Minister about thunderbolts and insurance. Today, I lunched with no fewer than seven bishops, including the Bishop of Durham—I have not taken out any insurance—and here I stand about to make quite a gentle speech.

Being a gentle man and not having been at Oxford this afternoon—that is why the House is so empty—I might have put down an amendment, although I am quite sure that it would not have been called. It would not have been all that critical, but I would have said in that amendment that the House regretted that the Government had not felt able to find more money for the arts, but would promise to do better next time. That is not to say that I do not congratulate my right hon. Friend on what he has achieved. I shall not go over the catalogue of what has been achieved because it has been said well enough, even by the Opposition spokesman, and certainly by my hon. Friend the Member for Staffordshire, South (Mr. Cormack).

We must guard against the danger of neglecting the arts. We would be neglecting one of our greatest assets if we did that. We have achieved a lot in painting, sculpture, literature, drama, opera, ballet——

Mr. Boyes: What about photographers?

Mr. Crouch: —in television and in the art of photography. We have helped ourselves a lot in the process. We have earned respect, we entertain our visitors, we entertain ourselves, we earn currency and we pay the Government a lot in taxes. We put too much tax on those who attend theatrical performances. We pay a good return to the Government by attracting visitors to Britain, and pay a good return in reviving ourselves. The arts are entertainment, and life without entertainment is very dull. It is necessary to revive ourselves by a flourishing business of art in our lives.

We have given ourselves a pride in our achievements, our great works of art and great performers in the arts over many years. Even in recent years this is so. I mention just a few names—Henry Moore, Michael Tippett, Graham Sutherland, John Piper, David Hockney, Benjamin Britten, Andrew Lloyd-Webber, Laurence Oliver, Peggy Ashcroft, the Redgraves. I mention all the Redgraves, even the latest grand-daughter of Michael Redgrave, who is now performing in a star role in London. It is wonderful how our theatrical families continue the great tradition and heritage of acting which we, perhaps alone in the world, possess above any other nation.

Other great names have been mentioned this afternoon —Peter Hall and Trevor Nunn. We owe a great deal to them. We may criticise them because they criticise us, but it is a free country. It is reasonable for artists and people in the theatre to have a view, even on the financing of the arts.

Another great name was Margot Fonteyn. I remember seeing her dancing Swan Lake and afterwards being taken to see her with a friend, who was a great friend of hers, in her dressing room—a minute dressing room—which still exists today for the great stars at Covent Garden. Members of Parliament complain about the space that is given to them when they come to this place for the first time. They should see where Placido Domingo sits or where Margot Fonteyn sat—a tiny little room for some of the greatest entertainers in the world. I hope that that will be put right when the rebuilding and redevelopment programme of the Garden takes place.

I should mention too, because there are Welshmen somewhere in the House I hope—of course there are, the Secretary of State for Wales is present—the great Sir Geraint Evans, who is one of our greatest opera stars. I shall mention, last but not least, a great opera singer who celebrated her 95th birthday this week, Dame Eva Turner. *[Interruption.]* I do want to get on. Does the hon. Gentleman want to mention another name?

Mr. Boyes: The hon. Gentleman has read out a list of names of great performers in their chosen field of art. I am sure that it was an oversight on the part of the hon. Gentleman that he did not mention any of the great photographers. Britain has made a great contribution to photography, not only through the artists, but also through the industry. I hope that he will include Bill Brandt, Julia Margaret Cameron and others in his list.

Mr. Crouch: I shall treat the House to a little anecdote. After my lunch with the bishops I joined the chairman of a great publishing house, Collins, together with the chairman of another great publishing house, Navostiof Moscow. They were celebrating an initiative for 100 photographers to go to the Soviet Union. On 15 May those 100 photographers, in the 15 states of the Soviet Union, will be taking photographs for 24 hours to record what will be called, "A day in the life of the Soviet Union". Having said that, I hope that I have put to rest this question of discussing photography for the rest of the debate.

I want to confine myself to the theatre and the state of it. I shall use a quotation and state where it comes from in a moment.

"Theatre is one of Britain's greatest cultural assets. It brings economic benefit to the country. It is a key element in the international prestige of a nation. It enlightens, informs and refreshes, every year, at least one in every three people in the country in its live form and many more in its televised and film forms . . . It supports the work of industrialists and businessmen by enhancing the reputation of our country."

That is the quotation of a business man, Sir Kenneth Cork, in the Cork report, "Theatre is for All", which came out in September 1986. It is a business man's and accountant's report about the significance of the theatre in our society today. It is all about safeguarding our theatrical heritage.

I speak as the deputy chairman of the Theatres Trust, established by me by private Member's Bill in 1976 and extended by another private Member's Bill by me in 1978 to Scotland. The Cork report refers to the need to maintain the fabric of our theatres. The Theatres Trust exists to protect theatres from destruction and demolition to make way for offices, factories, shops or road programmes or to be converted into other uses.

The Theatres Trust has to be consulted by the local authorities and neither they or developers, can proceed without doing so. We have built a barrier of protection for British theatres. It is a matter of great pride to me that I was able to play a part in establishing a trust so strong and valuable to safeguard Britain's theatre today.

The Theatres Trust seeks to prevent theatres being converted to other uses, except for temporary uses such as

dance halls, restaurants, discos and bingo. Such temporary uses do not rob the theatre of its real function—the performance of live theatre. If an owner or a developer wants to level the auditorium or to remove the stage, the fly tower or any other essential theatre feature, we protest. We are consulted by theatres from the smallest to the biggest; from the tiny provincial theatre with 200 or 300 seats to the National theatre and Covent Garden. They have to consult us about every proposed alteration.

Over the past 10 years we have been remarkably successful, acting with little money but much authority and with a lot of knowledge about the theatre. The members of the Theatres Trust council come from a wide range of knowledgeable people in the theatre — performers, impresarios, managers and lawyers. The chairman, dare I say—he has been mentioned already—is the noble Lord Goodman. One could not have a more remarkably staunch advocate and sustainer of the arts and the theatre than that distinguished person. Moreover, he understands the law at the drop of a legal document. I have never known a man so quickly to comprehend the difficulties that might lie ahead.

The Cork report wants the Theatres Trust to do more than we are doing already. The report suggests that we should take on the responsibility for a new capital reinvestment fund to provide for the maintenance and conservation of our older theatres. The report referred to a sum of just under £500,000 for that work. It goes further and says that we should

"be encouraged and assisted to become a National Trust for Theatre".

One of the trustees is the director of the National Trust and it would be a wonderful thing if we did become the National Trust for Theatre. I would welcome that. We are a little way off it yet, but it would be marvellous news for everyone in the theatre, and for playgoers too, if a National Trust for Theatre was created.

Let me say a word about the London scene today. The Theatres Trust today owns the freeholds of two West End theatres—the Garrick and the Lyric. I hope that it will not be long before we can obtain the freehold of one of London's greatest theatres — Henry Irving's Lyceum. That theatre has been dark for over 40 years yet it is one of the most magnificent in London, if not in Europe, with 2,300 seats. If it were restored it could once again be a home for great drama, Shakespeare, ballet, modern dance and opera. It is tragic that such a great theatre is standing empty — a bleak house if ever there was one — when London needs another theatre of this size.

There are only three other theatres of such size for the performance of large productions in London today — Drury Lane, the Coliseum and Covent Garden. London needs the Lyceum to meet the growing demand for big theatres. If we could bring it to life again London, the theatrical profession, theatregoers and the English tourist board would benefit, and so would the Westminster city council.

The Lyceum is now the responsibility of the London residuary body which took over the freehold and properties that were once owned by the GLC. I know that the LRB is anxious that the Lyceum should be returned to theatrical use again. The most responsible body for ensuring that future for the Lyceum is the Theatres Trust. If we had £5 million or perhaps a little more we could start tomorrow. If we cannot have a grant, perhaps we could negotiate a loan. That theatre would pay. It would be packed because it would be one of the great theatres of London again.

I remember seeing the Lyceum in its last days just before it closed when I saw John Gielgud perform in his great production of "Hamlet" for four days only.

Mr. Tony Banks: Does the hon. Gentleman accept that had the GLC been allowed to continue in its democratic existence, what he is now talking about is far more likely to have come true?

Mr. Crouch: The hon. Gentleman has always shown an interest in the theatre and in the Lyceum, but he was not successful in bringing that about and it was a dance hall until it closed. Admittedly, having dances there did at least keep the rain out because the building was kept in reasonable condition, but it was not used as a theatre, except for one brief moment when "The Mysteries" was transferred by a friend of mine, Ian Mackintosh, from the National theatre, and there it performed to great audiences.

Mr. Robert Banks (Harrogate): Does my hon. Friend agree that the Globe theatre project at Southwark is highly commendable and Mr. Sam Wanamaker, who has battled for over 10 years to have that project approved, deserve the greatest praise?

Mr. Crouch: I agree and I am glad that my hon. Friend mentioned that. It is a wonderful project and it shows just how lively interest in the theatre still is. We have not forgotten our heritage and the need to sustain it.

I take my hat off to the great Canadian, Ed Mirvish, who saved the Old Vic. He did a great job there. I used to spend days there. I can remember paying 1s 6d for the gallery to see Gielgud, Olivier and Ralph Richardson perform there. It is great that it has come back into its own. I am glad too about the Globe theatre project.

It is not just the Theatres Trust but the Government who should now make it a major objective in our policy and programme for the arts to recover the Lyceum and add it to our London theatres. I venture to say that we shall need this theatre in a few years' time in the 1990s when the Royal Covent Garden theatre, the opera house, has to be closed, as it will, for redevelopment and rebuilding, which is so necessary. It will be out of action for some years during that process. The Lyceum would be down the road, as big and capable of carrying on our great tradition of opera and ballet.

6.59 pm

Mr. Jim Callaghan (Heywood and Middleton): Last Saturday night I had the privilege of attending an absolutely marvellous show that was produced by the Heywood amateur dramatic society. It was the musical "South Pacific." I received the invitation because I had helped the society to obtain the use of the civic hall and to get round some of the fire regulations. I enjoyed the show so much that, subsequently, I began to think about the cultural gap that is supposed to exist between the north and the south. I asked myself whether it existed. I do not believe that it does. Unfortunately, the north of England has been given a dreadful image mainly because of the cloth cap, "Coronation Street", Rovers Return, beer-swilling image.

Two weeks ago I mentioned my views to the regional newspaper, the *Manchester Evening News*. I was extremely

[Mr. Jim Callaghan]

surprised last night when I opened that newspaper and discovered a double page article exactly on that theme entitled, "Coronation St. The soap that has slipped on reality". I should like to draw attention to the author's conclusion:

"As an ambassador for the North West, Coronation Street tells a savage lie. Are we happy to be lampooned in such a way? I hope not."

I hope that we are not being lampooned because of the image derived from "Coronation Street". I believe that the reverse is true.

Only a month ago I went along to the Manchester city art gallery and saw a fantastic exhibition on Sir Alfred Munnings. The gallery was full of visitors. I was delighted to see many children being given art lessons by their teachers based on Munnings's paintings.

A week later I went along to the Whitworth art gallery, which is owned and supported by Manchester university. I could not get a parking space within a mile of the gallery. When I eventually got in to see the Degas exhibition, I realised that it was a hopeless task because there were so many people all wishing to view it. I came out and said to myself that I would go again. About three weeks later I went back but the result was exactly the same.

Manchester, which for me is the centre of the north-west, has always been proud of its heritage. We possess the Hallé orchestra. In recent years a magnificent effort was made by the people of Greater Manchester to renovate the Palace theatre and bring it up to international standards. More than £1 million was collected by the people to renovate the building in the hope that it could entice the prestigious companies from London. I am glad to say that the Palace theatre managed it once, but then — I considered it an absolute insult—the company involved said it would not come again. Perhaps it was because of the cloth cap image. The company claimed that it could not return because of the finance involved in travelling to the north.

I welcomed the strategy contained in "The Glory of the Garden". Although London is obviously the centre of the arts, I do not believe that the north is getting its fair share of Government grants to help develop the arts. However, I did not want London to be robbed of cash to finance the north. Unfortunately, I believe that was what the Government were doing: they were robbing Peter to pay Paul.

Is the north getting its fair share? To answer that question I should like to quote the Arts Council chairman, Sir William Rees-Mogg, who expressed disappointment that the Arts Council's grant-in-aid for 1986-87 is more than £25 million below the figure it had sought from the Government. Sir William said:

"I am naturally disappointed. We had asked for £161 million which would have allowed for some expansion. The outcome is £135·6 million . . . However, quite apart from the loss of expansion the grant for the next year will cause us and our clients"—

those in the north of England—

"considerable difficulties."

As the Arts Council has a shortfall of £25 million and as no money appears to be earmarked for regional development this year under "The Glory of the Garden", I want the Minister to tell us whether the strategy contained in that document is to be abandoned. If so, when will that happen? It would be disastrous for the regions, in particular the north-west, as the inequalities in the provision of the arts across the country remain massive.

I have often rasied on the Floor of the House the question of the funding of our art galleries and museums. Only a month ago I raised this subject with the Minister in Committee. I wish to raise it again. I was interested to discover that a national survey of more than 2,000 museums and galleries, undertaken by the museums-database project funded by the Office of Arts and Libraries, reveals that every year over 68 million people —I stress that number—visit the country's national and local museums and galleries. A quarter of that number are tourists and obviously they are bringing much extra finance into the arts of Britain. More people visit museums and galleries than go to football matches or cinemas. I was astonished by that fact. I consider myself a sportsman and I enjoy watching Manchester United and Liverpool. Huge crowds watch football matches, but I was staggered by the fact that far more people—68 million—visit art galleries and museums.

However, our museums and arts galleries must cope with decades of neglect. I raised on the Floor of the House the experience I had when I visited one of our prestigious museums. While I was there, there was a sudden shower and I was astonished to see gallery employees putting out buckets and bowls to collect the rainwater pouring into the building. Some of the exhibits had to be moved.

That was not a one-off experience. Sir Roy Strong, director of the Victoria and Albert museum, came before the Select Committee on Education, Science and Arts to explain his problems to us. He said of his building:

"The entire electricity system is rotten and catches fire".

Just imagine if the system caught fire in a big way and consider the priceless exhibits that we would be likely to lose. He said:

"The whole radiator system is rotten and has to be replaced. The whole security system is also completely rotten."

I do not know whether I should have said that, because it might give some burglars an idea to visit the place. He said:

"I inherited 13 acres of rotten roof. It is difficult to maintain facilities for scholars, students, polytechnics and tourists when there is this appalling building problem, let alone meet what the community needs now, when we are coping with decades of neglect".

There is no doubt that the buildings under Sir Roy's control are in an appalling state and, because of inadequate Government funding, half the galleries in the museum are frequently closed.

At the Imperial war museum, fewer visitors negotiate the guns and the voluntary payment turnstiles. There has been a drop in visitors of 22 per cent. since December 1984. The 1984-85 report of the Museums and Galleries Commission cements what was said by Sir Roy and what I have seen. It states:

"Public expenditure cuts have affected the national museums directly, and university and local authority museums indirectly. In recent months few museums, either national or non-national, have been able to avoid reducing their staff, curtailing their services, restricting access to parts of their collections or closing altogether on one week day."

I have some direct questions for the Minister. Have the museums and art galleries been advised to undertake surveys of their repair and refurbishment needs? Have the museums and art galleries expressed any concern about the state of their buildings? Will the Government provide the

resources for any necessary major programmes of repair, or will they be expected to find resources from the private sector or elsewhere? Will there be a separate Vote for museum building repairs? Why does not capital spending by central Government on museums and art galleries appear separately in the Government's public expenditure White Paper? Are there any other major plans in the pipeline?

When Sir William Rees-Mogg produced the garden strategy, he quoted Kipling. He used the garden as an analogy and said that gardens are not made merely by singing, "Oh, how beautiful!" and then sitting in the shade. That was an implied criticism of armchair critics. It is necessary to find more money to support the garden strategy, and against that background I, too, shall quote Kipling, but a different passage:

"Ere yet we lose the legions,
Ere yet we draw the blade,
Jehovah of the Thunders, Lord God of Battle, give us aid!"

It is aid for the north-west for which I am asking.

7.12 pm

Mr. Toby Jessel (Twickenham): It is always a pleasure to hear Kipling quoted, especially by Labour Members, as it is something that seldom happens. I congratulate the hon. Member for Heywood and Middleton (Mr. Callaghan) on quoting Kipling at the close of an interesting speech. I hope that he will forgive me if I do not take up his remarks in any more detail.

At the end of his speech the hon. Member for Cambridgeshire, North-East (Mr. Freud) asked for more policies. I can never understand the point of view of people who say that there must be more policies. It seems to me that we have far too many policies. When it comes to the arts, we need a Mrs. Beeton and not Joan of Arc. What matters are results, not policies. We need results, and my right hon. Friend the Minister for the Arts is producing them. He has told us of some of the results and he should be most warmly congratulated on what he has achieved.

The hon. Member for Stoke-on-Trent, Central (Mr. Fisher) seems not to understand that what is meaningful in the arts is people's perceptions and not money figures. Anyone listening to the hon. Gentleman might have received the impression that what matters most is the amount of Government money that is provided, as if subsidy is an end in itself. He seemed to suggest that subsidy is a policy for its own sake, which, of course, it is not. Subsidy is not an end but a means to an end. What matters most is that the arts are buoyant, that they enrich and enlarge people's lives and provide enjoyment and stimulation on a growing scale. Provided that the arts are flourishing, it does not much matter whether that is the result of public demand, sponsorship or subsidy, or something else.

The arts are flourishing partly because Britain has a healthy economy. The economy is booming and people are spending more on the arts. It is partly the consequence of a flourishing economy that the arts are going well in Britain almost as never before. There is a great flowering of talent. The London theatre, which we have heard about from my hon. Friend the Member for Canterbury (Mr. Crouch), is well patronised and going like a bomb. It is quite difficult to get into most of the best theatres. More people go to the theatre each year. Indeed, more people go to theatres than attend football matches. Opera is flourishing and so is ballet. Concerts are going well. There is a vast range of orchestral concerts, chamber music concerts and solo concerts. Attendances at symphony concerts over the past five years have increased by about 20 per cent. from 900,000 to 1,112,000.

The hon. Member for Stoke-on-Trent, Central, spoke of the need to widen audiences. If that increase in the number of people attending concerts is not widening audiences, I do not know what is. The hon. Gentleman said that more subsidy is made available on the continent. That is probably right. More Government subsidy is made available in France than in the United Kingdom, but London has three times as many concerts every year as Paris. What is the use of providing more subsidy if there are fewer concerts to attend?

Without doubt London is one of the arts capitals of the world. It is none the worse for the abolition of the Greater London council. The south bank — the royal festival hall, the Queen Elizabeth hall, the Purcell room and the Hayward gallery — seems to be rather better run now than they were under the GLC.

Mr. Tony Banks: What about the rest of London? I do not want to deny the hon. Gentleman's predictably cheap point.

Mr. Jessel: There is nothing cheap about it.

Mr. Banks: Would the hon. Gentleman not accept in his wiser and quieter moments that the GLC did a great deal for the arts in London, including the south bank?

Mr. Jessel: It did a great deal for the arts, but the overhead administration of county hall was hugely expensive. The present south bank board is doing at least as well without that vast administrative superstructure in county hall.

The museums are doing well too. As the hon. Member for Heywood and Middleton has said, about 68 million people visit museums every year. As my right hon. Friend the Minister for the Arts has told us, a new museum opens every two weeks. Our heritage and the arts generally bring many tourists into the country and their spending, not only on the arts but on hotels, restaurants and shopping, generates income and employment. I believe that the entire House is united in its acceptance of that. This provides a tremendous strength to Britain; and the arts world plays a tremendous part in bringing this about. The Government play their part and both they and the arts world should be congratulated.

Sponsorship has multiplied fortyfold from about £500,000 10 years ago to about £20 million now. It was astonishing that a Liberal party document of a few years ago described sponsorship's importance as merely peripheral.

Sponsorship can be local as well as national and in my constituency Thames Television, which has studios at Teddington, sponsored, two years ago, a local concert whch raised £12,000 for the Save the Children Fund's "Famine in Africa" appeal. Thames Television is sponsoring another concert in a couple of months' time in which I happen to be taking part.

Mr. Buchan: What sort of part?

Mr. Jessel: I am playing a Mozart piano concerto. I hope that the hon. Gentleman does not regard that as what he described about an hour ago as philistine. This time the

[Mr. Jessel]

concert is in aid of the Teddington memorial hospital's new X-ray scheme. Thames Television has a particular link with that hospital.

Other local companies, such as Squires Garden Centre, have generously sponsored other charity concerts. I am asking all arts bodies in my constituency that are registered charities, such as the Hampton choral society, the Twickenham choral society and the Teddington choral society, to notify all their members of the payroll giving scheme, which starts in April 1987, following the Finance Act 1986. This will help provide more money for the arts through individual support because those who become involved in the scheme will obtain tax relief on their contributions. The Government should be warmly congratulated on introducing such an excellent scheme.

I shall just make four short requests of my right hon. Friend the Minister for the Arts. The first concerns BBC Radio 3, which is unique in fostering a love of music in Britain. No other country has anything like it. Radio 3 and the BBC promenade concerts which are linked with it are greatly valued national assets. The BBC has a new chairman and a new director-general, both of whom are unknown quantities as to their view of the musical side of the work of the BBC. Will my right hon. Friend the Minister approach the BBC and ask it for an assurance that its splendid musical tradition, primarily through Radio 3, will be upheld, and that music will be provided with a fair share of the BBC's resources?

Secondly, have the Government dropped the idea of a levy on blank tapes? In fairness to the music world, I hope that they have not dropped the idea and that they intend, when parliamentary time allows, to proceed with something of that kind.

Thirdly, I refer to value added tax on antiques at auction. London is pre-eminent in auctions of works of art. Sotheby's, Christie's, Phillips' and Bonham's bring prestige and trade to Britain. The Common Market is considering imposing value added tax not just on auctioneers' commissions, but on the whole value of each article. That would be crazy. It would drive trade not just out of Britain but out of the European Community and to other auction centres such as New York and Geneva. I hope that the Government will take a firm line and stop any such thing happening.

Fourthly, military bands are a characteristic part of British heritage. The hon. Member for Stoke-on-Trent, Central spoke generously of my support of this most worthwhile cause. I could not understand the hon. Gentleman, who is articulate, erudite and learned in the use of the English language, calling it a peccadillo. If military bands are peccadillos, let us have more peccadillos. The high standards of excellence of British military bands are inextricably linked with the Royal Military school of music at Kneller hall, Twickenham, which has trained Army bands for 129 years. Last year, 164 of my right hon. and hon. Friends signed the early-day motion stating that the status quo should long continue. This is the 17th time on which I have raised the matter in the House. I have had 12 meetings with different Ministers —one with the Prime Minister and 11 with different Defence Ministers.

Mr. Patrick Thompson (Norwich, North): Will my hon. Friend confirm that military bands not only provide pleasure in his constituency but morale-raising spirit throughout all constituencies?

Mr. Jessel: I am grateful for my hon. Friend's support. Military bands are a great asset to the nation.

Although military bands are a matter primarily for Defence Ministers, who are expected to reach a decision soon — they have been saying "soon" for months. — I hope that my right hon. Friend the Minister for the Arts will not mind if I mention that I hope he will support it because military music must be a form of martial art.

Mr. Fisher: Will the hon. Gentleman, who knows much about the subject, confirm that £48 million is spent on military bands each year?

Mr. Jessel: That is the cost of all bands of the Army, the Royal Air Force, and the Royal Marines. It is not only the cost of training them, it is the total cost of running them. That is excellent value for money. Not only do they help to promote recruitment to the Army but they are trained to serve as medical orderlies in wartime. As part of the British arts, heritage and tradition, they help to attract to our shores visitors whose spending generates income and employment. They help to increase the number of people who stay in hotels and spend their money here. There is thus a valuable tax yield for the Government. They should be fully supported.

7.24 pm

Mr. Norman Buchan (Paisley, South): Over the past hour or two, I have been wondering whether I should speak in this debate. I changed my mind several times. I found it extremely difficult. I feel a little like St. Sebastian in innumerable renaissance paintings. With the exception of the speech of my hon. Friend the Member for Heywood and Middleton (Mr. Callaghan), I had the impression that we were listening to a type of lying-in-state series of speeches. There has been little sign that the arts fundamentally matter. They have tended to be a little cream on the top of the cake. I cannot think of any other country in which the arts are so fundamental.

The expression of news, popular opinions and ideas is undertaken by the press, which is owned by three people. It is a frightening monopoly. If that happened in any other part of our industry or economy, it would immediately face the Monopolies and Mergers Commission. Five people control the dissemination of popular news in this country — Stevens, Maxwell, Murdoch — *[Interruption.]* Is that the question that hon. Members put? Is that the contribution that I get? Five people control the dissemination of news and information throughout Western Europe. There is Berlusconi, who is in France. That is a terrifying control of expression.

We have heard about the arts tonight and we have, in effect, wandered along the south bank. People express themselves through the arts. That is what the arts are fundamentally about. They say something, as Sam Wanamaker of the Globe theatre said. I remember Sam Wanamaker not only because of his work in the Globe theatre and the extra grace that it will bring to London but, because of McCarthyism, he was expelled from America because he wanted his art to say something. That has been missing here.

I have heard comments about the structure and funding of the arts. The level of funding is ludicrous when we

consider the importance of our major form of expression. When we look at the press monopoly, the matter becomes even more serious. Were it not for the fact that we have a community-regulated broadcasting system, there would be a virtual monopoly of one shade of political opinion. When regulated broadcasting attempts to express other views, the chairman of the Conservative party, in his other role as Chancellor of the Duchy of Lancaster, intervenes to attack.

Over the past two years increasing timidity has affected our most important cultural jewel, British broadcasting. I shall provide a comparison which is not separate from the arts. Two years ago, an attempt was made to ban "Real Lives", a programme about Northern Ireland. It required the intervention of the Home Secretary before the governors acted to prevent the programme from being shown. Two years after that, the "Secret Society" programmes about Zircon were banned by the BBC. In other words, within two years, the Home Secretary's intervention was not required. Timidity and anxiety had been pre-empted in the BBC and it acted to apply self-censorship. That has been the effect on broadcasting.

When there is a monopoly on opinion and expression in this country and the regulated broadcasting structures suffer from it, we have only the arts to express ideas and views. We shall not get such expression in Murdoch's newspapers. Alan Bleasdale wrote "The Boys from the Black Stuff". People such as he say a great deal more about social and political life than our legislation does. If people were asked where they last saw a play about unemployment, they would not say that they had seen it on the south bank or in the Royal Shakespeare theatre. They would refer to the set of three plays that they saw on television called, "The Boys from the Black Stuff."

I remember what happened to those boys. My right hon. Friend the Member for Blaenau Gwent (Mr. Foot) and I have referred to the monstrosity of unemployment, but those three plays said more about unemployment and fixed it more firmly in the consciousness of the British people than any other play. It drew their attention to the outrage of a Government and a society that can cause this to happen to human beings. The words that were used in that play have passed into the folklore of this country. The arts matter because they say something.

I have listened tonight to comments about subsidies, and as I listened I wondered whether those hon. Members understand what people need. My hon. Friend the Member for Stoke-on-Trent, Central (Mr. Fisher) referred to authority over broadcasting. I wish that he would spell it out. Ten years ago my party accepted that broadcasting matters so much to the cultural life and expression of this country that it had to be taken away from the Home Office and given to an arts Ministry. We alone in the world have put broadcasting, the jewel of our culture, into the hands of a Ministry of the Interior. The Minister who orders the police to attack the Wapping pickets, who orders the special branch to go into the offices of the *New Statesman* and who bangs open the door of Duncan Campbell's house and takes out the tapes, documents and scripts relating to a set of six programmes is also in charge of broadcasting. The Minister who is supposed to safeguard freedom of expression, is also responsible for T1 division in the Home Office.

I am holding in my hand a document that refers to BBC finance and to the TV licensing system. Under the heading "T1 Division", paragraph 7 refers to

"Press freedom (including Press Council matters and proposals for a statutory right of reply."

Therefore, a Minister of the Interior is controlling a central element of our civilisation and culture. That is why the Labour party and the trade union movement said 10 years ago that we had to bring it under a Minister and a Ministry whose main concern was freedom of expression, not censorship and the distortion and compression of expression.

I inherited that policy three years ago. I did not invent it; I was fortunate enough to inherit it. However, that policy has been rejected.

Mr. Fisher: No.

Mr. Buchan: If it has not been rejected, my hon. Friend had better spell it out for me, because there has been a change of policy since I was sacked for saying it. I regret the fact that no new powers will be given to our Labour party shadow or real Minister under the amended proposals of the national executive committee. However, he will have a say. He will be allowed to discuss policies with the Home Office and the Department of Trade and Industry.

The policy amendments have also wiped out films and the press. My hon. Friend ought to look at the amendments on pages 39 to 44. I hope that he wins the battle. Unless my hon. Friend tells his colleagues and comrades in the Labour movement that this battle has to be won, he will not win it. I did not win that battle. Therefore, he has not inherited a victory from me. I shall back him up in his fight.

I gave a pledge to double expenditure on the arts. It was a modest increase. I sought to double the £140 million that is given to the arts. Arts expenditure is only 1/1300th of the entire public expenditure. The Labour party will honour that pledge to double the funding for the arts. At the last meeting—the meeting at which I was sacked—the battle for the £140 million was won; and an additional £40 million for museums.

We do not need formal structures for the arts. We need structures that will involve the people as deeply as possible. It is not sufficient for a Minister with responsibility for the arts to have only one role. It is wrong that he should be presented with a cocked hat and a sword and that he should only be asked ceremonially to open various projects. He has very little else to do. He cannot use his initiative. If something is not doing too well, he cannot intervene and inject a little cash. There is a case for adopting an arm's-length attitude, but this Tory Government do not accept it. They accepted the Priestley report—quite rightly in terms of money—but they drove a coach and horses through the arm's-length principle. The Arts Council says that it cannot take money away from the four national institutions because that would not be in accordance with Government policy. That is to be found on page 13 of "The Glory of the Garden".

Furthermore, the arts should not be under the direct control of the Government. When names are submitted to the Prime Minister for appointment to the board of governors of the BBC—and no doubt for appointment to the Arts Council—she asks, "Is he one our ours?" That seems to be the appointment criterion. The arm's-length principle does not apply. The Arts Council should have an independent voice and should speak for the arts and for the regions. We have allowed the arts to be dominated for far too long by establishment London. I am

[Mr. Buchan]

referring not to the whole of London — to Islington, Hackney, Brixton, or Newham — but to establishment London. That policy has to be changed. People who live elsewhere than in establishment London also want to be able to see good plays and operas.

Conservative Members criticise the subsidies to the arts. However, arts subsidies mainly subsidise those who support the Conservative party — the middle class and the wealthy. Even if the price of seats at Covent Garden were to be reduced, they would still be beyond the reach of most working people. Access to them can be brought about only if we allow the Arts Council to speak for the arts and the regions. We must also create strong regional bodies to develop the arts in the regions. We need regional arts development boards instead of the client responsive regional arts associations. Expertise is also needed in the regions. For far too long the regions have looked to No. 105 Piccadilly for expertise. If those objectives can be achieved, the Arts Council will be able to speak for the arts in Britain.

There should also be arm's-length discussion of funding for the arts. The Labour party would give the Arts Council, or a national arts body, the statutory right to publish its analysis of the economic state of the country, and the Minister would be under a duty to publish his response in the form of a White Paper that could be debated in the House. On that basis the arm's-length principle would be a reality. The Labour party would provide direct funding for the regional arts development boards. They would then be responsible for the direct funding of their clients. The Arts Council would be directly funded, and again the arm's-length principle would be achieved because the Arts Council would fund directly the national institutions.

It is most important, however, that sufficient money should be made available to the arts so that they are not put at the mercy of sponsorship. It has been argued by the Minister that sponsorship means additional money coming to the arts. It is only over the last two or three years that the money for the arts has been cut in real terms. That has taken place at the same time as there has been an increase in sponsorship. Sponsorship is seen not as an additional source of funding for the arts but as a substitute for proper public funding. *[Interruption.]* The Minister for Trade has plenty of money; local arts theatres have not got such money or even pictures like the one that he and his family were able to sell. That sale could have funded several theatres. The hon. Gentleman made more out of one picture than most theatres get for an entire year in subsidies. Yet he sneers. What a party the Conservative party is.

The Minister for Trade (Mr. Alan Clark): That is an historical inaccuracy.

Mr. Buchan: It is not even historical; it is almost contemporary in the hon. Gentleman's case.

As Mr. Joll of Pearson Incorporated said, his company prefers to sponsor exhibitions with which it feels comfortable. In other words, the safe, prestigious and glamorous will be supported but 7:84, M6 and Red Ladder will not be supported. But the arts that matter, not just the development for which Wanamaker was praised in the Globe theatre but the productions for which he was expelled from America, will not attract sponsorship. Sponsorship is being used as a substitute for genuine public funding.

Sponsorship of itself distorts the direction of the arts. That is the danger of too much love of sponsorship. It is not a case even of adopting the American method where public funding endowments undertake to give *x* amount of money to a theatre or orchestra if there is private funding. In that way, public funding is attracted to the productions that the community wants. But through their scheme the Government are forced to give money to whichever body the sponsor nominates. The sponsor decides where the public funding goes. Also, the body funded by the sponsor, be it a cigarette company or whatever, has to ensure that sufficient publicity is given to the sponsor to make it worth his while in advertising terms. So public funding is powerfully underwriting the advertising abilities of the private sponsor.

All that is against a background in which the Minister says that his policy is to maintain public funding but that all further development and expansion must come from the private sector. In effect, that means a cut because the inflationary element within the arts is much higher than the RPI or the general denominator. Therefore, there is a continual drain on public funding and a distortion of production to try to attract private money. The directors of theatres and arts organisations are being changed into fund raisers instead of acting as administrators and forward thinkers. That is the problem faced by the arts.

I come back to where I began. We are faced with an intense monopoly of ideas and of the creative arts illustrated by the lack of funding for British films and for British broadcasting which is now to be frozen while the private and commercial sectors will be allowed to drive ahead. Last week's Green Paper proposed that with the development of commercial radio the obligation to inform, educate and entertain would be removed. That duty was laid properly on the BBC and upon independent television, but it is to be removed from commercial radio. Therefore, it will also be removed from commercial television. In other words, the BBC will be forced into competition in which it is regulted and will have to obey its instruction to inform, entertain and educate, but the commercial sector will not be subject to such regulation.

What sort of free competition is that from the party of free enterprise? It is an attempt to follow through the principles of Peacock, who said that there should be a free-for-all and that cash should decide. I must point out to the hon. Member for Hayes and Harlington (Mr. Dicks) that when that happens there will not be freedom. The hon. Gentleman said that the BBC could choose on what to spend its money, but it can choose only between the things that are provided. If they are not provided on a full scale, it will have very little choice. There has been talk of hundreds of commercial community radio stations. If there is a free-for-all and if they are opened up without regulation and control, we will end up with a monopoly such as there is in the press.

In his report, Professor Peacock said precisely that. He gave the example of the free press which has developed in Britain since 1694. He proposed that that should happen also to television and broadcasting. But the free press that existed for almost 300 years has degenerated into a monopoly of three people. If that is to be the model, the same will happen to television. *[Interruption.]* Hon. Members should not tell me to hurry. There is much to be

said on the Opposition side of the House; we have had too much of nothing being said on the Government side, so I shall take another few seconds.

If Professor Peacock's proposal comes into force, there will be no choice. The only choice will be between different soap operas, because the duty to inform, educate and broadcast in commercial serious programmes will go. This is not an elitist concept. It is as important for the guy who is interested in coarse fishing or rugby as for the person who wants opera. Diversity of programmes is not an elitist concept. We must understand that. It is nonsense to say that opera is only for the few, much as that view has been promulgated. As the broadcasting channels have opened up to opera, so the audiences for opera have expanded.

Because of the monopoly problem in broadcasting and the press, we decided on the policy for the arts and culture that my hon. Friend will implement after the next election. We must open up access to television by ensuring that there is a large number of programmes from which to choose. There must also be participation. Hence we developed the concept of the open cultural university. Just as the Open university was brought into being in the 1960s, so we have in local communities a conglomeration of resources such as arts schools, colleges, and schools with music and art studios, which could be used as a campus to develop a participating open cultural university analogous to the educational Open university.

All that is possible and necessary. Three weeks ago I went into the Coats factory in Paisley, one of the major cotton spinning factories in Britain since the industrial revolution. Fifteen years ago, 15,000 people worked in the cotton mill; today, 350 people work there. I went into workshops larger than this House with no one in them. The bobbin spinning was controlled and completely automated. The 350 people in the factory were firemen, doorkeepers, sweepers, packers and drivers. We are moving into an age where, if we can have control and ownership of the new technologies, we can open up a richness of life in which the arts will be an active and necessary part of developed thought and thinking.

The poet McDiarmid, in his poem "Returning to Glasgow from a Long Exile", describes a man returning to Glasgow and seeing a crowd coming back from Ibrox park, and he asked a newsboy, "What's on, has there been a big game?" The newspaper seller said, "No. Where have you been? There is a debate going on between Professor McFadzean of the philosophy department and a Spanish philosopher, and the whole of Ibrox stadium is full." McDiarmid says, "I looked down the road and there was a newsboy selling newspapers, and he was shouting, 'Read all about it, Turkish poet's abstruse new poem.' Holy makes, the papers were selling like hot cakes."

If we have control over our own lives instead of leaving control of technology to a few, in a world in which broadcasting can be fully opened up to the people of this country and not be left to Maxwell and Murdoch—who have already brought in the satellites—if we understand that people want to do as well as to watch, to say things as well as to listen, we can use the arts to enlarge and enrich our lives. If not, we will allow our people to atrophy, not through choice but because we have limited that choice to a few entrepreneurs of ideas. That is why we spend so much time on this subject. That is why the Leader of the Opposition and I can quarrel, because we know that the arts matter. I wish I had some impression that the Government understood that. That is why we may yet touch the imagination of the people of this country and win, as we should win the coming election.

7.45 pm

Mr. Terry Dicks (Hayes and Harlington): I feel like the Labour worker after the Greenwich by-election result who awoke by accident in the alliance—he could not have felt more unwelcome. Having listened to this very warm and cosy debate this evening, I feel much the same.

I join my right hon. Friend the Minister in congratulating Charles Vance and his organisation on removing a white elephant from Hillingdon and turning what was a tremendous burden on the ratepayers of that authority into a theatre that is now beginning to charge the right sort of prices for the right sort of shows. I have a message for the Liberal-alliance spokesman, who is not in the House. If he is so keen on keeping open subsidised theatre, why did the Liberal-controlled council in Eastbourne close the local Devonshire Park theatre?

We have heard much about the phrase "the arts". What is or is not art is a matter for personal choice. If some people want to listen to an overweight Italian singing in his own language, so be it. If people want to waste time watching a man prancing about in a pair of ladies' tights on stage, that is their choice. But do not expect me and the rest of the people in this country to subsidise that choice. —*[Interruption.]* I beg hon. Members not to tell me that it is part of my heritage. There are other forms of art that are understood by the ordinary working-class people of this country. Professional football in many ways is an art form, so is watching Michael Crawford in "Phantom of the Opera". But there is one subtle difference. If I want to see professional football or watch Michael Crawford performing, I have to pay the full economic cost. I do not have to dress up in a dinner suit and bow tie or take a lady in a long dress and to say that I am desperately keen to go to the ballet or opera on condition that the taxpayer subsidises my ticket by £21.

It is a strange phenomenon in this country that last year an unemployed couple was paid £47·85 benefit a week to live on. The Government say that is all they can afford to pay them, but they will give that unemployed couple another £42 of the taxpayers' money to go to the ballet and opera.

My two daughters and my son enjoy pop concerts. As the hon. Member for Newham, North-West (Mr. Banks) rightly knows, they enjoy watching pop groups such as Spandau Ballet. They are young people and they resent being told by their elders and so-called betters that that is not art, that it is just a pop concert, that if they want to go there, they have to pay the full economic cost, but that if they want to dress up and look smart and take a taxi to Covent Garden, they can go in and the taxpayer will subsidise them to the extent of £21 each. Young people say to those who tell them what arts are, "Mind your own business, we shall find out and decide for ourselves." I say hear, hear to that.

Mr. Tony Banks: I am grateful to the hon. Member. His muscular approach to the arts is well known in this House. Does he recall the fact that Spandau Ballet performed at the Royal Festival hall when it was being run by the Greater London council? Unfortunately, he probably also knows that those people put up Spandau Ballet because they thought it was a ballet from Spandau.

Mr. Dicks: The hon. Gentleman has not told the House that he was chairman of the arts committee at the time, which makes it even worse.

We have heard about this wonderful place called Covent Garden. *The Sunday Times* printed an article about that fantastic place where six performances of a show cost £529,000. Total subsidised sales were £199,900. Private sponsorship contributed £150,000. The net loss was £179,000.

If ballet, opera and music are so good, why, even when it is subsidised to that tune, do people still not want to go? I cannot understand. Any other organisation in any industry, working on that basis where it could not attract people to attend would be bankrupt. Football clubs have said that they cannot keep going and that they need aid. The Government Front Bench says, "Sorry, you must live in the real world. You paid high transfer fees and you have to suffer the consequences."

A Mexican opera singer, whose name escapes me, received £10,000 per performance, but we do not tell Covent Garden that it is paying him too high a fee and that we shall not subsidise it. Indeed, the Prime Minister went on stage after listening to an opera and said that the Government will continue subsidising because "the arts are essential". Who said that her definition of the arts or that of my right hon. Friend the Minister is correct and that the definition of arts by myself and my daughter with regard to pop concerts and soccer is wrong? How dare people say that by one definition the arts are part of our culture but that by another definition they are not?

Mr. Peter Pike (Burnley): If the hon. Member for Hayes and Harlington was referring Covent Garden, it could be that its costs are so high that it is impossible to charge an economic price for a ticket. Does the hon. Gentleman not accept that part of the reason that Covent Garden has new proposals for redevelopment of the whole of that site, involving commercial activities which otherwise it would not really wish to embark upon, is to reduce the cost of running the operas and ballet, and to reduce the subsidy it will need?

Mr. Dicks: I do not doubt that the hon. Member for Burnley (Mr. Pike) is right, but why is it getting any subsidy at all? If it cannot create the show, as it must in the commercial theatre, and secure sponsorship for it, we should say, "Hard lines; obviously people do not want to see it because they do not want to pay the price." Nobody says that. We have an Arts Minister. Why, with great respect, I do not know. It is a matter of supply and demand. It is almost as bad as having a Minister for Sport.

Mr. Jessel: Could not my hon. Friend apply most of his argument to the whole of education?

Mr. Dicks: With great respect to my hon. Friend, one could ask what sort of comprehensive schools the Labour authorities is running. Education is essential. I say that the arts are not essential but are a leisure pursuit depending on personal choice. Education is quite different from that and I do not think that it is a true analogy. The budget for the arts is £343 million. I appreciate that that includes National Heritage and museums, but I am most concerned with opera, music and the ballet. We give £151 million a year for these fat cats to enjoy ballet, music and the opera, yet we say to old-age pensioners during the bad weather that we cannot afford to pay the additional severe weather heating payment unless the cold weather starts on a Monday and ends on a Sunday. If it starts on a Wednesday and ends on a Tuesday, we cannot help them. We could say, on the other hand, "You can freeze or we can give you a good way of getting warm. We will take you to the opera and give you £42 for you and your husband to go in there and stay warm." That would be an excellent way for the Government to ensure that the opera was full and the old people were kept warm.

I think that I have made my point. To me, subsidy for the arts is upper-crust nonsense. The old argument is that we have always done it, everyone thinks that it is a good idea, it is bipartisan, so of course we should continue with it. Today's debate has not been about whether it is right to waste public money in this way. The debate has been about whether the money was spent wisely and whether there was enough of it. The whole thing is nonsense. It is time someone pointed out that the king is not wearing a new suit—he is completely naked. That is what I have sought to do as a Back-Bench Member.

Mr. Deputy Speaker (Mr. Ernest Armstrong): I am grateful to the hon. Gentleman for his brevity.

8 pm

Mr. Tony Banks (Newham, North-West): It is always interesting to hear the hon. Member for Hayes and Harlington (Mr. Dicks) discoursing on the arts. In many ways, the hon. Gentleman is to the arts what James "Bonecrusher" Smith is to lepidoptery. His speeches are made additionally entertaining for the Opposition by the looks of horror on the faces of so many of his colleagues on the Conservative Benches. A few support the hon. Gentleman's view—I noticed one or two hon. Members from the Shed end of the arts come in to hear his speech—but it is very much a minority view even on his own side. That is a good thing because his views are philistine in the extreme, anachronistic and wholly unacceptable to any civilised body of thought.

I agree with the hon. Gentleman on just one point—the definition of art. I shall not explore that today, but the hon. Gentleman is right that the definition tends to be what white, male, middle-class people say that it is. I have never accepted that ice dancing, which uses movement and music with great grace, should be described as a sport while ballet is an art form. Rather than narrowing the definition, however, the hon. Gentleman should consider expanding it to take in some of the activities that he and his family take themselves off to enjoy.

By some strange coincidence, arts debates always seem to take place on election days. I believe that the last Government-inspired arts debate was at the time of the Euro-elections. Perhaps application for an arts debate should stand alongside application for the stewardship for the Chiltern Hundreds or the Manor of Northstead as a way of signifying that the smell of an election is in the air. In this context, I should put it on record that today's by-election arts debate was caused by the death of one of the few genuinely popular Members of Parliament.

The Minister laid great emphasis on private funding for the arts. As my hon. Friend the Member for Stoke-on-Trent, Central (Mr. Fisher) made clear, the Opposition in no way reject private sponsorship, although we see it very much as just a little bit of stuff on top. One has the impression, however, that the Minister was emphasising it

to cover up the low level of central Government support for the arts. He made a number of worrying statements in this regard which suggested that as private funding increases there will be great pressure on him—to which I do not think that he will be especially resistant—to reduce the amount of central Government funding.

My hon. Friend the Member for Paisley, South (Mr. Buchan), without notes, made one of the most eloquent speeches that I have heard since I came to the House, and one which I could not begin to emulate. He made the point that business sponsorship tends to go into the safe art forms, so that community arts and black art cannot look to business sponsorship for the funding that they so desperately need. Instead they must look to the dispassionate forms of art funding which can only come from local authorities, public bodies and the Government.

Much has been said in the debate about the revenue gained from tourism, which in 1986 amounted to no less than £5·5 billion. There are many reasons why people in their millions visit this country, but I do not think that even the hon. Member for Hayes and Harlington would contest the claim that most of them come to enjoy our theatres, museums, art galleries, concert halls, and historic buildings while few, if any, come to gaze at our office blocks, development sites and motorways, or at the tower blocks in which so many of my constituents live. People come to this country because of its rich diversity of culture, but we still tend to talk of subsidies to arts. Both sides have done so in this debate because one tends to lapse into that kind of description, suggesting that the arts are somehow a liability.

The very word "subsidy" puts the arts in a defensive position, which is wholly inappropriate in view of their great contribution to the nation's cultural and economic welfare. Using the word in that sense, it could be said that we subsidise defence and unemployment. Indeed, it could be argued that we have the best defended dole queues in the western world. In fact, we invest in education, in the arts and in other areas of creative social activity.

I do not believe that the Government really take the arts seriously, regarding them as the soft underbelly of public expenditure and, as my hon. Friend the Member for Paisley, South said, as something of a luxury. The Government motion is complacent and, in some parts, downright untruthful, revealing an appalling depth of ignorance about the social and economic significance of the arts. The Government may twist and turn the figures, but, as I explained in detail in an Adjournment debate on the Arts Council budget for 1987-88, if that budget is measured against the retail prices index, there has been a real decrease of 3 per cent. in central Government spending on the arts since 1979-80. Moreover, as my hon. Friend the Member for Paisley, South pointed out, if we take the more accurate average earnings index we see that there has been a real cut of 22 per cent. in the arts budget since 1979. The Office of Arts and Libraries is responsible for a total of £339 million in 1987-88—less than one quarter per cent. of total Government expenditure amounting to £148,000 million. That is the pathetically small amount that we invest in the arts in this country.

I wish to refer briefly to the part played by the arts in the cultural industries of this country—something that the Government and the Office of Arts and Libraries seem incapable of understanding and that the Arts Council is only slowly beginning to appreciate. We live in a industrialised nation that is fast becoming de-industrialised. That may be inevitable, given our position as the world's oldest and now decrepit capitalist economy, but there is little doubt that the Government's current economic policies are exacerbating the decline. We are living off North sea oil, squandering the family silver and heading rapidly towards the status of a banana monarchy without the benefit of bananas.

There is one area of economic activity which I believe holds enormous hope for the future; the cultural industries. By that I mean not only performing and visual arts but radio, televison, film, video, printing, publishing and other leisure activities mentioned by my hon. Friend the Member for Stoke-on-Trent, Central (Mr. Fisher). It is a large and important sector of the economy with proven and future growth potential. Nationally, leisure spending amounted in 1985 to some £20 billion, or around 10 per cent. of all consumer spending. In London alone, the Greater London council estimated that about 250,000 people are employed in the cultural industries. The GLC also concluded that it was essential to develop an economic strategy for such an important sector of the economy.

Many Conservative Members would no doubt insist that we should let the market get on with it. Opposition Members do not agree. It is true, as my hon. Friend the Member for Stoke-on-Trent, Central said, that most people have turned to commercial forms of culture for satisfaction such as records, commercial television, radio, films and theatre. However, there is a vital interplay between the private sector and the publicly supported art forms. At first glance the private sector might appear to be self-reliant and self-regenerative, but it depends in great measure on the publicly supported artistic base and both the private and public sectors rely heavily on the original ideas, talents and new art forms that make cultural changes in this country so dynamic. Those are provided by the so-called fringe theatre groups, the small literary presses, magazines, record labels and independent film and video makers. It is at that level that real cultural regeneration takes place, continually adding to the rich cultural diversity of our country which is so attractive to overseas visitors and which we all praise, but which so many of us do so little to nurture.

The growth of our cultural heritage will not stop whatever central Government do or, in this case, do not do. At a time when our wider economic prospects were more optimistically based, the case for Government involvement and intervention in the cultural industries was not so self-evident. Now, with alarming de-industrialisation of what was once the premier manufacturing nation on earth, the case for central Government involvement in the strategic planning of the cultural industries becomes overwhelming.

The Government spend tens of millions of pounds of taxpayers' money on supporting industry and regard that as being a fit and proper use of public expenditure. Why not spend similar money on the cultural industries in terms of developing a proper strategy? The GLC drew up a strategy for the cultural industries as part of a wider industrial strategy for London. It proposed public investment and loan finance in addition to the more traditional forms of public support. The strategy was aimed at supporting the base of the cultural industries; those small independent concerns that have lost out in terms of exploiting their own success through problems in

[Mr. Tony Banks]

distribution, marketing and the tendency towards monopoly. It is important in economic terms to encourage diversification and plan developments in the cultural industries, but it is also important in terms of national culture, because otherwise the prodigious growth in communication technology will result in an unacceptable internationalisation of popular culture which will truly represent chewing gum for the eyes.

When future generations come to judge the quality of life in today's Britain, one of the first things they will look at will be the artistic legacy that we have left them, just as we have judged past generations by their music, sculpture, paintings and buildings. Investing in people's creative talents is one of the finest investments any country can make but it calls for a breadth of vision and imagination that the present Government, with their rather seedy street corner shop mentality, simply do not possess. The Labour party has that vision, and the future of the arts will look so much more vital and exciting when we have that Labour Government and when my hon. Friend the Member for Stoke-on-Trent, Central is our Minister for the Arts.

8.15 pm

Mr. Patrick Thompson (Norwich, North): I feel like Scrooge in "A Christmas Carol", watching a whole succession of Opposition spokesmen. We have heard the Opposition spokesman Present in the form of the hon. Member for Stoke-on-Trent, Central (Mr. Fisher), we have heard the Opposition spokesman Past, in the form of the hon. Member for Paisley, South (Mr. Buchan) and we may have heard the Opposition spokesman Future in the form of the hon. Member for Newham, North-West (Mr. Banks). I will not follow the line of argument taken by the hon. Member for Newham, North-West except to agree, probably with all three Opposition spokesmen, that the arts are important. Having got beyond that first sentence, I fear that there is little further on which we can agree.

It is right to start any speech on this subject by reminding the House that the arts are important. Civilisation as we know it depends on flourishing arts. Whatever one's definition of artistic activity, there is no doubt that without it there is no civilisation. Therefore, it is important that we should debate this subject and consider the state of the arts in this country.

We seem to be discussing the way in which artists should be supported. After all, it is well known that artists cannot flourish in the commercial sense. There needs to be support of one form or another, whether it be patronage, subsidy or sponsorship. The debate is about which of those forms is to be pre-eminent. I do not want to spend long going down that path, but one has to face up to the fact that sometimes there is too much emphasis on subsidy, sometimes there is too much emphasis on sponsorship and sometimes there is too much emphasis on patronage. The balance between those three is a debate which could be taken up when there is more time available.

There is definitely a tension between those who feel that there should be more state intervention in the arts and those who, like myself, feel that there should perhaps be less. On the whole, I think that the Government have got the balance just about right. There is no question about the fact that either extreme would not be healthy for the arts or for the country at large. The Labour party, in the way that I understood its arguments, wants to take over the running of the arts in a way that would be damaging to our culture and traditions and would introduce a bureaucracy which could damage the arts in the same way as too much bureaucracy has done a great deal of damage to our education. I will not debate whether education is more important than the arts or vice versa, a subject introduced by my hon. Friend the Member for Hayes and Harlington (Mr. Dicks).

The Government's record is good on the whole question of the arts. The strategy of "The Glory of the Garden," which was introduced as a result of discussions between the Government and the Arts Council, quite rightly stimulated a flow of more resources away from London towards the regions. In my area of East Anglia, I can see evidence that that is working. I can see orchestras flourishing and I have attended concerts recently by the Peterborough string orchestra and there are many other examples which show that there is more activity in the regions. That is partly a successful result of the "Glory of the Garden" strategy.

I wholeheartedly support the Government's enthusiasm for private fund-raising and business sponsorship. I do not think that we have taken that too far; we can take it further. For example, in Norwich within the past few weeks local business men Roger Gawn and Francis Cheetham from the Castle museum received an award from my right hon. Friend the Minister at a reception because of their sponsorship of Norfolk museum's service, which has been highly successful. This was a well-deserved award.

To show the difficult choices that have to be made in the arts, particularly in East Anglia, I would like to mention the Theatre Royal in Norwich. That illustrates many of the problems we are addressing this evening. As many of my hon. Friends and, indeed, Opposition Members are fully aware, the Theatre Royal in Norwich has a good record of success, particularly in recent years, under the leadership of Dick Condon. That remark will gain support from all quarters of the House and throughout Norfolk and the wider area.

The Theatre Royal in Norwich is now at a crossroads in deciding how its future will develop. Recently, the independent trust under its chairman Mr. Geoffrey Marshall, to whom I spoke yesterday in the House, has taken the initiative to launch an appeal for £2·5 million for extra funds for the theatre. That appeal deserves support throughout the House, from local authorities and people in East Anglia. I hope that local people and businesses will not take this excellent theatre for granted and will respond enthusiastically and generously to the appeal.

The reason why the appeal is necessary at the moment is that there is an urgent need in the theatre for an upgrading of facilities and a general improvement of the building. There is a need for a larger orchestra pit, extra seating and other improvements. The improvements have become necessary because of the need to attract more support from the Arts Council. As an example, the Glyndebourne touring opera company used to come—as far as I can recall—to the Theatre Royal twice a year. It was always very successful, financially profitable and it sold out concerts. I have attended many of those concerts. However, this year for the first time, it will not be coming in the autumn.

Touring companies are less and less willing to come to theatres unless those theatres bring their facilities and amenities right up to standard — at least that is my

understanding of the present position. That is why it is right that the appeal has been launched to meet that challenge. In the meantime, I hope that my right hon. Friend the Minister will show good faith towards the initiative and think again about ways in which we can encourage an increase in the support for touring companies to avoid serious short-term damage. I know that my right hon. Friend is aware of the problem, as there has been considerable discussion about it. I will be interested to hear my right hon. Friend's comments when he replies.

I want to refer to the role of local authorities in connection with the Theatre Royal in Norwich and particularly the role of the Labour-controlled Norwich city council. To return to the good news, in 1969 Norwich city council effectively rescued the Theatre Royal from becoming a bingo hall. I do not want to be on record as making derogatory remarks about bingo. Nevertheless, the theatre's present role is the right one, and there are plenty of other venues for bingo. In 1970, the independent trust to which I have referred was formed and it received an annual grant of £20,000 from Norwich city council. In 1980, 10 years later, that grant stopped. Since then, although the lease on the theatre is free, there has been no cash support from the city council and there has been no support for building maintenance. That is a serious problem.

If we compare the Theatre Royal in Norwich with other provincial theatres, the problem becomes clear. The theatre royal in Nottingham, to which reference has already been made this evening, receives £397,000 in annual running costs from the city and £48,000 from the county. The Grand theatre in Swansea receives a £500,000 annual contribution from the city council. I am not necessarily arguing for vast tranches of local authority money for theatres; that may not be the right path to take. Nevertheless, in Norwich the city council has gradually withdrawn its commitment. Although the councillors sit as members of the independent trust and therefore take an interest—or meddle, depending on one's point of view—in the affairs of the Theatre Royal, their commitment in the form of cash up front has been decreasing. That is a problem which must be addressed and another reason why the appeal is of such importance.

Norwich city council must sort out its priorities. While withdrawing funds from the Theatre Royal—whatever the arguments about that may be—it is finding £375,000 to pour into a pop venue in the centre of Norwich. Many hon. Members have expressed support for pop music, but I confess that I am not one of them. Nevertheless, there is obviously a role and a need for pop music. However, many people in Norwich doubt whether that is the right way for the city council to spend as much as £375,000. Although the venue is not in my constituency—actually it is in the constituency of my hon. Friend the Member for Norwich, South (Mr. Powley)—I know that my hon. Friend shares my view that that venue is a mistake. I know that the proposal is opposed by many local residents, who are rightly concerned about the effects on the locality. The proposal is also opposed by, or causes concern to, the local police. With a pop venue in the centre of Norwich, there is a risk of noise, disturbance and even—on a more serious point—of an increase in drug trafficking. Many of us are concerned about that.

Norwich city council must clearly decide its order of priorities. It is taking funds away from the Theatre Royal, which enjoys a high prestige in Norfolk and the surrounding area, yet is putting money into a project which, at the very least, is dubious and has only limited support in the area.

Norwich city council must decide upon its attitude to the Theatre Royal. Either it will support the theatre generously or it will decide that it wants nothing more to do with it. The council may decide to give the building to the independent trust and so launch the theatre upon a new future. Whatever happens, there is no doubt that the Theatre Royal has been, and is, very popular with people throughout East Anglia. It has been well run—and is still very well run—and it provides a good variety of entertainment. For that reason, I am confident that people will make the necessary commitment to ensure the theatre's future, whatever decisions are taken in the next months or years.

I hope that the Government will take seriously my plea in the short term about the problem with touring companies and ensure that touring companies get to good, successful theatres such as the Theatre Royal, which is providing entertainment for all types of people in Norwich and the surrounding area. That is a serious point and I look forward to the Minister's response.

Bearing in mind the time factor, I will finish shortly, after I have made my main local point. I do not agree with my hon. Friend the Member for Hayes and Harlington that we should have a complete free-for-all in the arts. Nor do I go along with Opposition spokesmen when they ask for endless tranches of money from local and central Government. We all know what nonsense that leads to if it is taken to extremes. On the whole, I support the balance which the Government are expressing and I support the Government's motion. I do not agree with the usual carping amendment from the alliance parties or the inevitable critical amendment from the Labour party. I am therefore very pleased to support the Government motion and I hope that my right hon. Friend will reply to my local points which concern my constituency and the surrounding area.

8.28 pm

Mr. Peter Pike (Burnley): The importance of the arts has been shown by the length of the debate. As hon. Members have said, this is the first time that the arts have been discussed on a Government motion. The debate has gone on longer than the Government's business managers assumed. It is right that that has happened, because the arts are an important subject.

My hon. Friend the Member for Paisley, South (Mr. Buchan) referred to the cotton mill in Paisley which, some years ago, employed about 15,000 workers but now employs only 350. That picture of industry is repeated throughout the country as new technology has caused fewer people to be employed. It is realistic to accept that fewer people will be employed in industry, even if there is an economic revival and if we correct the problems associated with the Government's policies towards manufacturing industries, and with the fact that we import £7·5 billion more manufactured goods than we export. If we are to compete in the world market place, new technology must be introduced. We cannot bury our heads in the sand.

In future, the work load will have to be distributed differently. Obviously, industries must create the wealth. It is for the Government and Parliament to decide how

[Mr. Peter Pike]

that wealth should be used. We must ensure that the public have available to them activities in which to participate, whether it is sport or the arts and whether they are viewers or participants. In either case, it is right that public money should be spent in that way. I make no apology for supporting this type of policy. It shows one of the main differences between the Labour party and the Conservative party. The Labour party is prepared to spend public money on providing the essential services required by the electorate.

The hon. Member for Twickenham (Mr. Jessel) referred to the military bands, which have a role to play. I like military bands. They give enjoyment to people in many parts of the country. But I disagree with the hon. Gentleman in one respect. I believe that the Royal Marines school of music in Deal does a far better job than Kneller hall. That is a somewhat biased view because I did my national service in the Royal Marines some years ago.

The Opposition have said that the Government's business incentives scheme tends to have the greatest effect in the best-provided areas and tends to support safe activities. That is true. The scheme does not have the effect on the regions that we would like.

I supported the Government's Budget proposals last year to change taxation arrangements and provide for covenants and support for the arts. That was a welcome move, but I hope that the Government will go further in publicising those changes and ensuring that people are aware of what is available.

The regions do not fare as well as the south, because industry head offices are increasingly based in London, so that there are satellite industries in the regions. There is not, therefore, the same involvement by head office as there was when industry was growing up in Lancashire, the midlands and so on.

The hon. Member for Hayes and Harlington (Mr. Dicks) referred to the Royal opera house. He should meet the people there and see exactly what is involved. The scale of operations is much bigger than I had imagined. Opera should not be just for an elite. As my hon. Friend the Member for Paisley, South said, television has given opera wider appeal than was envisaged.

Mr. Dicks: Sir Peter Hall, in a debate that I had with him, made the same point about the hard work of the opera house and the problems that it faces. He is one of the highest-paid part-time civil servants it has been my misfortune to come across. He has made a fortune out of public subsidies.

Mr. Pike: I do not wish to pursue that line. I suggest that the hon. Gentleman goes to the opera house one morning and sees exactly what is involved. He will find that its problems are much more difficult than those faced by ordinary theatres, which have one long-running production and therefore need only one set at a time. At the opera house, because of rehearsals and different performances, it is common to have three complete sets and a variety of costumes used in one day. I believe that the Royal opera house has a case.

There is controversy about the proposed redevelopment of the opera house site, especially in respect of the demolition of the floral hall. I believe that the scheme is bold and imaginative and will tackle some of the financial problems of Covent Garden. There are many good features in the proposals and we must look to developments of that type.

One Conservative Member suggested that, during the development, the Lyceum would provide a good alternative venue. I do not object to the Lyceum being brought back into use as a theatre, but it would be marvellous if, while Covent Garden cannot be used, the royal opera were sited elsewhere in the United Kingdom. I stress "United Kingdom" because we must remember that there are other areas apart from England. I must point out, however, that I represent an English constituency. My constituents remember when Sadlers Wells and the Old Vic were hosted in Burnley during the war because those companies had to move from London. Nevertheless, we reached a time when there was not a single live theatre left in the town.

The Minister gave an impressive long list of places that he had visited. If he wants to visit Burnley and see what is happening in that constituency, I am sure that my constituents will be pleased to welcome him and to show him what the council is trying to do. The National Trust property, Gawthorpe hall, is in Burnley. It is run partly by Lancashire county council. The Select Committee on the Environment produced an excellent report on historic buildings. It referred to collections being kept in the house where they belong. It is important to do that. Gawthorpe hall contains one art form which has not been mentioned today—needlework and embroidery. The hall contains the Rachel Kay Shuttleworth collection, one of the finest collections in Britain. We are proud of that collection. People come from all over Britain to see it.

Burnley council runs the Towneley hall art gallery and museum. During the summer season, coach trips are made from Blackpool to the museum. This home belonged to the Towneley family and was acquired by the council in the early part of this century. The council does an excellent job. Admission is free. The average number of visitors is between 90,000 and 100,000 a year.

Burnley council's grant-related expenditure assessment figure is the same as that of a council that does not provide a museum and art gallery. I know that my hon. Friend the Member for Stoke-on-Trent, Central (Mr. Fisher) will reassure me that the Labour party's proposals will seek to correct that. The factor for museums and art galleries is based on the square footage within a borough council area of shops and restaurants. That is a crazy situation. It means that a council that is doing a good job gets exactly the same grant provision as a next-door council that may be doing nothing at all.

When I was leader of the council I and other council members met Ministers from the Department of the Environment, and we met them again after I was elected to this House. We have not yet been able to persuade them to change that system. The system is nonsense and needs to be replaced by one that bears some relationship to the provision of facilities by the local authority.

On 14 August last year Burnley council reopened the building formerly known as the mechanics institute, which was established some 100 years ago. It will now provide educational and other opportunities to people in Burnley. We re-opened it as a multi-purpose arts centre and it is now known as the Burnley Mechanics. When I was leader of the council we spent £229,000 renovating that building. It is adjacent to the town hall and had been allowed to become derelict. It was a listed building and we made it

wind and watertight. I was very much involved in the initial stages of the project to ensure that the building was brought back into use to provide an essential amenity for the people of Burnley.

The final cost of the scheme was £2·343 million, but the only grants that we received were £30,000 from the north-west arts council and about £68,000 from the north-west tourist board, which has a tourist office within the building. During the first six months the centre attracted about 26,000 people to pay-for functions, and 75 functions have been held in the main theatre hall. Of course there are other rooms in the building for other events, and rehearsals are held in other parts of the premises. It has bar facilities and a café and those, together with other facilities, have ensured that the centre has become a live part of Burnley town centre.

No one could criticise the council for a single penny of the money that was spent on that centre, but because the council spent that money and was already receiving maximum grant it got no more money from the Government and the cost of running the building has to be completely borne by the ratepayers. The council estimates that the income for the forthcoming year will be £289,000. The cost of running the centre for the same period will be £748,000, giving a net cost of £459,000 which in the case of Burnley means 6p on the rates. That shows how crucial it is to change the assessment factor to assist councils to provide this type of amenity.

My constituency is fortunate in having a large number of amateur groups, all of which are alive and flourishing and provide shows to a first-class standard. In many cases they are as good as the shows in the west end of London and there have been many standing ovations.

It is important that, as well as having spectators, we have participants, and we must encourage participation because at the end of the day that is what it is all about. Before I was elected to this House I worked in industry making television tubes. I still have an interest in television, but live theatre has more to offer and we appreciate seeing the enthusiam and the effort that goes into productions.

There is an extremely good youth theatre in Burnely and that bodes well for the future of our Gilbert and Sullivan society and for all the other societies that we have in Burnley. The youth theatre is exteremely good. It has its own premises in the Quarry theatre in Burnley, thanks to a Manpower Services Commission scheme and the council. The youth theatre has tremendous financial difficulties. It gets some support from the Stocks Massey bequest, a fund established by the brewing family in Burnley. The family is no longer there but the fund still exists and the income from it can be used for this sort of purpose.

The young people in that theatre are important. I have a vested interest in them because, eventually, my daughter wants to go into the theatre and is an active participant in the youth theatre. Not only does that theatre encourage young people to participate in musical shows and plays and other types of entertainment, but it also encourages them to learn other work in front of or behind the stage —work which is an important part of the arts world. The theatre would not survive if people did not do that type of work.

This is the type of venture that we should encourage. The youth theatre staged "West Side Story" at the Burnley Mechanics, had standing ovations every night and the show was booked solid several weeks before it opened. Just over a week ago it staged a performance of a play by Paul Abbott, a scriptwriter for "Coronation Street" who lives in Burnley. The play was based on an idea by the young people and was a great success. We have to encourage that type of creativity, whether in photography that was spoken about earlier or in any other field. We must have arts facilities that people can see and enjoy and in which they can participate. Money spent in that way whether by local authorities, Government, or through sponsorship by industry, is money well spent.

The Government should give greater priority to such activities and I hope that we can persuade them to move in that direction. If we cannot I am sure that the Labour Government when elected will certainly move in that direction.

8.47 pm

Mr. Alan Howarth (Stratford-on-Avon): The hon. Member for Burnley (Mr. Pike) has spoken with knowledge and enthusiastic loyalty about the arts in his constituency, and his words were expressed in the very best spirit of the debate. Having listened to his hon. Friend the Member for Stoke-on-Trent, Central (Mr. Fisher), however, I was left with the clear impression that the one art form that would assuredly flourish under a Labour Government would be the printing of bank notes.

I can offer some comfort to the hon. Member for Cambridgeshire, North-East (Mr. Freud) who, in all the circumstances, gave us a virtuoso performance by expounding simultaneously the arts policies of the Liberal party and the SDP. There is a predecent for the difficulties in which those two parties find themselves. Maeterlinck shot his cat while he was practising for a duel with Debussy.

The genuineness and effectiveness of the Government's commitment to the arts is manifest. The establishment of the National Heritage Memorial Fund and of authors' public lending right, the launch of the business sponsorship incentive scheme, the 1986 Budget with its incentives for giving to the arts, the achievement of a 15 per cent. increase above the general rise in the cost of living in central Government spending on the arts, in the context of expanding plural funding for the arts, are all landmarks in the success of the Government's policies. In a curmudgeonly style, Opposition Members have had to acknowledge that in recent years the arts in Britain have been a great success.

Mr. Buchan: Will the hon. Gentleman give way on this interesting point?

Mr. Howarth: Not at this moment. The hon. Gentleman spoke for 25 minutes. It is now late, and I hope that he will permit me to get a little into my speech.

My right hon. Friend's latest personal achievement is to establish the principle of three-year indicative funding, and that will be enormously valuable. He emphasised the importance of continuity and stability, and the ability of arts organisations to plan ahead. I should like to return to that point.

I am proud to represent Stratford-on-Avon in this House. I am never more proud than on occasions when the subject of our proceedings is the arts. I am proud that the home of the Royal Shakespeare Company is in my constituency, and I am proud to be a governor.

[Mr. Howarth]

The RSC epitomises the excellence of British theatre. Its current repertoire includes highly acclaimed productions of "Richard II", "Macbeth" and "Romeo and Juliet". That is the classic Shakespearean canon, but the company has also been packing them in with its recent revival of "Kiss Me Kate".

The repertoire of its company is worldwide. In 1984-85, the company played in Paris, Berlin, Vienna, Basle, Barcelona, Munich, Hamburg, Warsaw, Los Angeles, New York and Washington. In its annual report, the British Council observed that the performances given by the RSC in Warsaw achieved more than any diplomatic initiative to Poland in years.

The RSC makes an important contribution to our economy in the fields of tourism and exports. In 1984-85, the company won the Queen's award for exports. This year, the RSC productions scheduled on Broadway are "Les Miserables" and "Les Liaisons Dangereuses".

I mention these successes because I think that the House should honour such a record, but also because the RSC has fulfilled every behest and maxim of the Government. The Government exort arts organisations to practise self-help and embrace plural funding. The proportion of its costs which the RSC achieves from box office receipts is 60 per cent.—significantly higher as a proportion than in other major subsidised theatres.

The company is now establishing itself in two new theatres at no cost to the taxpayer. The Swan theatre was given, in a most generous benefaction, to the company. Its running costs are separately accounted for, and it is at least breaking even on them. At the end of this month, the company will start to play at the Mermaid theatre, where the RSC management has been able to negotiate an agreement with producers whereby they guarantee costs and carry the risks of any losses that the productions might incur.

The RSC is efficient—the Priestley report testified to that—and it is entrepreneurial. Yet in this year, 1986-87, it is heading towards a deficit of probably £1·1 million. Notwithstanding all the excellence and efforts of the company, this is the prospect. Why should that be so? It is certainly not the case that costs have overrun. They are under budget.

There are two particular causes which have come together in an ill-starred conjunction. In 1985, the decision was taken that the Barbican repertoire for 1986 should be somewhat more experimental than had previously been the case. Plays of excellent dramatic quality, including "Mephisto" and "The Danton Affair", were not box office hits. However, the company, in staging these productions, was responding positively to criticisms that it felt were constructive and it felt that it should take risks. Furthermore, in 1986 there was a significant fall in the number of visitors from overseas, principally because of the alarm about threats of terrorism. The consequence of these two factors was that box office receipts at the Barbican came out 50 per cent. below what they had been budgeted to be.

Theatre is inevitably a high risk business. It is inevitable that there will be ups and downs. But with our system of financing it is impossible for an organisation such as the RSC to ride the occasional bad year. The problems that the company has experienced financially in 1986-87 are one-off problems — there is no reason why they will recur. None the less, it will be left with the consequences of these problems for a long time unless action is taken, and it is necessary for us to look carefully again at the long-term funding of the company. With great respect to my hon. Friend the Member for Hayes and Harlington (Mr. Dicks), there is no way in which a business such as the RSC can build up reserves to create a contingency fund so that it can be tided over the occasional bad year in the way that another fully commercial business could be.

The Government commissioned the Priestley report to ascertain whether the organisations at which it looked were efficient, and to seek advice on what would be the appropriate pattern of funding for the future. As the House knows, Priestly gave the RSC a clean bill of health in terms of the efficiency of its management. However, the report went on to say that the company was "palpably underfunded". It urged on the Government the pressing need to establish conditions of financial stability. It said that the Government should write off the accumulated deficit and raise the base grant to a realistic £4·9 million in the money of that time and thereafter maintain it in real terms.

The response of the Government was given by my right hon. Friend's predecessor, Lord Gowrie, in the other place. He said that the Government broadly accepted the findings and conclusons of the Priestley report, and he acted on that. The deficit was written off, and the base grant was indeed established at £4·9 million to enable the company

"to operate on a satisfactory financial basis in the future."

Lord Gowrie made it clear that his purpose was to establish a satisfatory base line. In saying that he broadly accepted the Priestely recommendations that must indeed have been his intention, because the central Priestely recommendation was that that baseline should be established and maintained.

The arts world and a much wider public welcomed and applauded that decision. However, as is inevitable — Opposition Members delude themselves if they suppose it would ever not be the case—there were constraints on public spending and there were competing claims on the Arts Council budget. As a consequence, in practice the base line funding, although established at the new level, was progressively eroded in successive years. In a period in which the RPI has risen by 15 per cent., the Arts Council grant to the RSC has risen by only 6 per cent. In the same period, the RSC's earnings rose by 33 per cent. In 1984-85 and 1985-86, in those difficult years when the baseline funding was being eroded the RSC broke even because of its good management and efforts. It could hardly have done more than it did. As a consequence of circumstances for which it cannot reasonably be blamed, it is however, heading towards deficit and the prospects for the company are grave.

What are its choices? It could carry forward the deficit, but that would mean that in future its budget would be increasingly burdened by compounding interest costs. Plainly, that would not be sensible. If it does not receive additional aid, it will be obliged to close one of its major centres. It can either close the Barbican or the Shakespeare Memorial theatre. I must tell the House that the council of management of the RSC is seriously contemplating those possibilities. But even as it contemplates them it knows that it is absurd to do so. If it had to act on either

of those possibilities, it would destroy the raison d'être of the theatre. There is no alternative but for the Government to help.

Mr. Buchan: Will the hon. Gentleman give way?

Mr. Howarth: This is an important subject, so I hope that the hon. Gentleman will allow me to continue. I am in the middle of trying to explain my case.

The Government must once agan accept the logic of Priestley, which is inescapable. The Government will have to write off the deficit and once more give a realistic grant, or else we shall lose this great national artistic institution.

I appreciate the difficulty of my right hon. Friend as to indexation. I do not ask him specifically to commit himself to indexing the base grant for the RSC. The principle of indexation is a dangerous one in the wider context of public finances, and I can readily imagine that if my right hon. Friend were to commit himself to indexing the grant for any institution he would find himself beset by hordes of jealous claimants at the Office of Arts and Libraries. That situation would clearly be difficult and unsatisfactory.

What I do ask my hon. Friend is that he should look carefully at the circumstances of this case, at the qualities and value of the RSC, at the details of the predicament in which it has found itself, that he should assess what may be the balance of responsibility as between the company, the Arts Council and the Government for the problems that have arisen, that he should recollect the analysis that was made by his predecessor, and that he should accept that the Government and the Arts Council between them have a duty to ensure that the RSC does not, through no fault of its own, encounter catastrophe.

My right hon. Friend's serious and practical championship of the arts is widely recognised. I do not ask him to give here and now his detailed response to the problems that I have described, but I hope that we shall receive a considered, constructive response from him shortly.

9.1 pm

Mr. Brian Sedgemore (Hackney, South and Shoreditch): I am sure that the Minister will have listened sympathetically to the speech that has just been made, although to some extent it contradicts some of the hon. Gentleman's economic and political philosophies, but we all have that problem from time to time.

I do not know who wrote the Minister's speech at the opening of the debate, but whoever did, he or she is in line to become a scriptwriter for a Ken Russell fantasy. The film opens with the Minister's weak and anaemic voice intoning that there has been an economic miracle in Britain in the late 1980s and that all the people are prosperous and joyous. Meanwhile, the camera focuses on a screaming baby whose mother is homeless, cuts to a youth who is unemployed and has slashed his wrists and then to a woman who is flooded with tears in a DHSS office. The Minister lives in a different world to the one in which I live, but I shall not develop that theme.

One of the disturbing developments that has emerged in the locust years of this Conservative Government is the notion that art is an industry like any other in the modern world. Therefore, its output should be determined by market forces, its practitioners should make a close study of consumerism, the problems of marketing and distribution and the artist should no longer regard himself as a creative individual but as an entrepreneur who, if he wishes to maximise his profits, must learn to deal in oligopoly, duopoly, loss leaders and a variety of other economic concepts.

In this system, where art is an industry, we are supposed to give thanks when 1,000 craft shops open up this year. I am not sure what we are supposed to do when the same 1,000 craft shops go bankrupt next year.

In this system some people will succeed. I have no doubt that the new superstars of the art world—the designers—will succeed, particularly if, in addition to their skills in design, they are prepared to study the complex subjects of advertising and marketing and they can cope with psychology, sexual relations, fantasy, identity, escapism and decoration.

But if we live in this world in which art is an industry, as we see the growth of mass production and consumerism it is inevitable that art will become more universal. It is certain that art will lose much of its sense of place, history and identity in terms of locality, community, race, class and nation.

If art is entirely to be regarded as an industry, much of it will be ephemeral in the modern world, much of it will be junk that degrades the artist and the consumer, and it will all be described as value free. Possibly the best and only thing that will come out of it will be that all over the world we can put on our Benetton tee shirts and designer jeans and watch "Dallas" without shame. That is not a notion of art that we should encourage people to stick to, although it is one in which the Conservative party would like the public to believe.

However, there are other notions of art. There is the notion that art is some kind of idealised activity that is good for us. I suppose that in that group I would put the Minister with his what I would describe as Benthamite utilitarianism. I would also put in that group the Fabian idealism of many Opposition Members.

Often when people say that art is good for us they are saying that it is part of the process of self discovery. But in that notion of art—it is not one that I particularly like or hold to—the artist often sees himself as some kind of superior person; some kind of philosopher king. That is a notion which artists in the western world have basically ascribed to themselves since the period of the romantics.

There is a third view of art—someone was asking for some definition of art and artists earlier; he is not here to hear it but never mind—and that is that art is an activity which mediates between the world as it is and the world as we would like it to be. If it does that, it performs roughly the same function that we as politicians perform. I cannot think what else we do if it is not that.

If art performs that function of mediation it is likely to be creative, imaginative, intellectual and emotional, and, because the world is critical and disturbing and full of conflict, art will be critical, disturbing and full of conflict. I have some sympathy with that notion of art.

But there is another notion of art which is that art is an instrument of social change, perhaps best expressed by Stuart Hall when he says that the idea that we can get radical change while the dominant cultural attitudes remain unchanged in society is patently ridiculous.

According to that concept of art, culture becomes a battleground for change. It does so because it affects all aspects of our life—what we wear, how and under what

[Mr. Brian Sedgemore]

conditions goods are produced, the very language that we use and the images by and through which we express ourselves.

In that sense, art is not just about painting, theatre and dance; it is about education, architecture, town planning and ecology. I want to come back to that concept of art in a moment because it is the one with which I have most sympathy and it is one to which my hon. Friend the Member for Paisley, South (Mr. Buchan) referred.

But there is a last definition of art that we have seen recently and that is the definition of art that we saw in a six-part series on television called "State of the Art" written by Sandy Nairne, who, I gather is one of our supporters, or so he told me at a recent conference. I hope that that is right since I have now made it public.

In "State of the Art" Sandy Nairne seemed to be saying that art is a condition which exists in a vacuum; that it is fragmented, without construction, and that somehow it defies any form of analysis. Therefore, he is capable of making six programmes in which he can discuss art without saying a single word about the way in which the Arts Council mediates state patronage. I find that bizarre. I also find it bizarre that he can present to the British public the idea that one can see post-modernism as a form of self-alienation which is pushed to such a degree that we could even be made to view our own destruction as an aesthetic experience of the highest order. I simply cannot view art in that way.

The Minister for Trade (Mr. Alan Clark): Rather laboured.

Mr. Sedgemore: I notice that the "son of civilisation" is twittering away as usual, but if the "son of civilisation" could pause for a moment he may learn something to his advantage, even about his father's paintings.

If we can accept the notion that art can be an instrument of change, we should consider what has taken place in other countries. This morning I was reading a paper by Franco Bianchini. He saids that in 1976, when the Socialists and Communists took over from the Christian Democrats in Rome, they decided that they wished to bring together art and culture together. They wanted to show that there were no great divisions and schisms between the working class and middle class view of art. They achieved that with the Estate Romana. There are three reasons why we could not achieve a similar success in this country.

First, Rome has a citywide governing body, but we have abolished the GLC. Secondly, one cannot have this type of big artistic concept without heavily subsidised public transport systems because such a concept does not operate from the periphery but from the centre. However, public transport subsidies have been reduced and removed in London. Thirdly, this type of notion depends on the insistence of people that art is important and that theatre, ballet and dance are at least as important as spaghetti westerns or horror movies. Unlike the hon. Member for Hayes and Harlington (Mr. Dicks) I believe that we must break away from the latter notion. We could learn a lesson from Italy about the ability to use art as an instrument of social change.

I agree with my hon. Friend the Member for Paisley, South that possibly the most powerful cultural influence on the lives of most people in Britain is broadcasting and inside broadcasting — television. If we want to change the world and change attitudes towards the world, access to broadcasting and access to television is one of the most important influences that we can discuss. It should not be discussed in the abstract but in specific terms.

By and large, we tend to discuss television purely in terms of how much television time we are prepared — either through the IBA or by statute — to give to independent producers. I accept that that is important. I am in favour of giving 25 per cent. of the franchise holders programme time to independent producers, but let us also give 25 per cent. of all the time of those franchise holders to the community. Let us allow the community and the people reflect themselves rather than see themselves reflected by other people. We should give them editorial control over some news and current affairs programmes. Let us give them control over drama, entertainment and other things that are shown on television. It is important that the end result is not bad television so let us also give the community the directors, producers and professional crews to produce good television.

If we truly believe in plurality in our society—it is a word that people throw around with astonishing ease—above all else we must break up the monopolies held by those who hold television franchises so that control is not given solely to persons of wealth and power. If we are serious about breaking up those monopolies and achieving that type of plurality, my hon. Friend the Member for Paisley, South is right — one cannot do that if broadcasting is kept under the control of a Ministry that is concerned with suppression, repression, vetting, spying and censorship.

Broadcasting belongs to a Ministry for the arts. Perhaps for other reasons, the Select Committee has come up with what surely is an eminently sensible all-party proposal. I hope that my hon. Friend and I can persuade our Front Bench to go further along the road than they have already done and I hope that the hon. Member for Staffordshire, South (Mr. Cormack) can also persuade his Front Bench to go further along that road.

Although this has been an interesting debate, I am sure that hon. Members have heard too many speeches already. I wish, however, to make one more point. Throughout Britain there are thousands of schools, but when I worked in television I came across only one, the Tower Hamlets school for girls, where art is part of a core curriculum. This issue reflects a simple proposal contained in a Gulbenkian report many years ago. Why is it that no education authority in Britain has had the determination and imagination to make art part of the core curriculum? If we were prepared to do that, we would show individuals from an early age that we are serious about the importance of the subject.

9.15 pm

Mr. Fisher: This has been a debate of sharply distinct views, and in being so it has addressed the central question posed by the hon. Member for Staffordshire, South (Mr. Cormack), which was whether there is still a bipartisan arts policy in the House. The answer is that there is not. That is clear from the speeches made from both sides of the House. Any cosy agreement that might have existed before exists no longer because there has been a recognition on both sides that there are important, sharp and distinct differences in our political views.

That is not to say that there is no common ground. There is some important common ground on which we can build. There is a common interest and sincerity of view and the House well knows the sincerity, concern and expertise of the hon. Member for Staffordshire, South, for Canterbury (Mr. Crouch) and for Twickenham (Mr. Jessel). They have brought their important knowledge and concern to previous arts debates and they have done so again today. The same can be said of the hon. Member for Cambridgeshire, North-East (Mr. Freud), the alliance's spokesman on the arts.

I am sure that the House will have been impressed also by the contribution of my hon. Friend the Member for Heywood and Middleton (Mr. Callaghan), whose work and knowledge has been acknowledged by hon. Members on both sides of the House, it having been demonstrated in the sittings of the Select Committee on Education, Science and the Arts. The House will have been interested in the contribution of my hon. Friend the Member for Burnley (Mr. Pike), in what might have been his first speech in an arts debate. He made many telling and interesting comments from a local authority perspective following his experience as a leader of a local authority. I can assure him that I have taken on board his remarks about rate support grant.

There might be some agreement on specifics. I am sure that hon. Members on both sides of the House appreciate the excellent report in 1982 of the Select Committee, which was chaired by Mr. Christopher Price. It is sad that the Government have not implemented more of its recommendations. There are many constructive recommendations to be implemented in future on the basis of a mutuality of interest.

There may even be common ground on the result of the cuts that have been imposed. The Minister might not agree, but I think that there is a general understanding on both sides of the House. The clear and well described comments of my hon. Friend the Member for Heywood and Middleton brought the result home to us. Hon. Members will remember him talking about buckets in museums and the comments of Sir Roy Strong that he quoted. I could assure my hon. Friend, if he were in his place, that one of the first and most urgent tasks for an incoming Labour Government will be to carry out a national audit to ascertain the state of our arts buildings. The Minister could begin that work if he were seriously interested in ascertaining the state of the arts in Britain. It would not be a costly exercise, and in taking that course he would demonstrate his good intent. The result of the exercise might be extremely embarrassing for the Government following their stewardship over the past seven years. I am sure that the right hon. Gentleman would find, as the Select Committee has found and as hon. Members on both sides know, that the fabric of many of our finest arts buildings is in an appalling condition.

There might even be some common ground on the need for more money to be spent on the arts. With the exception of the hon. Member for Hayes and Harlington (Mr. Dicks), I think that that is a common concern, whether it be the Royal Shakespeare company or other forms and media within the arts.

Mr. Cormack: It is refreshing to hear the hon. Gentleman's more considered comments in replying to the debate when compared with some of his introductory comments.

Mr. Fisher: I am grateful for that compliment. I fear, however, that this is where we may start to part company. I have sketched out the areas in which there has been agreement, and now I must turn to the important and real differences. They are not about the level or even the source of funding, whether it is from local authorities, the private sector or central Government. They are about perspective. They are political and economic differences.

It is quite clear to anybody listening to the debate that the perspective from which the remarks of my hon. Friend the Member for Newham, North-West (Mr. Banks) about cultural industries should be seen — the importance of the new technologies, about satellite, publishing and broadcasting — is not fully understood by Conservative Members. I urge them to look carefully at my hon. Friend's remarks. We must look into our own lives and see that the arts are not just a narrow definition of the subsidised arts that Conservative Members are talking about. They are a far wider and more powerful force in our lives. That is the big difference between the two sides of the House.

There is also a difference in ideology. The hon. Member for Canterbury talked about our great tradition. He mentioned the great heritage of acting. His knowledge of and sincerity about the theatre is undoubted. Of course he is right. We have a great tradition, but it is only part of the culture of this country. As my hon. Friend the Member for Newham, North-West said, it reflects the brilliant ideas of people who have lived and are living here. But, as he said, they are essentially male, white and educated, mainly living in the south of the country, and fairly well off. It is perfectly fair and quite correct that their ideas should be expressed as well as possible, but they are not the expressions of all people in society.

We fool ourselves when we think that the great expressions of our culture, as characterised in our great acting tradition, carry the aspirations and experience of all our people. As my hon. Friend said, they do not carry the experience of people who are unemployed, who live in housing estates or who come from a totally different ethnic, religious and cultural background. It is important that we are a multicultural society, with cultures expressed in different art forms in different ways. That concept has not yet been fully taken on board by Conservative Members. It is not only a matter of that sort of experience; it is a matter, through art forms, of expressing how one sees oneself in relation to other people, the power that one may or may not have over determining one's life, the economics in which one lives, the ability to express oneself through work, one's relationship to one's housing and to one's potential.

The great heritage that has been referred to, though it exists and we are proud of it because it will carry our culture into the future, is not a complete picture. We have a wider culture than that.

It begs the question of whose culture we are talking about. Who owns the culture? In a magnificent and, as my hon. Friend the Member for Newham North-West recognised, off-the-cuff, impromptu speech, my hon. Friend the Member for Paisley, South (Mr. Buchan) put his finger on many crucial areas which represent a distinct difference between hon. Members on both sides of the House. He mentioned the concentration of ownership in this culture and the national press. Three corporations, which are controlled by proprietors, apparently own 74 per cent. of circulation. That cannot be in the interests of

[Mr. Fisher]

a wide variety of views in our society. My hon. Friend might also have mentioned the media and the way in which the same three companies and other companies are buying not only into newspapers but into radio and television and now satellite and film. Surely Conservative Members can see the importance of that and the power that it gives over the means of expression and, therefore, what can be expressed. My hon. Friend might also have mentioned books. Conservative Members must realise that they have only to go to the high streets in their constituencies to see the narrow range of books that are available for sale. There are 300,000 books in stock in this country, and 50,000 are printed every year. They contain some of the greatest, most provocative, challenging, interesting, compelling ideas in any language, yet only a narrow range of books is available in the high street stores.

Mr. Cormack: The hon. Gentleman's points are forceful and important, and nobody would dismiss them, but is it not far better that three private people should be fighting for control of circulation rather than that there should be state control? I do not suggest that the hon. Gentleman is advocating state control, but is there not some common ground between us?

Mr. Fisher: I shall deal with that point later.

Mr. Buchan: The dissemination of journals and books is controlled by two distributors—W. H. Smith and Son and John Menzies. I know that that is so, because I have been trying to get *Tribune* disseminated through them and there have been difficulties.

Mr. Fisher: The crucial point is that both in the case of the national press and the distribution of books and records we see the free market, so called, narrowing and constricting choice. The Conservative party tells us that the free market widens opportunity and that it also widens choice, but we see that exactly the reverse is true and that the free market and the interplay of ownership narrow free choice, whether in retailing or in the ownership of newspapers.

The next Labour Government will seek to widen the range of press ownership. They will seek diversity of ownership, not ownership by the state. Britain is the only country that imposes virtually no regulations over press ownership. That cannot be in the long-term interests of our culture or of our democracy. These are substantial differences between the two sides of the House.

Furthermore, that control is not just a question of ownership. It takes other forms. In a part of his speech, with which I did not fully agree, my hon. Friend the Member for Paisley, South (Mr. Buchan) referred to the Reithian concept of broadcasting, which is to inform, educate and entertain. They have been valuable linchpins of our public sector broadcasting philosophy, but they need to be augmented and extended. The audience is thought to have a passive role, either listening to radio or watching television and being the recipient of somebody else's views and somebody else's culture. The opportunities that the technical capability of community radio offer provide us with the hope of a different and a much more intereactive relationship between audiences that will extend those valuable Reithian concepts to a participating and a plural system of broadcasting.

There are huge differences of view among hon. Members about censorship and contol. Although the Conservative party does not understand this, people all over the country, of all political persuasions, were shocked when they saw on their television screens the arm of the state, in the form of the police, breaking into offices in the middle of the night and taking away rolls of film. It was a slur and a stain on the culture of this country. I hope that Conservative Members will understand the importance of that point in this arts debate, because it goes to the heart of the question about who controls our culture and whose culture it is, anyway.

There are substantial political, economic and industrial differences between the two sides of the House. The Government's view is narrow and wholly out of date. It is also wholly out of tune with people's experience. Furthermore, it is a very controlled view, whether of ownership or censorship. The next Labour Government will offer a far wider and more plural and enabling view. It will provide much greater choice for the consumer and also a much greater opportunity of choice for the producer and the artist.

The points that were made by my hon. Friend the Member for Paisley, South will be taken on board. Planning, transport, jobs and housing must interrelate so that people are able to reach arts locations. The next Labour Government will set in train a building expansion programme that will respond to the needs of the people. We must ensure that we build a physically acceptable society. Houses are physical pieces of sculpture. We must create an environment that is worth living in.

There are huge differences between the two sides of the House. We reject the Government's restricted view of the arts and many of the points that have been made tonight. We shall therefore vote against the Government's motion.

9.29 pm

Mr. Luce: At least there is one piece of common ground between both sides of the House: this has been a good-humoured debate in which there has been widespread participation by hon. Members on both sides. That in itself justifies the decision of the Government to have a debate on the arts on a substantive motion. My records go back only 30 years but I am told that for at least 30 years there has been no debate on the arts on a substantive motion in Government time. The fact that the debate has gone on for a considerable period demonstrates that the arts is a singularly important subject and that not only hon. Members but many people throughout the country care about it.

I congratulate the hon. Member for Stoke-on-Trent, Central (Mr. Fisher) on his maiden speech as spokesman on the arts for the Labour party. I disagree, however, with much of what he said, particularly in his opening and closing remarks. I listened, too, with respect to the hon. Member for Paisley, South (Mr. Buchan). For 18 months he and I were opposite numbers. He cares passionately about the arts. Again, he has a different attitude and approach to the arts; nevertheless, I respect his views. I also noted the different approach between him and the hon. Member for Stoke-on-Trent, Central. I remain baffled about Labour party policy. It is confusing on defence, to say the least, and it is even more confusing on the arts.

I deplore the habit of Opposition Members, including the hon. Member for Stoke-on-Trent, Central, of feeling

constantly that they have to spread gloom and doom about what is happening in the arts world when they know perfectly well, if they consider the scene on the ground throughout the country, that expansion is taking place. I think they feel that if they accept that something good is happening, the Government will immediately step in and claim all the credit. The credit goes in two ways—first, to the people, the consumers, who want to enjoy the arts, and secondly, to the great talent in artistry of all kinds. That is proved by the great and growing interest shown by the public.

I criticise the hon. Member for Stoke-on-Trent, Central, too for his tunnel vision. He talked about the need for a broad strategy yet the Opposition litmus test of success in the arts always seems to be whether there is Government funding. The Opposition adopt a churlish attitude to the private sector. The hon. Gentleman brought in the right hon. Member for Plymouth, Devonport (Dr. Owen), with whom I disagree on many issues. Again the hon. Gentleman poured cold water on the concept of encouraging the private sector to play its part.

There is also a tendency for some Opposition Members —I do not think this applies to the hon. Member for Stoke-on-Trent, Central—to pour considerable scorn on the attitude of the consumer who, after all, is the person who spends more money on the arts than anyone else, and who decides what he wants to see and what is good and bad. Yet Her Majesty's Opposition and sections of the arts world seem to think that creativity and consumerism do not go together. That is an astonishing attitude.

There have been many stimulating and interesting speeches. I do not think the House would wish me to answer every single point. Indeed, I could imagine the reaction if I were to try to do that. However, I pick on my hon. Friend the Member for Hayes and Harlington (Mr. Dicks) because he made a colourful speech. He reflected the feeling of many people, to which I referred earlier, that there should not be taxpayer support for the arts. I made it plain that I disagreed with that view.

I hope that my hon. Friend will be pleased that the Bech theatre at Hillingdon, which I think is in his constituency, is being run effectively by commercial management and as a result is saving the taxpayer and the ratepayer a considerable amount of money.

I listened with great interest and care to the contribution of my hon. Friend the Member for Stratford-on-Avon (Mr. Howarth), who represents that constituency marvellously and is a governor of the Royal Shakespeare Company, which brings the highest credit to this country and the greatest enjoyment to many people of all backgrounds. What the hon. Gentleman had to say must be taken into account very carefully, especially by the Arts Council, which has to take the direct decision on the level of funding, but it is important that I know what he feels about it.

My hon. Friend realises that the Royal Shakespeare Company, like the royal opera house, has implemented many of the recommendations of the Priestley report in consultation with the Arts Council and that the Government agreed to provide additional funds to eliminate deficits and to increase basic funding for both these companies. I am glad to note that my hon. Friend accepted the argument that if we start on a policy of insulating one or two arts bodies from the world of inflation by inflation-proofing, we will be in an extremely difficult area. I am glad that my hon. Friend acknowledges that would not be the right way to proceed.

My hon. Friend the Member for Norwich, North (Mr. Thompson) made a very important speech in which he rightly drew attention to the range of arts activities in Norwich and in particular the Norwich Theatre Royal and the importance of touring companies. I accept that entirely. If our policy is, as it must be, to bring about excellence in the arts and to make it available to the maximum number of people, touring, especially by the best companies, is of great importance. I heard his views with great care. My hon. Friend spoke of the importance and the value to his area of the Arts Council's "Glory of the Garden" policy of shifting more resources and support to other parts of the country. I, too, welcome that.

My hon. Friend the Member for Staffordshire, South (Mr. Cormack) has devoted years in this House to supporting and working for the heritage and all forms of art. He made an important speech. He asked my opinion about the royal opera house and long-term development plans. No decisions have yet been taken and planning approval still has to be given by the city of Westminster. Nevertheless, I regard its longer term development proposals, which are based upon private enterprise loans, as highly imaginative and deserving of much interest. I still have to take the decisions but I place my view on record in response to my hon. Friend's question.

I am glad that my hon. Friend drew attention to the importance of crafts. At least 20,000 people in this country enjoy crafts in one way or another. I hope that number is expanding rapidly. I welcome most warmly the fact that my hon. Friend has played a leading part in launching a new scheme to allow fellowships for young people in crafts. I give my strongest support to that. I congratulate my hon. Friend on the initiative he has taken.

My hon. Friend the Member for Twickenham (Mr. Jessel) made a splendid speech. If he will forgive me, I will not dwell on the importance of military bands because he has drawn that to the attention of the House and of my right hon. Friend the Secretary of State for Defence on many occasions. On the question of the danger, as he puts it, of VAT being imposed on imports of works of art, I agree with him that it is a matter of the greatest importance. We have a highly successful art trade in this country. Both the sixth and seventh directives could threaten this trade. Let me make my position absolutely clear. I will oppose anything that I believe would damage the successful art trade of this country. I am convinced that is the view of the Government.

The hon. Member for Cambridgeshire, North-East (Mr. Freud) made an interesting speech raising many issues. I am glad that, as I understood it, he endorsed the arm's-length principle as I had been anxious in recent months about what seemed to be a weakening of the all-party support for that principle. If we break away from that principle there will be a great danger of direct central Government intervention in artistic decisions. I believe that the freedom of expression of artists is of fundamental importance.

Mr. Tony Banks: Will the Minister give way?

Mr. Luce: I hope that the House will bear with me; it is right that I should answer the questions raised in the debate. The hon. Gentleman has already made his speech.

[Mr. Luce]

The hon. Member for Cambridgeshire, North-East also drew attention to the marketing scheme. I should correct one point. The hon. Gentleman felt that the scheme did not help those who did not have much money to spend because the range within which people can apply for an award is between £5,000 and £10,000, to be matched by the Government. It is, however, perfectly possible for a group of subsidised companies to get together and put in a joint claim. I hope that that will help smaller companies.

The hon. Member for Heywood and Middleton (Mr. Callaghan), who is no longer present, referred to the importance of supporting the arts in all parts of the country, including his own area. I should point out that there has been an enormous shift of resources from the Arts Council to the regional arts associations, which now receive some £20 million of taxpayers' money to support their work in all parts of the country.

My hon. Friend the Member for Canterbury (Mr. Crouch) made an important speech. I commend the marvellous work that he has done as a founder member of the Theatres Trust and the role that he plays today. I am grateful to him for his speech and for drawing attention to the Cork report, which is still being considered by the Arts Council, on the importance of the work of the theatre in this country. I believe that I gave my hon. Friend some wrong information from a sedentary position. I thought that he was referring to the Swan theatre at Stratford, to which Mr. Koch, an American, gave magnificent support. I understand that my hon. Friend was referring to the Old Vic. In that instance, the support was given by a Canadian, Mr. Ed Mirvish. Again, I am grateful indeed to my hon. Friend for his speech on the theatre.

The hon. Member for Stoke-on-Trent, Central referred to public libraries, and it should be made clear that my duties cover libraries as well as the arts. I believe that this country has almost the finest set of public libraries in the world. They are outstanding. The hon. Gentleman sought to suggest that the system was collapsing, but that is nonsense. He highlighted certain selective figures, saying that 200 libraries had closed, but libraries have also been opened. Just recently, I opened one in Princes Risborough. It is not in the least surprising that there is such mobility, with some libraries closing and others opening. For the next financial year, there will be an increase of 14 per cent. in the amount of money allocated to libraries and local museums. I stress, too, that there has been an increase in the number of books stocked by libraries. In 1979 there were 106 million. Today there are 113 million. If the hon. Member for Stoke-on-Trent, Central says that there has been a decline, he is entirely wrong. I must make it clear that his comments about a decline in the public library service were absolute nonsense.

Mr. Fisher: If the Minister is telling the library world that the public library service will receive an increase of 14 per cent. in the money available to it next year, I am sure that the whole House will welcome that. But my figures about the book fund cut are true and accurate, and reflected in every local authority public library service.

The number of books on the shelves depends on how fast they are depreciated and moved off, but one has only to go into a public library to see the very poor state of the books. Moreover, because prices have risen astronomically only a tiny proportion of the needs of local communities can be met by any library authority. I hope that the Minister will take that on board.

Mr. Luce: I take seriously what the hon. Gentleman says, because it is important that we maintain the high standard of our public libraries. The book fund, allocation of money, as chosen by English local authorities—it is their choice—has gone down, not by 34 per cent., as the hon. Member for Stoke-on-Trent, Central suggested, but by 9 per cent. The fact is that the number of books has gone up. It is up to the libraries to decide how to allocate their money. There are information services in our libraries and an increase in leisure services and there is also the need to maintain our book services. It is for them to choose how they spend the increase in the money that they will be allocated in the coming year.

We have had a full and constructive debate on the arts. There is a serious divide in some respects between the two sides of the House but, where there can be common ground, I welcome it. My position and that of the Government is that we want to create the best possible climate and framework for the arts to flourish. We want there to be the greatest degree of freedom of expression and the greatest scope for all the talents of British artists and for the arts to flourish.

Mr. Freud *rose*——

Mr. Luce: I believe that that is best achieved by encouraging the greatest possible diversity of funding of the arts. That in itself enables one to spread the risks and to guarantee the greatest freedom of expression. I wish only that the Opposition would encourage a little more the flowering of funding and encourage greater support from the private sector and not depend just on the state sector.

Surely the key test is what is happening in the arts on the ground today. The story is a good one. The arts are flowering and that is due largely to the achievements of the British people and British artists. We are creating a healthy framework for that to succeed. The reputation of British arts is high in Britain and the world today. Therefore, I call upon the House to support this motion and reject the amendment.

Question put, That the amendment be made:—

The House divided: Ayes 30, Noes 98.

Division No.118] **[9.50 pm**

AYES

Alton, David
Banks, Tony *(Newham NW)*
Beith, A. J.
Bermingham, Gerald
Boyes, Roland
Bruce, Malcolm
Buchan, Norman
Campbell-Savours, Dale
Carlile, Alexander *(Montg'y)*
Clwyd, Mrs Ann
Cook, Robin F. *(Livingston)*
Deakins, Eric
Dormand, Jack
Fisher, Mark
Freud, Clement
Kennedy, Charles
Kinnock, Rt Hon Neil
Kirkwood, Archy
McGuire, Michael
Madden, Max
Martin, Michael
Nellist, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Robertson, George
Sheerman, Barry
Snape, Peter
Steel, Rt Hon David
Woodall, Alec
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. Allen McKay.

NOES

Alexander, Richard
Amess, David
Ancram, Michael
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Batiste, Spencer
Biffen, Rt Hon John
Bottomley, Peter
Brandon-Bravo, Martin
Bruinvels, Peter
Budgen, Nick
Butterfill, John
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Colvin, Michael
Cope, John
Cormack, Patrick
Crouch, David
Currie, Mrs Edwina
Dykes, Hugh
Emery, Sir Peter
Eyre, Sir Reginald
Farr, Sir John
Fenner, Dame Peggy
Fookes, Miss Janet
Fry, Peter
Galley, Roy
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Glyn, Dr Alan
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hargreaves, Kenneth
Hayward, Robert
Heddle, John
Holt, Richard
Howarth, Alan *(Stratf'd-on-A)*
Hunt, David *(Wirral W)*
Jackson, Robert
Jessel, Toby
Jones, Robert *(Herts W)*
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Lawrence, Ivan
Lennox-Boyd, Hon Mark
Lester, Jim
Lilley, Peter
Lloyd, Peter *(Fareham)*
Luce, Rt Hon Richard
Lyell, Nicholas
Malone, Gerald
Marshall, Michael *(Arundel)*
Maude, Hon Francis
Merchant, Piers
Meyer, Sir Anthony
Mitchell, David *(Hants NW)*
Monro, Sir Hector
Moynihan, Hon C.
Neale, Gerrard
Norris, Steven
Ottaway, Richard
Percival, Rt Hon Sir Ian
Portillo, Michael
Powley, John
Raffan, Keith
Rhodes James, Robert
Roe, Mrs Marion
Ryder, Richard
Silvester, Fred
Sims, Roger
Spencer, Derek
Steen, Anthony
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stradling Thomas, Sir John
Thomas, Rt Hon Peter
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trippier, David
Waddington, Rt Hon David
Waller, Gary
Watts, John
Wells, Bowen *(Hertford)*
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wood, Timothy
Yeo, Tim

Tellers for the Noes:
Mr. Michael Neubert and
Mr. David Lightbown.

Question accordingly negatived.

Main Question put:—

The House divided: Ayes 96, Noes 25.

Division No. 119] **[9.58 pm**

AYES

Alexander, Richard
Amess, David
Ancram, Michael
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Batiste, Spencer
Biffen, Rt Hon John
Boscawen, Hon Robert
Bottomley, Peter
Bruinvels, Peter
Budgen, Nick
Butterfill, John
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Colvin, Michael
Cope, John
Cormack, Patrick
Crouch, David
Currie, Mrs Edwina
Dykes, Hugh
Emery, Sir Peter
Eyre, Sir Reginald
Farr, Sir John
Fenner, Dame Peggy
Fookes, Miss Janet
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Glyn, Dr Alan
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hargreaves, Kenneth
Hayward, Robert
Heddle, John
Holt, Richard
Howarth, Alan *(Stratf'd-on-A)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Jessel, Toby
Jones, Robert *(Herts W)*
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Lawrence, Ivan
Lester, Jim
Lilley, Peter
Lloyd, Peter *(Fareham)*
Luce, Rt Hon Richard
Lyell, Nicholas
Malone, Gerald
Maude, Hon Francis
Merchant, Piers
Meyer, Sir Anthony
Mitchell, David *(Hants NW)*
Monro, Sir Hector
Moynihan, Hon C.
Neale, Gerrard
Neubert, Michael
Norris, Steven
Ottaway, Richard
Percival, Rt Hon Sir Ian
Portillo, Michael
Raffan, Keith
Rhodes James, Robert
Roe, Mrs Marion
Ryder, Richard
Silvester, Fred
Sims, Roger
Spencer, Derek
Steen, Anthony
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stradling Thomas, Sir John
Thomas, Rt Hon Peter
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Tracey, Richard
Trippier, David
Waddington, Rt Hon David
Waller, Gary
Watts, John
Wells, Bowen *(Hertford)*
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wood, Timothy
Yeo, Tim

Tellers for the Ayes:
Mr. David Lightbown and
Mr. Robert Boscawen.

NOES

Banks, Tony *(Newham NW)*
Beith, A. J.
Bermingham, Gerald
Bruce, Malcolm
Buchan, Norman
Campbell-Savours, Dale
Carlile, Alexander *(Montg'y)*
Cook, Robin F. *(Livingston)*
Deakins, Eric
Dormand, Jack
Fisher, Mark
Freud, Clement
Haynes, Frank
Kinnock, Rt Hon Neil
McKay, Allen *(Penistone)*
Madden, Max
Martin, Michael
Pike, Peter
Powell, Raymond *(Ogmore)*
Sheerman, Barry
Snape, Peter
Steel, Rt Hon David
Wilson, Gordon
Woodall, Alec
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. David Alton and
Mr. Archy Kirkwood.

Question accordingly agreed to.

Resolved,

That this House congratulates the Government on the success of its arts policy which is resulting in an expansion of arts and crafts throughout the country and greater protection of the national heritage; approves the Government's strategy of increasing the inflow of funds to the arts from a diversity of sources; welcomes the tax changes, including the new payroll giving scheme, which will stimulate giving to the arts by individuals and companies; applauds the Government's continuing commitment to promoting sponsorship of the arts through the Business Sponsorship Incentive Scheme; endorses the new arts marketing scheme, designed to encourage a keener awareness of the benefits to the arts of good marketing; and acknowledges the political commitment shown by the Government in the form of record levels of public support for the arts.

EC—United States Trade

10.12 pm

The Minister for Trade (Mr. Alan Clark): I beg to move,

That this House takes note of the unnumbered explanatory memorandum dated 31st January 1987, submitted by the Department of Trade and Industry, describing a draft Decision concerning the Agreement between the European Community and the United States of America for the conclusion of negotiations under General Agreement on Tariffs and Trade (GATT) Article XXIV.6, and European Community Document No. 5062/87 and the Department's unnumbered explanatory memorandum, dated 23rd Feburary 1987, on the implementation of the Agreement; and welcomes the Agreement as the means of averting an exchange of retaliatory and counter-retaliatory trade measures between the United States and the Community which would have very serious consequences for EC-US trade, for the multilateral trading systems and for progress in the new round of multilateral trade negotiations now beginning in GATT.

As my right hon. Friend the Secretary of State explained to the House on 3 February, in view of the urgency of settling the dispute by 30 January, we considered it better not to delay adoption of the Council Decision regarding the agreement until the Select Committee had had an opportunity to consider it. I should like to assure the House that no disrespect was intended in not following the normal scrutiny procedures on that occasion.

I should also inform the House that, in addition to the two implementing regulations described in the explanatory memorandum dated 23 February, the Commission has now submitted two further proposals to deal with the technical administration of the tariff quota and the technical administration of the tariff quotas for dried onions and plywood. These proposals were produced only yesterday in Brussels as informal working group documents, and they will be subject to the normal scrutiny procedures as soon as possible.

The motion that we are debating recognises the terms of settlement of a trade dispute between the European Community and the United States which, had it been allowed to escalate, could have caused severe damage to the trading prospects of certain industries on both sides of the Atlantic. The Community held firm under duress and in the face of threats to its trade from the United States which were not justified. The trade of several member states, including the United Kingdom, was directly threatened with prohibitive duty levels in the United States. We continued to work—in the end successfully—for a negotiated settlement, while making it clear that if the United States raised tariffs illegally and unilaterally we would respond.

There is, from time to time, talk in the press and other media about "trade wars" between the Community and the United States. Trade wars start like other wars—that is to say, in a mutual or perhaps unilateral view that the customary diplomatic processes of negotiation are no longer valid.

One side takes the view that the other side is applying unfair discrimination against its exports and takes retaliatory action against imports from the other side, which then leads to a series of further counter-retaliatory measures. The United States and the Community have not fallen into that trap. There has been no trade war. But the risks remain, with United States' protectionists continuing to make much of the estimated $170 billion United States trade deficit last year.

Hon. Members will have read reports of a series of disputes over trade matters between the Community and the United States. The background is as follows. The United States Congress passed a number of measures last autumn which have had an adverse effect on imports, including imports from the United Kingdom. Consultations on, and objections to, these measures are being pursued by the Community—as they should be—in the general agreements on tariffs and trade under established procedures. The same is true of certain discriminatory measures taken by the United States Administration.

The United States has made an agreement with the Government of Japan to monitor the price of semi-conductors exported not only to the United States but also to third markets including the Community. It has also made approaches to some other countries about limited exports of machine tools to the United States in a way which is contrary to the undertaking made at the GATT meeting last September not to introduce new trade restrictions outside the framework of GATT. It is true that the United States Administration has resisted many calls for protectionism in Washington and deserves some credit for that. The proposal once more that the Community should impose a tax on oils and fats to improve revenue under the common agricultural policy and narrow the price differential between dairy products and other oils and fats is plainly undesirable. The United States has threatened retaliation against Community trade if this proposal is adopted. My right hon. Friend the Foreign and Commonwealth Secretary has made clear the British Government's opposition to that.

Although there are a number of disputes with the United States, there is as yet no trade war. That is important because British, like United States, industry has a great deal to lose in transatlantic trade. Last year, our exports to the United States were worth £10·3 billion, and we took in return imports of £8·5 billion, making a surplus in our favour of £1·8 billion. For the Community as a whole, two-way trade with the United States in 1985 was over $110 billion, with an advantage to the Community of $13 billion.

Before I turn to the details of the motion itself I should like to emphasise one important point. It is said that nobody wins from a trade war, but at the same time the United Kingdom and its Community partners have to defend to the full their legitimate trade interests. The House would be disturbed if I argued otherwise. The Government are therefore extremely concerned by the introduction in the United States Congress of the Textile and Apparel Bill. That is claimed to accord with GATT, but since the agreement in Punta del Este on a standstill on protectionist measures, to which the United States was a party, it clearly does not.

My right hon. Friend the Secretary of State has already told the United States Administration in plain terms that that Bill would, if enacted, have extremely damaging consequences for our textile and clothing industries. If the Bill is enacted, despite the stated opposition of the Administration, the United Kingdom would be bound to consider with its partners in the Community what

retaliatory action against United States exports would be appropriate in accordance with our international obligations.

I shall now deal with the detail of the motion we are discussing tonight. When Spain and Portugal joined the Community last year, that fact was reflected in changes to the common customs tariff of the Community. Under the terms of GATT, articles XXIV and XXVIII, in such circumstances the partners in a new customs union are required not to apply levels of protection which would be higher overall than those previously applied by the constituent parties; and if the level of protection is increased, appropriate compensation must be offered to the other GATT members affected by the increases, in the form of concessions elsewhere. The United States stood to lose markets in Spain for corn and sorghum as a result of the imposition in 1986 of the Community system of variable import levies on cereals which created a large preference for supplies of those and similar cereals from other Community countries. The United States estimated the value of that trade at some $400 million.

The Community recognised that the terms of GATT entitled the United States to some compensation in these circumstances. But the Community argued that United States exporters stood to gain—though the benefit could not of course be quantified — from the progressive reduction of tariffs and quantitative restrictions on imports of manufactured goods into Spain and Portugal during the transitional period.

The United States did not accept that interpretation of the GATT provisions. It announced in May 1986 that unless the Community was prepared to negotiate appropriate compensation with it, essentially at levels which were clearly excessive, it would impose restrictions on imports from the Community. Some suggestions were made as to the classes of goods which might be subject to retaliatory measures. In practice, and despite an interim agreement during our Presidency that a negotiated settlement should be sought by 31 December, it was impossible within that deadline to narrow the gap between the two sides. Accordingly, the United States announced on 30 December 1986 that, unless agreement was reached between the two sides by the end of January, the import duties applied by the United States to certain imports from the Community would be increased to 200 per cent. The products specified included bottled gin and cognac, several types of cheese and other agricultural products.

Mr. Colin Moynihan (Lewisham, East): Does my hon. Friend accept that the position adopted by the American Government in January regarding for example, the export of Beefeater gin to the American market was unacceptable and intellectually irrational in view of American support for Spanish and Portuguese accession to the Community? Does my hon. Friend agree that if the Americans try such protectionism again the Government will strongly oppose it?

Mr. Clark: Yes, it would certainly be extremely damaging. The American action was highly discriminatory as it was directly targeted on the United Kingdom. My right hon. and learned Friend the Foreign Secretary and my right hon. Friend the Secretary of State for Trade and Industry emphasised to the Commission the Government's extreme concern about this. Certainly that was reflected in the resolute and ultimately successful negotiating position taken by the Commission.

All the products concerned would have effectively been shut out of the American market by such high duties. As my hon. Friend the Member for Lewisham, East said, that would have had especially penal results on the United Kingdom's gin exports. British exports of bottled gin to the United States are alone worth $75 million a year. In return, the Community announced on 15 January that, if the proposed United States measures were implemented, it would retaliate with an additional levy on United States exports of corn gluten feed and rice.

The Commission's objective was to negotiate with the United States Administration an agreement that, consistent with the Community view on what was due, satisfied at least in part United States domestic pressures. On 30 January the Council agreed to a package under which for a period of four years from 1987 to 1990 Spain will import not less than 2·3 million tonnes of feed grains at reduced levy rates, albeit reduced by the volume of imports of certain cereal substitutes into Spain. Most of these feed grains can be expected to be provided by the United States. Further, the Community agreed to reduced tariffs on certain agricultural and industrial products for the same period. These included certain fruit juices, avocados, roasted nuts and bourbon. Industrial items include various bromides, anti-knock preparations, epoxy resins and aluminium.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): Not necessarily in that order.

Mr. Clark: I do not know if it is the absurdity of the list or some innate desire on the part of the House to lighten the atmosphere, but I believe that it is faintly ridiculous.

Mr. Robin Cook (Livingston): What about the bromide?

Mr. Clark: The bromide is being administered, but it is the stimulant that perhaps is lacking.

The tariff reduction is autonomous; in other words it has not been made permanent in GATT. These arrangements will be reviewed in July 1990, and in the event of Council approval on 16 March the tariff changes will be implemented, three days after their publication in the *Official Journal of the European Communities*, on the basis of the proposal from the Commission, described in the explanatory memoranda noted in the motion.

In addition, the Community has agreed to re-bind in GATT the duties previously bound for the Community of 10, subject to the duty rates specified for Spain and Portugal during the transitional period. Both sides have agreed to raise the ceilings under indicative and non-restrictive quotas on certain classes of goods which were imposed last summer because of a similar but lesser, dispute about access to Portugal of United States oil seeds. Consequences of this settlement are positive in that the newly-enlarged Community has won formal and political recognition as a negotiating entity. There will be formal recognition by the United States ratification in the GATT of the trade consequences of enlargement and political recognition by the success with which a united Community has conducted a difficult negotiation.

In financial terms, the Commission estimates that the tariff concessions will result in a loss of about £35 million ECU of customs revenue. To the extent that United States corn displaces home-grown feed grains from the Spanish

[Mr. Clark]

market, there could need to be higher Community expenditure on export refunds or on purchases into intervention. Against that can be set additional income from levies on United States corn. These should amount to between 200 million to 300 million ECU per year.

These sums are small beside the possible damage that might have resulted from escalation.

Mr. Cook: The Minister has said that to the extent that American grain displaced European grain there could be an additional effect on the budget for intervention. Surely that is inevitable if there is an American sale to the Spanish market. As it is apparently possible for civil servants to put a figure on the income from American grain, surely it is possible for them to put a figure on the cost of buying into intervention the equivalent amount of European grain.

Mr. Clark: The hon. Gentleman has raised a point that occurred to me. I made inquiry, but I understand that it is not possible to give an answer to the question that would have any high level of precision attached to it. For that reason, the information was omitted.

Mr. Cook: I accept that it is not possible to achieve an arithmetically precise figure down to the last ECU. I assure the Minister, however, that I would accept a low level of precision and a broad order of magnitude. There must be a figure available similar to 230 million ECU that is accurate at least to the nearest 10 million.

Mr. Clark: That seems a reasonable request and I shall ensure that the hon. Gentleman is informed. Perhaps a written question could be arranged so that the House is aware of the approximate answer. That can appear in the *Official Report*.

The essential achievement of the negotiations is that we have preserved United Kingdom export markets in the United States worth at least $75 million. There may be some increases in United States deliveries of products on which duties have been reduced, but I do not believe that such increased imports will put any part of the United Kingdom industry at risk, especially when we view the settlement in the light of the larger risks to our trade with which we were faced. More broadly, the successful settlement of a politically troublesome dispute within the terms of the general agreement should enhance the GATT's standing. This is important at the outset of the Uruguay round of multilateral trade negotiations, of which the start of the substantive phase coincided with this deal.

This settlement marks a successful end to a serious dispute. The outcome is in many ways encouraging, not least because it arose in the framework of existing GATT rights and obligations on both sides, and was ultimately settled within that framework. It differed from the other separate disputes which I have mentioned previously. But these disputes relate to American actions which are to a greater or lesser degree contrary to the terms of the GATT. The lesson which both sides have, I hope, learnt is that restriction and retaliation in international trade can be profoundly damaging. The enlargement dispute has shown that the United States and the Community, however loud the rhetoric on both sides, can manage their trade relations with one another sensibly, and must continue to do so in the series of rather different disputes that we still face. I hope that this message will not be lost on those in Washington who would prefer a different approach.

10.29 pm

Mr. Robin Cook (Livingston): As the Minister has said, the document marks the descent of the House from the high field of arts policy to trade in dried onions and plywood. It is no doubt an important matter for debate, but it appears to have rather more limited appeal than the arts. It may help to put the Minister's mind at rest if I assure him now that it is not the Opposition's intention to divide the House at the end of the debate. After all, we are considering the terms of settlement of what might be described as the cheese and cocktails war. As the party of peace, we are happy to accept a peace settlement on whatever terms.

For the record, it is important that we make our position clear on the negotiations and on the demand that sparked them off. It is our position that the United States action was wholly unjustified. As the hon. Member for Lewisham, East (Mr. Moynihan) reminded the House in an intervention in the Minister's speech, the United States warmly and strongly supported the accession of Spain and Portugal to the Common Market. Indeed, it is possible to find American congressmen who spoke more warmly and strongly in support of the accession of Spain and Portugal than some hon. Members. The Americans saw political and strategic advantages in the accession of Spain and Portugal. They also, although they might not have talked about it in quite the same terms, saw economic advantages from that accession — that is, indirect economic advantages from the faster growth of the economies of Spain and, to a lesser extent, Portugal, which were anticipated by their Government, and direct economic advantages from the reduced manufacturing tariffs that that accession necessarily produced.

The Americans could not expect such advantages to come with no price. A clear price that they might well have anticipated at the time — it was wrapped up in protracted negotiations—was that the Spaniards and the Portuguese would meet their future cereal needs from the large cereal surplus of the Community that they were about to join. Nobody suggested that the United Kingdom would be compensated for the additional budgetary burden that we now bear as a result of the increased cost of CAP caused by the accession of Spain and Portugal. It is a bit much for a third party to suggest that we should play a part in compensating them for the cost of such accession.

Not only was the United States action unjustified but it was wholly disproportionate. As the Minister said, we have narrowly avoided an escalatory spiral of retaliatory action. Over what? Over a modest amount of maize exports amounting to between £350 million and £400 million, which, I understand from a calculation that has been relayed to me, amounts to 20 minutes' worth of the United States federal budget.

We have come to the brink of a trade war over what is, both literally and in budgetary terms, chickenfeed. It is certainly the case that a major problem underlies the negotiations. That problem stems as much from the nature of the CAP as from anything else. The problem is that the major Western blocs of Europe and North America have substantial agricultural surpluses and are having

increasing difficulty in finding a market in the rest of the world in which to dispose of them. That is an ironic position to be in at a time when much of the Third world faces greater hunger. It would appear that a rational solution to the problem would be either to find non-market ways of meeting the needs of the Third world or, alternatively, reducing the CAP as an engine for further increasing the advanced world's surplus of agricultural products. Oddly, this settlement would appear, far from diminishing the CAP, to give it additional impetus by increasing the stocks to be held in intervention that ultimately will probably work their way through to the world markets.

The American action was not only unjustified and disproportionate but illogical. A major consequence of the United States proposals would be that the price of gin in New York would rise from £7 a bottle to £13 a bottle, with predictable effects on United Kingdom exports to America. It is difficult to see why it is either fair or logical for British distillers to be hit because Spain is now buying maize from French farmers. There is no logic or fairness to that proposition. It is based solely, one suspects, on the wish of the United States to maximise political pressure from their measures by ensuring that there is pressure on different Governments within the Economic Community.

Mr. Eric Deakins (Walthamstow): A good tactic, too.

Mr. Cook: I am inclined to say that it would be one additional reason why Britain might have been better to have stayed out of the Common Market in the first place and thereby not put its head in the noose. It is ironic that political pressure should be applied in this way to a United Kingdom Administration who have done so much to further American interests. They have bought AWACS from the Americans and sold Westland to the Americans. It might be a bit much to expect the Americans, in return, to buy more of our weapons, but one might have expected them, in gratitude, to drink more of our gin.

We have to conclude that the American action was unjustified, disproportionate and illogical. Therefore it is disappointing that the Americans appear to have got so much of what they wanted out of the negotiations and that the counter-bluff—because that is what it now appears to be—of the Common Market was called. After the agreement, the president of the National Farmers Union was quoted as saying that the concessions had gone too far and that the agreement would

"aggravate the EEC surplus problem, drive more grain into intervention and add to the cost of the Common Agricultural Policy. Producers cannot be expected to bear the costs of what is essentially a political decision."

The succint nature of that statement conveys two familiar themes of the farming lobby—first, that there ought to be more money to spend and, secondly, that it must not come out of their pockets.

It is regrettable that the final settlement should have been so advantageous to the United States and, other than avoiding retaliatory measures against the United Kingdom, that it should have contained nothing for the British. Nevertheless, one views the settlement with relief and we do not wish to stand in its way, for fear that it should trigger retaliatory measures that would have an impact on British distillers. Therefore we shall not oppose this motion. However, it would be appropriate to take this opportunity to put down markers for future EEC-US negotiations that may touch more centrally on United Kingdom interests. I shall refer to two of these. The Minister has already referred to one of them, but the first one, to which he did not refer, is Airbus.

Airbus is a resoundingly successful project. As a passenger plane it has evoked more advance interest than any previous passenger aircraft model. Among the interests it has attracted is that of the United States Administration. At present, United States producers hold 80 per cent. of the passenger aircraft market, and they will resist any serious threat to their dominance of that market. To break into that market will therefore, be tough. There will undoubtedly be pressure—perhaps not directed this time at London Gin — to persuade the European countries to back off that threat to the United States' monopoly of the market. If we are to succeed in breaking that monopoly and if we are to obtain a fairer share of the market for European producers, we shall have to be tougher in the negotiations than we were in the recent confrontation.

Mr. Alan Clark: We are being tough.

Mr. Cook: The hon. Gentlemen assures me that the Government are being tough. I welcome their toughness, but that toughness will have to go right through the negotiations. What has caused us concern about the recent negotiations is that although the EEC was tough, the agreement suggests that the Americans got very much what they wanted.

My second marker was referred to by the Minister—the attempt to increase textile protection by the United States Congress. I refer in particular to the Bill that was introduced by Congressman Derrick to impose quotas on textile exports from any part of the world, including the EEC — therefore including Britain. That causes acute concern to British producers, as witnessed by the presence in the Chamber of the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) and of my hon. Friend the Member for Bradford, West (Mr. Madden), who takes a close interest in the subject.

Such a quota would not merely affect British exports of £300 million worth of textile goods to the United States; it would have a greater impact on the United Kingdom textile market. Other exporters to the United States would find that their exports were diverted to the United Kingdom domestic market, thus possibly posing an even greater loss of trade than the loss of exports to America. The Bill appears to pose a real threat.

The Jenkins Bill on similar lines a year ago went through Congress. It was halted by the President's veto. When considering the President's veto, Congress voted for the Bill by 60 per cent., only narrowly failing to achieve the necessary 66 per cent. vote to overturn the veto. It must be of concern that in the comparatively weaker state of the President's political authority, his veto is more vulnerable to being overturned by Congress. Therefore, I strongly support what the Minister said tonight, reflecting the words of the Secretary of State for Trade and Industry that the Government regard this as a serious matter. I assure the Minister that the Opposition regard it with equal seriousness and very much hope that the House will not be obliged to debate future terms of settlement which represent a climbdown in negotiations that parallel the climbdown we are now considering.

The background to the settlement and to Congressman Derrick's Bill is a chronic, gathering, structural deficit in

[Mr. Cook]

the American balance of trade. All the signs are that as that deficit becomes graver, the Americans will become a much more aggressive trading partner. Congressman Derrick's Bill is, I understand, only one of 400 protectionist Bills currently before Congress. The settlement in front of us reflects only one conflict in the past year, which has also seen conflict between the EEC and the United States over steel, pasta and citrus fruit, a dispute which has been rumbling for 16 years.

There will be other and heavier conflicts in the next year. The document and the motion we are considering reflect the solution to one conflict, but they do not remove the roots of conflict. The House may have to return to the underlying tension between the United States and Britain and the European countries in the trade war. When we return to the matter, the Minister may well find that we shall demand a tougher approach in negotiation and a more advantageous solution than we have before us tonight.

10.42 pm

Mr. William Cash (Stafford): As a member of the Select Committee on European Legislation I think I speak for other members of the Committee when I say that we understand the circumstances in which this matter has come to the House. Of course, I accept entirely the Minister's remarks on the subject.

However, I feel strongly that we have to improve the way in which we deal with European legislation. I do not intend going into all the matters arising out of the Single European Act but merely point out that at 10.42 pm on a Thursday, in a virtually empty House, we are discussing a matter of the gravest importance to British trade. Just to take one example, those who produce gin were in severe danger of losing the significant market to which the Minister referred. From the correspondence that I have had with the Minister and from the way in which he has conducted the negotiations I know—I do not say this lightly, because I have followed the negotiations with great interest — that there are few members of this Administration or of the House in whom one could have more confidence to defend British interests in these matters.

I took the comments of the hon. Member for Livingston (Mr. Cook) badly, because he damned with faint praise a good result in the negotiations. Here we are at this time of night discussing this important question. I make a strong protest at the way we treat these matters.

On the substantive question, the hon. Member for Livingston made a point about the EEC and how it functions. I am not anti-Europe, but I am distinctly sceptical about how the mechanisms work. Unless we get that in order there will be big trouble in this country over the next few years. The hon. Gentleman said that a whole range of other measures are still to come.

We are poised in a dangerous situation on the United States-Europe front for the next 18 months. We have to ask why we are in that position and what we are to do about it. In a nutshell, significant internal domestic and agricultural problems are facing the farmers and manufacturers in the United States. Whatever the reasons, those pressures have built up and will come through in votes and pressures upon Congressmen in the United States. We cannot and must not kid ourselves that that is the case.

Therefore, if we, as a member of the EEC, find ourselves targeted in specific trade or agricultural sectors, we must consider how to respond within the mechanism of the EEC legitimately to defend ourselves. Firstly, there is the GATT round. I am confident that the Minister who has responsibility in that field, with his credentials, will conduct himself in a manner which will ensure that we defend ourselves effectively from the worst effects of the kind of trade war which is in prospect.

I have put my protest on the record. I hope that the Minister, and anybody else who has the opportunity, will refer this question to the Foreign Office and to the Leader of the House under the terms of reference of the Select Committee on European Legislation. Our terms of reference are very poor. We do not have the opportunity to consider things as we should. It is essential that we are brought early into the picture, by one mechanism or another, when matters of this kind arise.

That does not mean that we would exercise our powers in any irresponsible or unnecessarily restrictive way, but it would ensure that the power which is reflected in the person of the Minister, who is sitting on the Front Bench, is backed where necessary by the authority of a Committee of this House. Here we are representing the United Kingdom on a matter of great importance after the event and we have not had an opportunity to debate it. I cannot believe that is a sensible way to legislate or to defend the interests of our constituents.

10.49 pm

Mr. Eric Deakins (Walthamstow): I share with my hon. Friends on the Front Bench and the Minister the feeling that trade wars are bad and that fortunately we have managed to avert one. There I part company with the Minister, whose speech was very good when it concentrated on trade, but sections of it — no doubt inserted at the insistence of the Foreign Office — betrayed the Foreign Office's style. The bombast about the Common Market and the way we had stuck together was rather nauseating. I cannot believe that the Minister, if he thinks about it, would have allowed that sort of passage in his speech, which was otherwise a very good factual account.

As both Front-Bench spokesmen have pointed out, the dangers of a trade war are still with us not merely in themselves but in the context of the Uruguay round of GATT negotiations which for the first time will cover agriculture. The present dispute is scarcely a good forecaster of success in those negotiations.

Both Front-Bench spokesmen took the view that when the dispute began the Common Market was in the right and the United States in the wrong, but in my opinion it was the other way round. In April last year the French Minister of Agriculture said:

"It seems that a more complete study of the consequences of enlargement"

—with the admission of Spain and Portugal—

"shows that it will not harm the US but bring it not inconsiderable advantages, particularly in the industrial sector."

It may be said that that was just the French Minister speaking, but in November 1986, following a Community Foreign Affairs Council at which the subject had figured prominently, *Agra Europe* said:

"At the basis of the disagreement is the US refusal to accept the Community thesis that losses in agricultural exports in Spain and Portugal will be balanced by easier access to the Iberian market for their industrial goods."

That may be all right in economic theory, but it is not acceptable under the rules of GATT. Indeed, it is illegal. If there was illegality, therefore, it was on the Community side and not on the United States side. Under article 24 of GATT, when a customs union is created—or expanded, as in this case—any country whose trade is adversely affected specifically by changes in customs duties, tariffs, quotas, and so on, is entitled to appropriate and quantifiable compensation, not vague compensation of the type implied by the suggestion that if industrial tariffs come down it may be possible to sell more motor cars, for example, in the new market. The Community was wrong in its initial approach to the issue and infortunately stuck to that approach even as far as November last year.

The United States reaction was not surprising, although it clearly went over the top. It was certainly ridiculous to claim, as the United States claimed at one stage last year, compensation equivalent to some 12 million tonnes of grain exports to Spain and Portugal when the trade involved had clearly been less than that. Nevertheless, it is important to understand the aims of the United States. They were set out by President Reagan in April last year. *Agra Europe* stated on 4 April:

"The President announced that the US would retaliate if the EEC failed to withdraw its quota on Portuguese oilseed and products imports, to remove the Accession Treaty clause which states that Portugal must take 15·5 per cent. of its cereal imports from the rest of the EEC, and to compensate the US for the imposition of variable levies on Spanish maize and sorghum imports."

Of those three major objectives, two were unquestionably achieved in the final settlement, so when the Foreign Office part of the Minister's brief suggests that the Community had come out of the matter with honour and glory I prefer to take the view of *Agra Europe* which, although European, is fairly sceptical about claims that come out of Brussels and Berlaymont. On 30 January it stated:

"Although both sides avoided claiming victory over the settlement of the long dispute, the US seems to have won the verdict on points."

I would go a little further, but there is no doubt that the United States obtained a fair amount of compensation which it would probably have achieved had negotiations under article 24.6 of GATT proceeded as they should have proceeded last year. Neither side comes out of the matter with much credit, and it is not a good prognosticator for what is likely to happen in the agriculture round of GATT or indeed in any future trade dispute between the two parties. It is a classic example of how not to conduct international trade negotiations and shows the difficulties that will arise whenever agriculture, in particular, comes up in the relationships between the Community and the rest of the world.

The financial impact of the documents that are before the House is extremely hazy. My hon. Friend the Member for Livingston (Mr. Cook) referred to this. The Minister did not deal with it in his speech, though he promised to give some information in reply to a written question. My hon. Friend was right to point out that there will be increased cost to the EEC as a result of the agreement. It would have been helpful, in asking us to approve the agreement—which is welcome in all parts of the House, and I share that welcome—if the Minister had given an idea of the financial consequences of what we are being asked to do.

I agree with those who say that the United States is moving in a protectionist direction. But let us beware of presenting the EEC in a white sheet. We do not want to be likened to a pot calling the kettle black. After all, the EEC has always been a protectionist bloc, particularly in its agricultural trade with the outside world.

This GATT round—we are beginning to see some progress—will be crucial. I fear, however, that if it does not succeed, we shall see more trade wars, and I agree with the hon. Member for Stafford (Mr. Cash) that eventually it will become a war in which, at least metaphorically, blood will be spilled.

I understand that, like me, the Minister is a free trader. Subsidies to exports are just as damaging to international trade as are barriers to imports. A basic principle of the CAP is that exports of agricultural products should be subsidised. The Minister did not comment on that. I should like to know his views on the subject and the views of the Department of Trade. Once one bloc starts playing with export subsidies, other blocs are encouraged to follow suit. Indeed, in recent years the United States has passed legislation to enable that country's Departments of Commerce and Agriculture effectively to subsidise United States agricultural exports to the rest of the world because they have been losing out to subsidised agricultural exports from the EEC.

Although there may have been economic advantages to accession for Spain and Portugal—there have certainly been political advantages—I am not sure that the same can be claimed for Britain, which I believe has suffered disastrously economically since we joined the EEC. Considering our trading balance with the original Six and then the Nine, until the admission of Spain and Portugal, it is clear that we have not done well. It is to be hoped that matters will prove more encouraging for Spain and Portugal than has been the case for this country.

10.38 pm

Sir John Farr (Harborough): I, too, welcome the agreement and, like other hon. Members, I fear that another US-EEC trade war is looming on the horizon. The hon. Member for Livingston (Mr. Cook) spoke of the possibility of a measure coming before the United States legislature shortly on a matter to which I shall come.

Trade wars and the threat of them cost jobs in the long run. There are no winners. For that reason, I particularly welcome the agreement that has been reached and hope that we shall do our utmost through the Community to avert any trade war with the United States. With no winners, both sides lose jobs, many of which may be lost for ever.

I wish to refer in particular to the textile and clothing restraint measure which, as the hon. Member for Livingston said, was presented to Congress last month. That United States Bill presented in the Senate by Senators Thurmond and Hollings and in the House of Representatives by Congressman Butler Derrick, proposes the introduction of global quotas for all textile and clothing imports including those from EEC countries and, as a result, will include those from the United Kingdom. Based on 1986 import levels increased by 1 per cent. per annum, United States tariffs would be reduced by a total of 10 per cent. spread over five years—a ludicrously

[Sir John Farr]

small amount. To give the House an idea how small that is, the lowest present United States tariff on wool cloth is 33 per cent. so that would apparently be reduced to 29·7 per cent. after five years.

The United States Bill would prohibit any other United States tariff reductions under the new round of GATT multilateral trade negotiations now taking place. As the hon. Member for Livingston (Mr. Cook) mentioned, there is a possibility if the Bill passes in both Houses in the United States of it being vetoed by the President. That happened with the Jenkins Bill to restrict textile and clothing imports in December 1985. It was a matter of touch and go whether that was defeated. Of course, the President's veto can be overturned by a two thirds majority in each House—and that only narrowly failed with the Jenkins Bill in August 1986.

Should the United States Bill be enacted, it would clearly be a very serious matter for British exporters to the United States. As has already been mentioned, our trade with the United States in clothing exports was over £300 million in 1986. The result of the Bill, a measure to limit our access to the United States, which has already been presented to Congress and the Senate would be that Britain and other countries would have to fight for a share of very limited global access to the United States. All the other suppliers including the low cost suppliers from the far east would join in. If the quota operated via a licensing system, based on individual importers' previous level of imports, it would also give extra bargaining power to United States importers when dealing with overseas suppliers.

This is a short debate, and as hon. Members have already stressed tonight, this is a matter of extreme consequence and great importance and it should not be channelled into a slot late at night in a debate lasting for an hour and a half gives us the opportunity to make the United States Administration and Congress aware that the enactment of such a Bill would result in large scale trade conflict spreading beyond textiles and clothing with counter measures hitting many United States industrial and agricultural exports.

When my hon. Friend replies, I hope that he will give the House an undertaking that he is, if necessary, ready to back up the warnings that have already been made by my right hon. Friend the Secretary of State in Washington on 4 March and support those by being prepared to introduce immediately through the European Commission a list of counter measures if the American Bill becomes law.

My right hon. Friend the Secretary of State said in Washington a few days ago that any such Bill introduced in the United States would meet with considerable opposition and counter measures. I would have thought after the report that appeared in the *Financial Times* of 5 March that possibly my hon. Friend when he replies might be able to give us some idea of the type of counter measures that we have in mind ready to be introduced should that be necessary. Many other countries have protested about the introduction of the Bill. There have been objections worldwide. I hope that my hon. Friend the Minister will reassure the House that, if the Bill proceeds, we will be ready, with the Community, to do our best to adopt these counter-measures.

11.5 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I should like to follow the remarks of the hon. Member for Harborough (Sir J. Farr) and others and welcome the EC-US agreement. There have been three principal strands to this debate, to which I have listened with interest. First, the hon. Member for Stafford (Mr. Cash) made the important point that the way in which we deal with these matters leaves a great deal to be desired. I hope that his impassioned and earnest plea will be considered by the Leader of the House and the other authorities with a view to improving the present position.

The second important strand concerns the way in which the Community as a whole is responding, and shaping up, to the difficult international trade position that is developing. The third strand concerns the way in which the Americans have been acting during the dispute which has culminated in the EC-US agreement. I agree with the argument of the hon. Member for Livingston (Mr. Cook) when he said that the American conduct had been unjustified and its response disproportionate in scale. That is true in view of the value of United States exports at stake. The hon. Gentleman said that it was 20 minutes' worth of United States expenditure. We are therefore talking only about approximately $400 million. My information is that the United States budget is about $350 billion, so I concur with the hon. Gentleman's argument.

More important still is the worrying and high-handed attitude of the United States. It does not augur well for future EC-US trade negotiations. A series of future negotiations about equally important matters may be difficult to handle.

I listened with interest to the hon. Member for Walthamstow (Mr. Deakins). I concede that he may be technically right in his interpretation of article 24—he said that the benefits were vague and difficult to substantiate—but I believe that some of the benefits to the United States are substantial. They are principally political and military, but there are also industrial benefits and benefits in terms of reduced tariff access for soya and maize gluten. The hon. Gentleman considers those to be insignificant benefits—that is a matter of judgment—but I believe that, on balance, the Americans did not get all that bad a deal. I do not think that the $400 million about which they were arguing was worth the aggravation and hassle caused to the relationship between the trading blocks of the European Community and of the United States.

The position will get worse. All the evidence shows that, in view of the Democratic influx in the last United States autumn mid-term elections and the fact that President Reagan is perceived, rightly or wrongly, to be more of a lame duck President than anything else who cannot necessarily depend on a majority in the Senate, there are obviously difficulties on the horizon. If it does nothing else, this debate should strengthen the Government's resolve firmly to face those questions if they arise.

I shall now turn to the direct implications for cereals. On checking the statistics, it is clear that the immediate implication of the agreement is that the amount of grain sold by the United Kingdom to Spain will be substantially reduced this year compared with what we sold last year. The International Wheat Council's statistics show that in the first 10 months of 1986, the United Kingdom sold 612,000 tonnes of barley and 634,000 tonnes of feed wheat

to Spain. That was a considerable increase on a near-zero level of sales in 1985. That may be due to the fairly unique geographical and climatic conditions during 1986. We are right to recognise that those sales were of substantial assistance in dealing with some of the surpluses in Britain.

The hon. Member for Livingston quoted the president of the English National Farmers Union as saying that it must be recognised that agreements of this sort will aggravate the problem of cereal surplus, will drive more grain into intervention and add to the cost of the common agricultural policy. The view of the National Farmers Union is that the concessions have gone too far.

I certainly hold no brief for farmers such as the barley barons of East Anglia, but I represent a constituency where the cereal farms are largely in marginal areas of Scotland, and I can tell the Government that such producers cannot and should not be expected to bear the cost of what is essentially a political agreement. The Government should bear that fully in mind, although I understand that it is not really directly in the jurisdiction of the Minister's Department and overlaps into the Department of Agriculture, Fisheries and Food.

I hope that the Government will look again at the long-term agricultural implications of agreements like this as they apply to the ninth GATT round in Uruguay. The hon. Member for Walthamstow was right to refer to that, because if we start to allow the Americans to make the running by insisting that things such as direct export subsidies should be used as the only criterion, we may start to forget that the United States loan rate scheme finances American agriculture to the extent of $25 billion.

I hope that the Government will take the advice of the NFU and found heavily on the OECD analysis that is shortly to be produced. Hopefully, that will provide a more objective and rational basis for evaluating the concessions and changes that will need to be made in the course of the multilateral trade negotiations that are currently under way.

Exchange rates are also important both to agriculture in general and to farmers in my constituency in particular. I hope that the Minister will use his influence with the Government to try to get more exchange rate stability because nothing is more destabilising to the international agricultural market than the fluctuations that we have seen in exchange rates in the recent past. The NFU takes the view that we have to bear in mind that any proposals to solve the problem of cereal surpluses must be accompanied by a slightly tighter control on the import of substitutes.

Textiles are an important part of EC and US trade negotiations. The hon. Member for Livingston has already advanced eloquent arguments about this. The new Butler Derrick Bill is a substantial threat and, as the hon. Member for Harborough has told the House, global quotas could have dire and far-reaching consequences. I make the unashamedly constituency point that they would have a disastrous effect on the high-quality, high-volume hosiery industry, and especially on the cashmere hosiery industry in my constituency. The compensation that is being envisaged in the course of the Bill being considered in America would not go any way towards meeting the difficulties that the industry would face if the measure is allowed to hit the American statute book.

I reiterate what the hon. Member for Harborough said —that the Government should take the opportunity this evening of making a clear statement that European Community retaliation would result. I give the Government credit for the position that they have taken so far. They have been fairly robust, but it would help if the Minister felt able to make a clear statement that retaliation would result, and would be directed to areas where it would hurt. That means using retaliation under article 19 of the measure in the US farm sector.

I am told by experts who know far more about the intricacies of some of this potential American legislation that the Butler Derrick Bill is supposed to be GATT-proof. I subscribe to the view that is reported to be taken by Mr. Willy De Clerq, the EC trade commissioner, in the *Financial Times* today. About the Bill, he said:

"it would fundamentally change the way in which the world trade in textiles has been conducted for the past 25 years."

The article goes on to say, that it would also

"call into question the recent extension of the Multifibre Arrangement between developed and developing countries."

After all the work, about which the Minister will know because he put a great deal of work and effort into getting the agreement that we have, the legislation could potentially blow a hole in that agreement and render everybody's work over the past 12 months nugatory.

The issue of distortion of trade by substantial diversion from the US has been properly raised by the hon. Member for Livingston, and I support his argument. The view of the experts whom I have consulted is that there is as much as a 50-50 chance of the legislation being enacted in America. If that happened, the sort of high-quality, high-volume business in my constituency, which considers access to the US markets to be vital, will find it difficult to operate. It is a fashion-based industry, and fashion is seasonal. If quotas are introduced, and the quotas are taken up in the first quarter of the trading year, it is impossible to export the products of a fashion-based industry without disastrous consequences. The compensation, such as it is, being offered at the moment is of no real value unless exporters to the US can stay in the market for five years, because it takes five years for the full extent of the compensation to mature.

The United States market available to the hosiery industry in my constituency has taken years of hard work to develop, and the Bill could sweep it all away. The competition from other countries would make price bargaining much tougher, as the hon. Member for Harborough said. It would put an awful lot more power into the hands of American negotiators when it came to discussing prices of goods, if they knew that they had behind them the strength of a limited access quota. The ability of the industry to develop alternative markets would be next to impossible.

I have a clear constituency interest. I know that the Minister pays close attention to these matters, and I give him credit for having done so over the detailed negotiations for the MFA. I know, too, that we have the 1988 cashmere bilateral still to negotiate with China, which is another continuing cause of uncertainty in my constituency.

I hope that the Minister will accept these arguments in the constructive way that they are intended. The House should strengthen his arm so that he can go back and argue strongly within the EC, and stiffen its resolve to negotiate toughly with the United States, not just on the agreement that we are debating tonight, but on the wider issues and other subjects we shall have to deal with in future.

11.18 pm

Mr. Alan Clark: This debate has been extremely useful and encouraging for me. It has not been couched on party political lines. I entirely take the point made most forcefully by my hon. Friend the Member for Stafford (Mr. Cash) that it is desirable that there should be a closer liaison between the Select Committee, the House and my Department so that such matters as this are debated before the House is presented with something on a take-it-or-leave-it basis.

The point that the hon. Gentleman and my hon. Friend the Member for Harborough (Sir J. Farr) made that we find ourselves debating this so late at night demonstrates the importance that the Government and my Department attach to the subject is a misplaced one. We are here at 11.30 pm because those who manage our business in such matters failed to appreciate the obsessive taste for self-congratulatory speeches on the arts which affects so many of our colleagues, and which turned what was meant to be a very short debate on the arts into a full-scale debate from 3.30 to 10.00 pm.

None the less, this is a highly important subject. The general feeling of hon. Members is that we are not out of the wood. There was general agreement that we must be vigilant and ready to resist any development that may return us to the extremely dangerous situation from which we have escaped.

There was a clear disagreement between the hon. Member for Livingston (Mr. Cook) and the hon. Member for Walthamstow (Mr. Deakins) as to who was to blame for this dispute. I find both of their arguments entirely convincing. The hon. Member for Livingston made an interesting point, from which I would not dissent, that much of the difficulty is endemic to the economies that still abuse their treatment of agriculture and surpluses. Until that is sorted, the problem will recur in one form or another. The Government are foremost in the Community in attempting to get that dealt with. The OECD conference of last April demonstrated the direction in which OECD countries had to move. Some progress has been made and there is wider realisation that that is the key to solving many of the economic problems that are so prevalent at the present time.

The hon. Member for Livingston was right to raise the question of the agricultural budget. I shall attempt to give him an answer now, but I must warn him that it rests on a number of interlinked assumptions, one of which, if it is subsequently found to be invalid, may vitiate the conclusion. If we assume that over the four years of the agreement, Community grains take 15 per cent. of the Portugese market and all Spanish grain import needs, world grain prices do not change, EEC support prices do not change and EEC production levels do not change, intervention and storage costs will be offset by gains levy income. I am told that as good a guess as any is that the net additional cost of the agreement will be £100 million for each of the four years. That is subject to a wide margin of error of about 50 per cent. each way and represents a small factor of the CAP budget of £26 billion.

The hon. Member for Livingston mentioned the Airbus——

Mr. Barry Sheerman (Huddersfield): What about the money?

Mr. Clark: The hon. Gentleman has only just come in and did not hear what his hon. Friend said, or the substance of his argument, which did not relate to that in the slightest. If the hon. Gentleman wants to continue with his constituency correspondence he might be better advised to do it elsewhere. I have responded vigorously to questions on the Airbus during questions to the Department of Trade and Industry. I fully appreciate that the Boeing apprehensions are undoubtedly leading the Americans into vigorous lobbying for protectionist measures but I am confident that they will be strongly resisted. I attach a great deal of importance to that, as I believe does the House, given the exchanges when these matters were ventilated at Question Time.

Virtually all hon. Members who have spoken mentioned the Textile and Apparel Bill. We are most concerned about the consequences of that. The Bill is not consistent with the GATT. It would represent another breach of the United States standstill commitment. The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) referred to the *Financial Times* article which referred to Commissioner De Clercq and I agree that the Bill could not be enacted by the United States Administration while the United States remained within its MFA commitment. There is no MFA justification for those restrictions being provided and it is the reverse of the liberalisation provisions envisaged ultimately in the MFA protocol.

The House has registered its concern at the same time as its relief. There is a general measure of relief that a retaliatory cycle has been avoided, but at the same time there is the clear knowledge that many of the essential elements that are causing discordances in the trade field remain and the dangers of their raising their heads again are plain.

However, the House can at least draw some comfort from the fact that a combination of vigilance, patience, diplomatic skill and resolution prevented the dispute from proceeding to the extremely dangerous denouement that at one time threatened. If we continue to apply those qualities on future occasions and the House continues to show the single minded purpose which it has done this evening we shall fare well in the future.

Question put and agreed to.

Resolved,

That this House takes note of the unnumbered explanatory memorandum, dated 31st January 1987, submitted by the Department of Trade and Industry, describing a draft Decision concerning the Agreement between the European Community and the United States of America for the conclusion of negotiations under General Agreement on Tariffs and Trade (GATT) Article XXIV.6, and European Community Document No. 5062/87 and the Department's unnumbered explanatory memorandum dated 23rd February 1987, on the implementation of the Agreement; and welcomes the Agreement as the means of averting an exchange of retaliatory and counter-retaliatory trade measures between the United States and the Community which would have very serious consequences for EC-US trade, for the multilateral trading systems and for progress in the new round of multilateral trade negotiations now beginning in GATT.

Industrial Training

11.27 pm

The Parliamentary Under-Secretary of State for Employment (Mr. David Trippier): I beg to move,

That the draft Industrial Training Levy (Engineering Board) Order 1987, which was laid before this House on 13th February, be approved.

The order requires parliamentary approval because one part of it — that covering site employees in the mechanical and electrical engineering construction industry sector—involves a levy exceeding 1 per cent. of emoluments.

Hon. Members will need no reminding of the importance of the engineering industry, which is the largest manufacturing sector in terms of employment. Engineering output has risen during the past five years by nearly 10 per cent. The increase is most marked in the electrical and instrument engineering sector. Mechanical engineering has continued its growth. Protecting the skill base of the industry is clearly vital. That is why it is essential that this order should be approved so that money is available to the Engineering Industry Training Board to enable it to encourage firms to train in the industry.

I am surprised that the Opposition have put down an amendment to the motion, and, indeed, are asking the Government to give a lead and support to the board. We do give that support, as I shall make clear.

While recognising that it is primarily the responsibility of employers and the board to identify and meet the industry's training needs, the Government also make considerable specific provision for training in the vital engineering sector. In 1986-87 some 25,000 young people were in engineering skills training under the youth training scheme. We expect the new job training scheme to make a major contribution in engineering training across a range of skill levels.

We also very much welcome the board's efforts to meet engineering skill needs. The board is putting an increased emphasis on high technology needs by providing an advanced technology training team. It also offers grants to help to alleviate high technology skill shortages — for instance, by encouraging companies to carry out more training for the conversion of suitable people to work in high technology areas. Accelerated management training and development for promising young engineers is offered through the board's fellowship schemes.

Those measures clearly demonstrate the board's commitment to stimulating employers to invest in training, and the order before us will enable that work to continue.

The board of course recognises that there is room for improvement; that employers must be encouraged to improve the volume of training if the engineering sector is to grow and not be hampered by skill shortages. To this end, the board issued, at the end of last year, an information paper setting out its view that the levy and exemption system now in operation was not bringing about the necessary quantity of training. The paper offered three options to improve the situation: more rigorous exemption rules, a levy-grant system, or a system where the board is funded entirely through a non-returnable levy of up to 0·2 per cent. of payroll.

I understand that the board agreed earlier today that, before making its final decision, it should develop criteria for a revised levy exemption scheme to deliver an adequate quantity as well as quality of training. The board will meet again in June to consider these criteria.

Technological advance has clearly had a significant impact on the employment patterns of engineers. Engineers are now widely employed in sectors not traditionally associated with the engineering industry. The board is beginning to address this problem by instigating a survey to identify where engineering skills are used and the flows of engineers in and out of the various sectors. This survey will go a long way towards identifying engineering skill needs across the whole of industry and services. Again it has our support — indeed, we are contributing to its cost.

The levy proposals before us now are in the same format as those approved by both Houses last year and are expected to raise just over £19 million. The levy will apply to those firms which are in the industry between the date the order comes into force and 31 August 1987. The levy is made up of two main parts. The first part applies to mainstream engineering, and the second to the mechanical and electrical engineering construction industry.

For mainstream engineering establishments, the board has agreed unanimously to propose increases in the non-exemptable portion of the levy and the following arrangements will apply. Small firms with 40 or fewer employees will be excluded from paying levy. This exclusion level remains unchanged from last year. All other establishments will have to pay a levy of 1 per cent. of emoluments unless their training is judged satisfactory against criteria set by the board. Establishments with fewer than 1,000 employees, who train satisfactorily, will be exempt from all but 0·08 per cent. of the levy. This non-exemptable portion is increased from 0·06 per cent. Similarly, larger establishments which train satisfactorily will be exempt from all but 0·08 per cent. of the levy in respect of the first 1,000 employees and 0·072 per cent. in respect of the remainder. This represents respective increases in the non-exemptable levy from the rates of 0·06 per cent. and 0·054 per cent. that were set last year.

For establishments in the mechanical and electrical engineering construction industry sector, the levy arrangements proposed remain the same as those approved by both Houses last year. The levy is in several parts. For off-site employees, no levy is payable by establishments of up to 30 employees. For establishments of more than 30 employees, 1 per cent. of total emoluments is payable, of which 0·15 per cent. will be non-exemptable. For site employees, no levy will be paid on the first £50,000 of emoluments. On emoluments over £50,000, a non-exemptable levy of 1·12 per cent. will be payable. That is the reason for the affirmative resolution that is before the House tonight.

The employer and employee members of the mechanical and electrical engineering construction industry sector committee agreed to the levy unanimously and the proposals were subsequently approved by the board without dissent. Letters of support have been received from the two major employer organisations in the sector. There is thus consensus in the industry for the proposals as required by the Industrial Training Act 1982.

I therefore recommend the order to the House. The proposals have been unanimously agreed by employer representatives on the board. They are necessary to help meet the industry's future training needs.

11.35 pm

Mr. Barry Sheerman (Huddersfield): Having listened to the Minister, one would be forgiven for thinking that all was well with the engineering industry and with training for it. The hon. Gentleman said that he was surprised that the Opposition had tabled an amendment, but the industry has shrunk alarmingly. For example, it provided 3 million jobs in 1979 against 2 million now. There has been a disastrous decline in training, which has contracted to a greater extent than employment in the industry. We are in a perilous position because the industry is not training the skilled employees that it or the country needs. If we do not get engineering training right, what hope [illegible] we have as a major manufacturing nation? I was [illegible]rised by the complacency that the Minister showed this evening. In years to come historians and others will read his speeches, including the one that he delivered this evening, and they will contrast the decline in engineering and the manufacturing base generally with the Minister's performance. The hon. Gentleman sleepwalked his way through a speech that would cause some to think that everything was well.

I shall spend a few minutes—I know that the hour is late — highlighting the ruinous position in which industrial training finds itself. There are some key issues to which we must address ourselves. The effective training of engineers, both in traditional skills and in the new areas of technology, is at such a low level that the role of training should be seen as a key engine of economic development. If we are ever to put right manufacturing industry and get the economy moving again after nearly eight years in the doldrums, we shall have to invest in the three engines of growth, which are capital investment, research and development and education and training.

A report was issued the week before last by the National Institute for Economic and Social Research. The top 10 British industries are 40 per cent. less productive than their American competition. Our bottom eight industries are 75 per cent. less productive than their American counterparts. This spells ruin for Britain if we are to meet the two challenges of markets and technology. If we do not invest in training, the report to which I have referred states that the shortest way of trying to bridge the gap between our performance and that of the United States and elsewhere will be by investment in human capital. In my part of Britain, that means investment in men and women and proper education and training.

The Government, with their appalling record of mass unemployment, have been forced to skew their training policy at the short term and the superficial. There are now 1 million on schemes that are largely for the unemployed —as many as those who were unemployed in 1979 when the Tories said that Britain was not working. If we are to be truly productive and compete in an increasingly competitive world market, we must train our work force.

The Government have singularly neglected the training of those who are in work. The most recent labour force survey tells us that only 7 per cent. of men and women who are in work are receiving any training. That compares so badly with our international competitors that it is embarrassing to dredge up the statistics.

Rather than there being a consensus on how everything is for the best in the best of all possible worlds, the Minister is covering up a ruinous situation in engineering. Members of the engineering industry training board know that the situation is totally desperate. They are waiting for a Labour Government to put training right, or for the present Government, even at this late stage, to realise the folly of relying on the workings of the free market to determine how many people are trained.

The engineering industry training board is the classic example of how the Government's market philosophy does not work in serving the national interest. The EITB levy exemption system is based on the principle that if we leave it to employers to train for their needs, the total sum will add up to the national interest in engineering training needs. Since 1982, when the engineering industry training board was basically neutered and its ability to raise the levy and ensure that training was done was weakened, we have seen that, compared with a 60 per cent. exemption, 94 per cent. of the engineering industry has been exempted from the levy. What is more, we have the equally grave matter that the Minister glossed over. Fifty per cent. of people who are qualified to work in engineering work not in the engineering sector but in other sectors. The EITB has no responsibility or power to train in such sectors. Indeed, most sectors have no ITBs because they were abolished in 1982.

We have two facts. First, only 50 per cent. of engineering employees are covered. Secondly, firms with fewer than 40 employees—a sizeable 250,000 people—are not covered by the EITB. The system is not training for most of the industry, even before we start to look at the levy exemption. Who blames an individual employer for not training if half the people working in engineering are not covered by the system, anyway? Of course, that makes individual employers in the engineering industry loath to do more than to train for their most conservative needs. That leads to ruin for the planning of training and the equipping of the work force. We need to concentrate our energies on the skills of our existing work force. The EITB could be the organ that pumps the blood around the body of engineering training.

I have three questions for the Minister. I do not suppose that he will answer any of them fully. First, why have we seen the fate of the EITB under the Government? Why has it been brought so low? Why is morale in the EITB so low? How is the EITB, even in its neutered role—it has some excellent men and women working for it—to try to meet the central issues of engineering training? The people in the EITB care about training. They know the scandalous situation that we are in but are helpless to do much about it. What are the Government doing about training in engineering? I do not have to look far for evidence about the parlous state of training. The Minister has access to all the evidence that is being given to the Select Committee on Employment by the EITB and by other expert witnesses who say that engineering training is in a parlous state.

I listened only the day before yesterday to a most interesting lunch time speech. A distinguished gentleman referred to the fact that Governments have a major responsibility to provide education. He said:

"Unemployment is an intractable problem, with overall 11 per cent. of our labour force sitting on the sidelines. Among youth the figure is nearer 20 per cent. . . . Since 1980, industrial output has grown more than twice as fast in the United States and more than three times as fast in Japan. The Pacific Basin has been attracting investment that we need in Europe . . . To hold our own against the US and the Far East, our two world class competitors, we need action that creates and sustains the right environment for enterprise to flourish. That is primarily the role of government. . . . A major responsibility of governments is education . . .

Certainly companies have their part to play—a larger part than at present, judging by the fact that, for example, corporate America spends proportionately three times more than corporate Britain. But we look primarily to government to provide Europe's trained base of human resources. I won't join the debate you are conducting in the UK, except to note that your Manpower Services Commission reports a chronically short supply of mechanical designers, engineers (where demand for qualified people doubles every five years) programmers and multi-skilled craftsmen."

That was the president of IBM in Europe, a Swiss national, who knows about industry in Europe, speaking about the state of British productivity and about high technology. What he said at that American chamber of commerce lunch only two days ago would make very good reading for the Minister, after his complacent remarks this evening.

There are chronic skill shortages throughout the country in an industry that is at the centre of our hopes for economic recovery. Unless the Government realise that dramatic action must be taken to provide both traditional and high-tech skills, we shall be in terrible trouble. The EITB has inadequate leverage over the whole system. It does not have the power to do the job. The Minister could give it that power. There could at least be a levy grant, thereby providing more resources with which to do the job. He could also devise a system of training that ensured that employers trained their employees so that firm after firm does not live by poaching off the few firms that provide training.

At a recent conference the managing director of a company that teaches computer skills and sells distance learning packs — it is a reputable and prestigious company that is doing a worth-while job—said that his company offers those packs to the engineering industry and that one of the major engineering employers — a household name—was told that this pack would lead to its employees passing the computer skills course and obtaining a City and Guilds certificate. The company held up its hands in horror and said, "We do not want them to get a certificate. It will make them mobile and someone will poach them." I do not blame the company, but it is terrible that companies should be frightened to give the men and women in the engineering industry certificates because it might make them poachable.

That is the heart of the problem in the engineering and other industries today. No company will train people if it thinks that it will not hold on to its trained employees. Firms cannot be persuaded to take training seriously because they regard money spent on training as a cost rather than an investment. It is a cost if the individual, when trained, is recruited at a higher wage by a competitor who puts nothing into the training pool. We need a Government who take training so seriously as to require every firm to train in the national interest. If not we shall end up an impoverished third order power.

The Minister also glossed over the engineering industry training board consultation paper which has been out for over two months with no response from him, his Ministry or any other Minister.

Mr. Trippier: What makes the hon. Gentleman think that the Government will be included in the consultation exercise? I have already said that we welcome it. The board is supposed to bring the result to Ministers. That is the way these matters are normally dealt with.

Mr. Sheerman: If a major centre of industrial training makes a plea that the system under which engineering industry training is carried out is so hopeless that something dramatic must be done, and says that the industry is faced with three options, one would think that the Minister responsible for training would get involved in the consultation and say, "You ar right. It is disgraceful. We have to do something about it. This is what the Government think." Presumably the Government have no opinion.

Mr. Trippier: The hon. Gentleman's suggestion is ludicrous. He is suggesting that Ministers in the Department of Employment should respond to the consultation document put out by the board prior to the board receiving the clear message from the industry and trade unions, which we want to hear. Is he suggesting that in the unlikely event of a Labour Government ever being returned to office, they would override the decisions made by industry and the trade unions?

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. I have allowed the hon. Member for Huddersfield (Mr. Sheerman) to discuss training in general, but I remind the House that we are discussing a particular point of order which deals with the levy, the way it is assessed and its purpose. It is not a general debate on training.

Mr. Sheerman: With great respect, Mr. Deputy Speaker, I have not at any point in my speech wavered from the levy. The three options that I was discussing before the Minister intervened were the three options put out about the levy only two months ago. The first was a move to a levy grant system; the second was a significantly increased non-returnable levy system; the third was a much stiffer levy exemption system. The decision of a meeting today on the levy, I understand, was in the interim to consider the third alternative which I would have thought was the weakest of the three.

It also set out in the evidence to the Select Committee on Employment all the worries about the levy system and the way it operated and its inadequacy. Tonight we are debating the levy. If the levy is inadequate, the amendment tabled in the names of myself and my right hon. and hon. Friends is absolutely germane to the debate tonight. What we are saying——

Mr. Deputy Speaker: Order. The hon. Gentleman knows that the amendment was not selected because it is out of order on an order of this kind.

Mr. Sheerman: We were quite well aware of that, but I understand that it is our right and privilege to table the amendment to give some indication of our feelings on this matter. We believe that the Government should be moving immediately to correct the scandal that the EITB document has been out for two months and the Government have not responded in any positive way.

The Minister is looking pained and injured. The Government do not care about training, having allowed jobs in the manufacturing engineering industries to collapse from 3 million to 2 million. Here are a Minister and a Government, knowing how bad the situation is, letting market forces rule. Here is a Minister who will not admit what everyone in the industry and the EITB knows and what his friends in the Engineering Employers Federation must be telling him in private—that this is a very grave situation now.

Heaven knows what it will be like next year, or two or three years from now. This is too serious a matter for the

[Mr. Sheerman]

Minister to smirk and look pained about. He is responsible yet he seems not to be taking this situation seriously. He is not willing to take on board the views of the Labour party that we need a national training fund that everyone will pay into and that will put engineering and industrial training in this country on the right footing and re-equip and reskill our country to face the future with confidence.

11.57 pm

Mr. Peter Thurnham (Bolton, North-East): The last debate on this subject, in April last year, was unique in that it was commenced by the Treasurer of Her Majesty's Household. Perhaps it is appropriate, in view of the events at Truro today, to pay tribute to the contribution made in that debate by the late Member for Truro, Mr. Penhaligon, who, like myself, was a chartered engineer. In that debate he spoke of the need for us to be proud of engineers and not to regard engineering as an alternative occupation. He had served an apprenticeship in engineering, as I have. We have every reason to be proud of engineering as a career in itself and as a preparation for a career in this House or elsewhere.

I listened to the hon. Member for Huddersfield (Mr. Sheerman). It is amazing that people should come into this House and ask for more training when it is so evident that they need training themselves. I was surprised that we have heard no more talk tonight about a 2 per cent. levy on sales. As the labour payroll in engineering is about a third of the total cost, that would be equivalent to a 6 per cent. levy on the payroll. Yet there is no suggestion by the Opposition that we should be talking about a 6 per cent. levy on payroll because plainly that would be a prohibitive burden.

Mr. Sheerman: If the hon. Gentleman waits until next Thursday, he will see the launch of our major statement on training and he will get the answers. Let the hon. Gentleman hold his patience until Thursday.

Mr. Thurnham: If it is anything like the launch of the job package yesterday, some member of the Opposition will put his foot in it and take the headlines from something else which would be far more helpful to Members on this side of the House.

The engineering industry training board submitted a memorandum for the Select Committee a week or two ago. The growth in jobs for professional engineers is shown in the figures prepared by the board for the Committee. The growth in jobs for professional engineers has been quite outstanding. Over the last eight years the total number of professional engineers in the country has grown from 60,000 to 90,000, although employment in the industry has declined from 3 million to 2 million. The loss of jobs has been more in the unskilled sector and the board needs to concentrate on the provision of training for professional engineers.

In the north-west, the number of professional engineering jobs has also grown, from 6,300 to about 7,900 last year, but the increase has been nothing like large enough. I know that my hon. Friend the Minister is as interested as I am in the north-west. Perhaps he will say whether he thinks that more measures should be taken to increase the number of training places, as I believe that there should be at least another 3,000 professional engineers employed in the region.

Other interesting figures provided by the training board show that the number of women taking careers as professional engineers has increased fourfold in the country, from 1,000 to 4,000 last year. In the north-west, too, there has been a substantial increase, but not on the same scale. I draw my hon. Friend's attention to the need for more training places for women in the north-west so that we can have twice as many women employed as professional engineers in the region, not only to provide more employment but because the future prospects and prosperity of the industry depend on having sufficient professional engineers, scientists and technologists who are in such short supply.

Sixty per cent. of the firms surveyed by the training board said that they experienced difficulties in recruiting specialist graduates in areas such as electronics. Does my hon. Friend think that the training board should concentrate more of its resources and time on the provision of those specialist skills rather than trying to provide the whole range of skills? The training board told the Select Committee that it would be making a decision this month on the method of its funding and listed three possible options, including higher levels of mandatory funding. I suggest that if the board were a little more selective there would be no need for higher mandatory funding.

A press release put out the other day by the Engineering Council drew attention to the need for more engineering places in universities and polytechnics. It ended by saying that longer-term measures should include the provision of greater facilities in schools to encourage people to take up careers in education and drawing attention to the need for more maths and physics teachers and the need to broaden the school curriculum so as to encourage both boys and girls to consider careers in engineering. I hope that my hon. Friend the Minister will consider whether more can be done in that respect.

Finally, I draw attention once again to the statement by the Engineering Employers Federation, which was echoed in evidence given to the Select Committee on Employment today by my right hon. Friend the Member for Waveney (Mr. Prior) when he said that the firm of which he is chairman would be pleased to help with the training of more engineers in schools. The federation's annual review, which has just been published, says that it would like the Department of Education and Science to give a clear lead to local education authorities and teachers on ways in which they should be seeking and responding to industry's offer of help. Perhaps my hon. Friend the Minister will draw this to the attention of his colleagues so that the Government can respond more fully to that offer of help from industry.

12.3 am

Mr. Malcolm Bruce (Gordon): It is fair to say that this debate takes place against a background of genuine concern about the skill shortages in British industry generally and in engineering in particular. There is no doubt that the method of training had to change because technology was changing, and I appreciate the remarks of the hon. Member for Bolton, North-East (Mr. Thurham) about the former hon. Member for Truro, the late David Penhaligon. In the short and rather unusual debate on the subject last year, the former Member for Truro said:

"one is tempted to believe that, although the time-serving part of the apprenticeship system has been abolished, the

skill acquisition side of it has not been introduced to the extent that is needed."—[*Official Report*, 28 April 1986; Vol. 96, c. 753.]

That is the kind of gap we are facing today.

The engineering industry training board told the Select Committee on Employment that it felt that its pleas for more assistance had fallen on deaf ears — the board's words, not mine — and that the various undertakings given by the Government had not gone anywhere near what was needed to put Britain back on course to be able to compete effectively in manufacturing engineering worldwide.

An article in the *Financial Times* on 20 February began:

"British industry's attitude to training remains every bit as vacant as the jobs available for qualified staff."

It went on to quote the secretary of the EITB, Mr. Pennant Jones as saying:

"More and more people are trying to fish talent out of a smaller pond."

The Minister will acknowledge that comments such as that, coming from within the EITB, show a real anxiety and crisis. Indeed, the article pointed out that the exemption and the fact that so much of engineering employment was among small companies meant that the levy which the EITB received—because of 92 per cent. of companies in the industry being exempt—amounted to £3 million compared with £160 million.

I am not suggesting that that is anything other than a broad brush indication of the gap. As the hon. Member for Huddersfield (Mr. Sheerman) said, the EITB has put forward three alternative proposals for consideration. All of them show that more than that £3 million is needed. Of course tonight's order should be approved, but it should not be approved on the understanding that it addresses the real problem, which remains to be tackled urgently.

I understand that the position was highlighted at a meeting at the beginning of the month between the Secretary of State for Education and Science and representatives from six leading engineering companies in the United Kingdom, including Jaguar, Rolls-Royce and British Aerospace. They told the right hon. Gentleman of their belief that there was still a 60 per cent. shortfall in engineering graduates required, being 1,700 graduates in addition to the 1,700 graduates whom the Government have agreed to fund under the expansion scheme. I can say therefore at this late hour, in a spirit of generosity, that the Government have moved but that they have not moved anything like far or fast enough to meet the requirements of the industry.

I was given today a statistic which, if it is true, is alarming. I am told that South Korea is currently training twice as many engineering students as Britain, Sweden and West Germany combined. If that is the reality, it is an indication of the desperate position we face in the world and of our need for a more urgent response to our skill shortages, and for a better way of overcoming those shortages than the levy we are debating tonight.

It is clear that the employers in the engineering industry are not shouldering their responsibility to train. There is no doubt that the good companies will do the training. They suffer because they train for the companies that do not, and we must move to a system that ensures that the share of the cost of training is even, equal and fair.

I had a meeting recently with the Industrial Society. At that informal exchange of views I was told about the extent to which the Industrial Society is aware of how many companies have simply pulled out of in-house training. I was told that this was of some benefit for the Industrial Society because it had expanded dramatically, providing services for companies which had previously provided them in-house. On the optimistic side, the Industrial Society said that it noted that there was now a tendency for companies to start to re-establish their training departments. However, I believe that all the evidence shows that there is an enormous gap. Realistically, small companies will not do the training unless they are drawn in under the umbrella of the engineering industry training board.

To return to my earlier point, I do not look back to the good old days of engineering apprenticeships because I accept that we have moved on from there. However, I look forward to a time when we shall find a way to train and re-train people that is comparable to what the old scheme achieved, to ensure that we have the skills in the industry that are clearly missing at the moment.

I end by saying that the House should approve the order. However, the Minister should recognise that there is a crisis, especially in the engineering industry, and the Government have not shown the sense of urgency and commitment to solving that crisis that I believe is necessary. As we shall be moving into an election climate sometime in the next few months, it is not good enough for the Government simply to say that they have created the climate which British industry can take advantage of to become competitive in the world if they do not fill the gap and ensure that we have the skills and the means to train and re-train to ensure that we can keep pace with new technology and its application, something which we cannot do now. If the Korean statistics I have quoted are accurate, it is clear that Britain will not end up in the teens, in the league but will fall much further down the list unless we can respond to that. Engineering must be the backbone of our manufacturing industry, and skill training and re-training must be the backbone of the engineering industry.

12.11 am

Mr. Peter Griffiths (Portsmouth, North): My hon. Friend the Minister for Trade spoke about a consensus. It is true that everyone is in favour of training. Training is a good thing. The Minister was referring to consensus on the modest changes envisaged in the order. There is not much doubt that all hon. Members in the Chamber will give the order a welcome.

However, it would be wrong for my hon. Friend the Minister to assume that that consensus goes beyond the narrow proposals before us to the unquestioning acceptance of the way in which the levy is utilised by the engineering industry training board. He has said that over the next few months there are to be announcements of changes to the levy and exemptions. Those proposals might not receive a consensus as have tonight's proposals. The reason is that there is hesitation among companies — including the high technology companies in my constituency — about whether the sum of £19 million, which is an additional cost of training incurred by the company, is the best and most efficient way of obtaining an increment for training.

It has been suggested that, in practice, the engineering industry training board is not as responsive as we might expect it to be to the ideas, proposals and suggestions of companies. Firms have been responding — until last month — to the consultation document published in November. The three choices given in the document were

[Mr. Peter Griffiths]

of interest and gave cause for concern, but some companies answered the document by saying "Put your own house in order first." Companies have questioned whether the training board is responsive to the demands of the engineering industry today and whether it is capable of looking ahead to the requirements of the industry in future. It should set the pace. While companies are training workers to meet their immediate needs and their needs over the next few months, the industry board could be looking ahead to the requirements of the future.

Some people suggest that the engineering industry training board is administratively top heavy and that what it produces is not as efficient as the type of training provided by the best companies. I do not suggest that we should oppose the order, but I believe that many companies want to be assured that, if there are larger levy increases than those envisaged in the order, and if there are changes in the exemptions during the next few months, the burden on industry—it is already faced with extremely heavy competition in Britain and overseas — will not increase. They want a training system that will be cost-effective and the most efficient that can be devised in this essential industry.

12.16 am

Mr. Max Madden (Bradford, West): Hanging over the debate is the spectre of the decline in the engineering and manufacturing industry. The fact that we are discussing it after midnight says a great deal about the way in which the Government, and indeed the country, view engineering and manufacturing. It underlines what many of us suspect —that the Government place greater priority on those who make money than on those who make things. My hon. Friend the Member for Huddersfield (Mr. Sheerman) said that we should all be greatly alarmed at the contraction in manufacturing industry, especially engineering. That contraction can clearly be seen in Huddersfield, in the constituency of my right hon. Friend the Member for Wakefield (Mr. Harrison), who is anxiously awaiting the Adjournment debate, and in my city of Bradford, where thousands upon thousands of skilled engineering and textile jobs have been lost in the past 10 to 15 years. There is enormous concern about the loss of skills together with the contraction of Bradford's manufacturing base. There is concern about the deskilling that has occurred. Those who are still in manufacturing industry are very worried about the need for their skills to be constantly improved to meet the challenges of the present and the future.

There is widespread unemployment in Bradford—15 per cent. compared with a national average of 12 per cent., with 28 per cent of those unemployed being out of work for more than two years. In some districts unemployment reaches more than 35 per cent. There are some six unemployed people chasing every job vacancy. Nearly half the unemployed are under 35.

Young people and adults in Bradford and elsewhere want good quality training and genuine job experience. They are wary of many YTS projects and are extremely suspicious about what real training will be available under the job training scheme. Despite the disparaging remarks made about apprenticeships by the hon. Member for Gordon (Mr. Bruce), who is the spokesman for the alliance, most of my constituents regard apprenticeships as a valuable opportunity of the past.

The picture of training in Bradford has been painted recently in a survey by the vocational, educational and training group of the Manpower Services Commission, which has surveyed more than 200 companies in the city and is providing information that is regarded as fundamental to any planning process that seeks to equip young people and adults for the world of work. The covering letter distributed with the survey results states:

"It is encouraging to note that 25% of all companies visited expect their staff numbers to increase during the next 12 months. However, of the companies visited, almost a third of employees received training of some kind; this does mean that two-thirds did not, and whilst almost a half of those in managerial grades received training, this again means that a large proportion did not.

The report also highlights likely skill shortages in processing, both metal and non-metal, mainly within larger companies. It identifies, also, a major need for training or future training in computer or computer related skills."

I shall quote briefly from some of the main points made in the survey. On skill shortages and hard-to-fill vacancies it says:

"The major area of skill shortage is in non-metal and electrical processing with a particular problem in finding skilled sewing machinists."

On the future use of new technology the survey says:

"Although major use of New Technology is still likely to be in information handling it is worth noting the relatively high number of companies likely to be introducing NT in Manufacture and Design. This includes CNC machines in Textiles and CAD/CAM in drawing offices.

Of 121 companies likely to introduce new or further NT 11 thought this could create new jobs whilst 13 expected job losses as a result. All the other companies expected no change."

On training needs in new technology it says:

"There is however a significant number of non-clerical workers requiring training including Computer Aided Design in draughting, CNC machines in both engineering and textiles and the use of computer aided point-of-scale systems in retail distribution."

If the decline in manufacturing industry in my city and elsewhere is to be reversed, if the service sector and employment in it is to be sustained, training and re-training are vital. We need a comprehensive national training programme if men and women are to be brought back into work or into work for the first time.

As I said earlier, this Government have, regrettably, presided over the collapse of good training and the next Labour Government are awaited to repair that damage. It is difficult for us in Bradford to appreciate the priority that the Minister says his Government attach to the need for graduates, when in recent years we have seen significant cuts in the funds for Bradford university and the cuts that Aston and Salford have also suffered.

It is difficult for us to believe that the Government place a high priority on young people who require the skills that Britain will desperately need in future. The Government suggested establishing city technology colleges in cities such as Bradford and Leeds. I gather that there is now considerable uncertainty about whether those colleges will proceed. Certainly, they would cream off the most able young people and the most able teachers, and would be thoroughly unwelcome developments in Bradford and Leeds.

One in five of my constituents is unemployed and desperately anxious to obtain employment. Those people know that their chances will be enhanced if they have

training, skills and experience. I would welcome the Minister's comments on this survey by the Manpower Services Commission. I assume that it has been passed to him and I would appreciate any information that he can give about what will be done in Bradford to enable the two thirds of its people who are in employment to obtain the training that they are currently denied. I should like to know what will be done to give those people who are desperately seeking employment the opportunity to secure good training that will improve their prospects for employment, either for the first time or after a long period of unemployment, during which they have wasted their skills, talent and enthusiasm on the dole.

12.24 am

Mr. Trippier: I shall ignore for a moment the vitriol in the uncharacteristic speech of the hon. Member for Huddersfield (Mr. Sheerman). I was flattered to hear him say that historians would read my speech in years to come. No one has ever been so kind to me in any debate. I thank him for that, and I hope that they do. I am glad that the hon. Gentleman has finally decided to line up behind the board's efforts to increase training in the industry. He and his colleagues in the official Opposition have been treading a rather difficult path of late. They have wanted to blame someone for the skill shortages in engineering, but they have also wanted to maintain the ITB system as whole as the way forward. They cannot have it both ways. I made that point to him on numerous occasions at Question Time.

The hon. Gentleman suggested that morale was low within the board and among the staff of the ITB—he really must stop reading *The Guardian*. It is not true. Morale is not low on the board, and certainly not low among the staff, which is enthusiastic and keen to be involved in the important work of the National Council for Vocational Qualifications. It is keen to develop engineering training schemes under YTS and to play a significant part in it. It is getting more and more involved in these and other initiatives that we are introducing. One has only to speak to the people in the ITB who were involved in last year's "Winning Margin" conference to find out that what I am saying is fact and not hypothesis.

The Government will always try to respond positively to constructive suggestions made by the board—that is the way that the system works. My hon. Friend the Member for Portsmouth, North (Mr. Griffiths), in his effective contribution, made the point that we have to have consensus. We have consensus on the order today, but the board must have consensus within it, and the hon. Member for Huddersfield knows that well. It is a tripartite board, and the three questions that have been put in the form of a consultation exercise by the board to the industry and to trade unions, but not at this stage to Government—I emphasise that again—are seeking to address the problem that all hon. Members would agree are those confronting the engineering industry. My hon. Friend the Member for Portsmouth, North is right to say that when the board decides to bring its conclusions to the MSC and ultimately to Ministers, we must have a consensus within the industry. That important point was lost in the contributions from the Opposition Benches.

I find it incredible that Opposition Members feel able to criticise the Government's training record, given how well it compares with that of the Labour Government. We have more than doubled our expenditure since we took office, and it is now running at £1·5 billion a year. Raising the skill level of the work force is vital if our industries are to compete in a world of rapidly changing technologies and markets. That is why vocational training and education measures are central to our economic strategy.

Mr. Madden: What about JTS?

Mr. Trippier: The hon. Gentleman is out of step with what his party is saying about that, because it has changed its tune. I hope that he has time to read the new, official Labour proposals, which came out yesterday. I do not seek to rubbish them because some of them seem remarkably like those that we have recently introduced for the job training scheme. Some are exactly the same.

Our introduction of the JTS is not due to complacency. It is not a sign of complacency that we have tackled the problems that arose because schools were not equipping children for employment. We have introduced TVEI. I suppose nobody in the Labour party has thought of knocking that. We shall be spending £900 million on that over the next 10 years. We introduced first the YTS and now two-year YTS. That is not complacency. Young people are now entering the labour market with a sounder foundation of initial training than ever before. We are encouraging the reform of apprenticeship training and doing away with age limits and time-serving, and supporting apprentices through YTS.

The official Opposition seem keen on traditional apprenticeships. I agree with the hon. Member for Gordon (Mr. Bruce), that things have changed considerably over the last few years. The Labour party is always bemoaning the decline of traditional apprenticeships and we heard it again from the hon. Member for Bradford, West (Mr. Madden). Luckily, an increasing number of trade union leaders — Clive Jenkins and Eric Hammond come to mind — are more enlightened. The other day, Eric Hammond said:

"Others will continue to cry crocodile tears over the plight of young people, but keep archaic, unused apprenticeship agreements intact."

We are contributing directly to skill supply through adult training programmes such as the new JTS, which will help up to 250,000 unemployed people per year to train in the skills that industry needs. We are widening access to training through the Open College, training access points and career development loans.

The hon. Member for Huddersfield asked what role the Government were playing in that, in addition to the support that they are giving to the board. That is the question that I am now addressing, apart from the first question that he asked about low morale. We are seeking to create the right framework for cost-effective training investment by employers and individuals by reforming the qualifications structure. That is not complacency. We are promoting collaboration between employers and training providers by the development of more cost-effective methods such as open learning and by providing better information on training needs and provision.

All the measures that I have mentioned directly address the central issue, on which we all seem to agree, that many British employers do not do enough training. They do not recognise that it should be regarded as an investment. Most of them regard it as a cost. Laying the foundations of initial training for new entrants to the work force is the most effective strategy that can be introduced for encouraging employers to take on young people and train

[Mr. Trippier]

and update them through their working lives, since it gives them a basis on which they can build cheaply and cost-effectively. We do not stop there.

Mr. Sheerman: Will the Minister answer the central point that hon. Members have asked, about how much is spent on training people in the work force? The Minister has given us a catalogue of income support measures for unemployed people. Most of the money is spent on income support, not training. The Government have spent a little on training, but almost none on training people in work. Will the Minister answer that?

Mr. Trippier: That is the point that I was seeking to make earlier. The hon. Gentleman cannot have it both ways. The Government responded positively—I assume the hon. Gentleman agrees with that—in retaining the statutory training boards for certain industries because the employers wanted to keep them. If we have a system such as that, they should be responsible for training in that industry and, as I have already said, we respond positively to the constructive suggestions that they make to us. That is the system that we have supported and the hon. Gentleman cannot knock it. It is working.

If the hon. Gentleman is saying that the statutory board system is not working effectively, what does the Opposition propose to do with statutory training boards? I thought that the hon. Gentleman supported them. The statutory training board has been responsible for training in the engineering industry, and it is up to it to deal with the problems of skill shortages, which all hon. Members have identified in their speeches this evening. It has to identify them and deal with them effectively through consensus.

My hon. Friend the Member for Bolton, North-East (Mr. Thurnham) drew the attention of the House to another problem. We recognise the challenge that is posed to employers by new and high technologies and our work force must be skilled in those if we shall compete in world markets. Some £30 million of the MSC's adult training expenditure is in that high technology sector. That is a good example of training that we are giving to people who are already in the work force. Examples include the leading edge technology programme, in which the vast majority of the courses funded are in information technology skills. There are local collaborative projects in software engineering, OpenTech packages and electronics. We also spend £43 million under the Switch programme to provide extra places in higher education on courses in engineering and technology.

Labour Members are fond of talking about skill shortages, but they are now far less severe than they were when we took office. In 1979 over 15 per cent. of manufacturing firms were expecting output to be constrained by shortages of skilled labour, but now the figure is 9 per cent.

What is the Opposition's proposed solution to the problems? I find it difficult to comment on that on the basis of the document entitled "New jobs for Britain" which they published yesterday, which seems to have been eclipsed by certain other matters which have arisen both in the House and outside. From what I have seen so far, the proposal for training places looks remarkably like the Government's policies which have already been implemented. One would be hard-pressed to spot the divide. But we are a little confused and we hope that that confusion will be cleared up when the final package comes forward next week.

We want to know whether the 300,000 training places referred to in that document are in addition to the 300,000 young people and 300,000 adults whom we are already training, or whether they are in place of them. If they are in addition to, I can only welcome the fact that the Labour party has suddenly recognised the value of our policies and seeks to build constructively on them. If they are instead of, I can only say that I am sorry that it is proposing to cut training provision in half.

What about mobilising employers' contribution to training? Again, I cannot wait to see the removal of the veils. Have the Opposition abandoned the solution preferred by the hon. Member for Kingston upon Hull, East (Mr. Prescott) of bringing back all the industrial training boards or replicating the ITB system across industry, trade and commerce? Have they abandoned their proposal for a 1 per cent. levy? That has been said, but it has not been said again today. It was not mentioned yesterday. Will that be referred to in the document? What will the 1 per cent. be on? Will it be on turnover, payroll, or what? That would act as a significant brake on enterprise — an increase of 15 percentage points in corporation tax.

Do the Opposition propose to hide behind the Manpower Services Commission's forthcoming study, as they seem to have suggested in their document yesterday? If that is the Opposition's alternative, I do not see how the House can do anything other than support us in our policies on training in the engineering industry and in industry as a whole. I recommend the order to the House.

Question put and agreed to.

Resolved,

That the draft Industrial Training Levy (Engineering Board) Order 1987, which was laid before this House on 13 February, be approved.

County Hall, Wakefield

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Portillo.]*

12.37 am

Mr. Walter Harrison (Wakefield): Thank you, Mr. Deputy Speaker, for calling me. I have had a long wait, but I sincerely hope that we shall gain some benefit from the debate. You may recall that on 4 March I waited a long time to intervene on this same subject, the use of county hall, but on that occasion we were discussing county hall, London.

Under question 14, my hon. Friend the Member for Falkirk, West (Mr. Canavan), whose constituency is 400 miles away, was given the opportunity to ask the Secretary of State for the Environment what discussions he had had about the continued use of county hall for the London marathon. I waited for a long time hoping to ask the same type of question. I live only two miles away from county hall in Wakefield, but I thought that if a Scotsman could ask a question about a building 400 miles away, I would be entitled to ask a question, living as I do only two miles away.

Time has gone slowly tonight. I have waited five hours. I was told that we would quickly reach the Adjournment debate. But last week, tempus fugit. It flew quickly. After rising to my feet twice, Mr. Speaker said to me, "Bad luck". He drew my attention to the fact that it was 3.31 and then terminated questions. I saw a broad smile come across the faces of the two Environment Ministers. I know that they were pleased that I had got the chop.

However, my fortunes turned because, having applied for an Adjournment debate, I was quickly told that I had been lucky. Instead of bad luck, I had good luck. However, at this time of night I doubt whether I was lucky to get the Adjournment.

When I left the Chamber, having got the information about the Adjournment debate, with my usual warmth and affection for Government Ministers, I said, "Hello, Chris. How's things?" Chris replied, "All right. We have got a debate next Thursday; I am looking forward to it." I said, "So am I", and here we are tonight. That is where the mutual admiration society finishes—it had only a short life. I am here to argue an absolutely different point of view from that of the Minister. The mutual admiration society that the Under-Secretary and I were going to form has terminated already.

What have I found out? On Sunday, in a newspaper proscribed by some people, I read the headline:

"Ridley urges sell off."

It stated:

"A new crackdown on local councils holding large amounts of assets was signalled yesterday by Nicholas Ridley, the Environment Secretary. Ridley indicated that a future Conservative Government would take steps to encourage councils to sell assets, such as land or property, to the private sector."

The Secretary of State and his predecessor took positive steps regarding county hall in Wakefield. I have made representations and led delegations because I am concerned about that marvellous building. It is one of the finest buildings in the country. It was purpose built in 1888 after the county council decided to build its own residence. At that time, the council resided in Wakefield city town hall. However, in the space of four years, it built a marvellous edifice which was officially opened in 1898.

The building has terrific historic value. The stone work, the staircase, the carpeting, furniture and panelling were purpose built for the local authority. The standard of county hall is above that of the Palace of Westminster.

What has happened? From the representations and discussions that I have had, I believe that I have been misled on certain occasions. When I met the Under-Secretary I was told that the decision to sell off Wakefield county hall was the responsibility of the residuary body. However, when I visited the residuary body I was told that the responsibility lay with the Minister. I was used like a ping pong.

Having been so misled, I shall continue with my strong representation that county hall should stay with the Wakefield metropolitan district council and remain a public body building. It should not be sold off for use as a hotel, casino, dance hall or bingo hall. It should retain the dignity of the purpose for which it was built. In other words, it should be used for local government.

If the Wakefield metropolitan district council and the police authority, which was in the West Riding, were to remain with the Wakefield metropolitan borough council, millions of pounds would be saved. The local authority is short of accommodation because of the additional duties that it has to perform following abolition. The police authority is stretched. Indeed, for several years it was told that it could have £30 million worth of new headquarters. Consideration was then given to refurbishment, which would have cost £8·5 million. If the police authority were committed to have the education block by arrangement and by package deals and the local authority were to have the county accommodation, at least £6 million or £7 million would be saved immediately.

When I referred this matter to the Home Secretary, my questions were directed to the Department of the Environment. The DoE referred me to the residuary body. When that body has gone to the highest bidder, I hope that the Minister will intervene—I trust that he will assure me this evening that he will do so—and take into consideration all the issues that are involved, instead of concentrating on the highest bidder, who will make a quick buck. It is probable that he will try to rent the property to the local authority and the police, as others have tried to do in the past with other properties. I appeal to the Minister to assure me that he will take into consideration all the issues and ensure that there is proper consultation.

On 1 January 1988, I want to march from the town hall to county hall to reoccupy the magnificent building that I have described. That is the day on which the residuary body says that it can be taken over. The police band should take that route and the WMBC supporters. We want properly to reoccupy county hall.

12.49 am

The Parliamentary Under-Secretary of State for the Environment (Mr. Christopher Chope): I am grateful to the right hon. Member for Wakefield (Mr. Harrison) for raising the issue and for the way in which he has put his case. It is not a new one. We have discussed it on a previous occasion. I hope that he is appreciative of the fact that I can respond to the debate as I could not during Question Time, when he sought to raise the matter. I now have a little more time in which to explain the background to the matter and what is likely to happen in future.

[Mr. Christopher Chope]

The responsibility for the future of county hall rests primarily with the residuary body—one of the residuary bodies that were set up under the Local Government Act 1985. The residuary bodies were established to wind up the outstanding affairs of the GLC and the metropolitan county councils. The property of the abolished councils transferred either to functional successors or to residuary bodies. County hall, Wakefield, has no relevance in terms of transferred functional responsibilities, and therefore quite properly passed into the ownership of the residuary body. It therefore falls to the residuary body to decide just how the building should be disposed of, within the general property guidelines issued by the Department of the Environment.

As the right hon. Gentleman is aware, at his request, I met the chairman of the West Yorkshire residuary body last October to discuss the issue. At that meeting, I explained that I expected the residuary body to consider all of the options open for the future of county hall and that, in doing so, they should be aware of their fiduciary duty to all of the ratepayers of the former county council area. I also stressed that, in considering all of the options, the residuary body should properly consider opportunities for disposal on the open market. I also made it clear to the chairman that any disposal to Wakefield metropolitan district council or some other public body should be for value — that is to say, a fair market price — to take account of the interests of the ratepayers of the abolished authority as a whole.

The right hon. Gentleman will recognise the fact that the points that I made at that meeting were entirely in line with the general property guidelines issued to the residuary bodies, a copy of which was placed in the Library last August. I am pleased to say that the chairman of the residuary body was in full accord with me on those points, and I am content that he and his fellow members are acting entirely within the framework laid down by the guidelines. Indeed, I should take this opportunity to put on record my appreciation of the way in which all of the members of the West Yorkshire residuary body have so conscientiously discharged their responsibilities.

The right hon. Gentleman referred to the possibility of Wakefield metropolitan district council or the West Yorkshire police authority acquiring county hall. I understand that both bodies have submitted bids to take over the property, and I am sure that these bids will be considered on their merits, alongside any other bids that are received. However, I am informed that neither bid takes the form of a firm monetary offer for the building. I remain of the view that any transfer within the public sector must be on a value basis. It should be borne in mind that county hall belonged to all of the ratepayers of the former county council area — not just to those of one district — and the residuary body has a duty to all of those ratepayers. Only by ensuring that any disposal is on a cash basis and that the proceeds are then distributed to all five district councils in west Yorkshire can the residuary body adequately discharge that responsibility.

It has been suggested that, under the present arrangements for the distribution of proceeds from the sale of residuary body property, Leeds and Bradford district councils would benefit most from the sale of county hall. It has also been suggested that the proceeds from such a sale should be distributed between Wakefield, Calderdale and Kirklees, who originally paid for the building. The general principle that has been followed is that the financial benefits and liabilities inherited from the county councils should be distributed to the districts in each county, pro rata to population. This applies to both inherited money and to receipts arising from property sales. Orders giving effect to this principle have already been made.

The liability for any debt outstanding in respect of county hall falls countywide. It is fair that the benefits from its disposal should do so, too. There is no case for treating county hall — or any proceeds arising from its sale — any differently from the other assets or liabilities that the residuary body has inherited.

While mentioning the bids received from Wakefield metropolitan district council and the police authority, I should say that the residuary body has been scrupulous in ensuring that both local Members of Parliament and councillors have been kept fully informed of all developments. I know that the residuary body chairman has had a number of meetings with hon. Members and councillors. Indeed, I understand that he met the leader of Wakefield metropolitan district council only yesterday afternoon.

It is right to pay tribute to the work of the residuary body and to acknowledge the success so far. West Yorkshire residuary body has the largest property portfolio outside London. It is to its credit that it has so quickly got to grips with the task of sorting out the records — transferring the appropriate records to the district councils and joint authorities as it proceeded — and bringing forward for sale as much surplus property as it has been able. I am informed that, to date, it has realised £2·8 million from the sales. This money will eventually be distributed among the five district councils in west Yorkshire and will benefit all of the ratepayers of the area. If we had acceded to the right hon. Member's requests for all of the surplus property of the county council to be transferred to the district councils, the ratepayers would not have received this benefit.

The residuary body has also done an excellent job in winding up the financial affairs of the county council and in closing the accounts for 1985-86. Both of these tasks were completed quickly. In addition, the residuary body has been responsible for calculating and paying both redundancy payments and detriment payments to former county council staff. Again these tasks were performed scrupulously and swiftly.

I should make one final comment on the role and accountability of the residuary bodies. The residuary bodies are properly accountable. The members of the residuary bodies are appointed by and are accountable to the Secretary of State who, in his turn, is accountable to Parliament. I am therefore content that the residuary bodies are properly and fully accountable for all their actions.

As I have said, I am satisfied that any offers received from Wakefield metropolitan district council, the police authority or any other public sector body will be considered on their merits. But many other expressions of interest have also been received. I am informed that there have been some 60 inquiries to date, and it is quite right that all these should be followed up to ensure that the best possible deal is obtained for the ratepayers.

I understand that some of the inquiries received are on the basis of possible use for hotel or residential

development. If these inquiries are to come to fruition, they could be the subject of planning appeals. Therefore, it would be wrong of me to comment on specific suggestions. However, I must record my strong belief that the residuary body should consider seriously all the various possibilities for both private and public sector investment in this building. Over the years, Wakefield's economy has been over-dependent on local government employment and it would benefit from the boost of additional private sector employment.

I have visited this fine building and it could possibly be used by the private sector. However, it is open to Wakefield council to purchase the building. I understand that it has the resources with which to do so, if it places a sufficiently high priority on that objective. Recent press cuttings suggest that Wakefield will be taking £9·5 million from its reserves for its 1987-88 budget and that it is spending £5·5 million on new leisure facilities. That is evidence of the ability of Wakefield council to incur high expenditure. If the council wants to put in a good bid for this building, it will be able to do so. All other things being equal, if Wakefield's bid is the highest it will get county hall for its own purposes.

There is nothing to prevent Wakefield from negotiating with the police authority over dual use. I am unable to comment on the right hon. Gentleman's suggestion that particularly large savings could be made from a deal involving the police authority and the education authority, but I understand that the West Yorkshire police authority would like to purchase the premises of the education department at No. 8 Bond street at a cost of £725,000. However, that purchase would depend upon Wakefield council obtaining county hall.

The West Yorkshire police authority argues that if it obtained the education department's premises it would permit the early centralisation of a number of police headquarters departments and the surrender of unsuitable accommodation in other parts of Wakefield. Furthermore, the proposed redevelopment of the existing police force headquarters would no longer be necessary. The West Yorkshire police authority's preliminary estimate of the proposed redevelopment of the force headquarters is £8 million and phase 1 is expected to cost about £2 million. Estimates have not yet been submitted to the Home Office, but if there is to be a beneficial financial deal involving the police authority's use of the education department's premises, it will be taken into account by those who are considering the bids for county hall.

The right hon. Gentleman implied that there was a threat to this fine building. The fact that it is a grade 1 listed building is a guarantee that it will not be vandalised. Anyone thinking of purchasing the building would have to take into account the fact that it is a listed building. The fine panelling and other accoutrements to which the right hon. Gentleman referred will have to be retained by any purchaser.

I have been to see the building. It is a fine building for which the right hon. Gentleman rightly has great affection. He becomes emotional about it because he is attached to it, but there is no reason to suppose that the building will be in jeopardy because of the actions of the residuary body in seeking to dispose of it, with the sale being of benefit to all the ratepayers in the former county area.

Question put and agreed to.

Adjourned accordingly at One o'clock.

House of Commons

Friday 13 March 1987

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Cancer Patients (Treatment and Care)

9.35 am

Mr. Michael J. Martin (Glasgow, Springburn): I beg to move,

That this House believes that a humane and efficient health service should be guided by three main priorities in relation to cancer, namely: an effective national screening system designed to facilitate the earliest possible diagnosis of the different forms of disease, the provision of resources to enable patients to benefit promptly from the most technologically advanced treatment available, and the development of hospice and other facilities to permit the terminally ill to end their lives in decent and dignified surroundings with the minimum of pain; and calls on the Government to ensure that these priorities are fully reflected in the future funding of the National Health Service.

I should like to thank the research department of the House of Commons Library. The researchers were most helpful. I thank also the Parliamentary Under-Secretary of State for Health and Social Security. The hon. Lady was kind enough to speak to me last night about the terms of the motion. I should also like to thank her staff. I am also grateful for the help given by Dr. Charles Gillis of the cancer prevention unit at Ruchill general hospital in the north end of the city of Glasgow.

Seventeen years ago I was told that my mother was suffering from cancer of the womb. I know what families go through when they get that dramatic news. They have a duty to look after their loved ones, and at the same time they have to face one of the most distressing situations with which they will have to cope in their life. Even after all those years, I still say to myself that perhaps in my mother's case, and that of many other women, that could have been prevented had there been the proper screening facilities and education for women.

I should like to mention research into cancer. I am told by many experts that there is serious concern about the lack of research and the fact that excellent grant applications are being turned down because of the lack of resources. Perhaps the Minister can comment on that.

I have been informed that in the United States of America public and private resources are made available to the tune of 20 times the level in the United Kingdom. Not only does that inhibit research into a cure for cancer, but it leads to some of our brightest young scientists going abroad. It is not helpful in any branch of science that we are losing the cream of our scientific community.

The Medical Advisory Committee working group on "Acute Services for Cancer," expressing concern about resources, stated:

"The NHS generally cannot be insulated from economic realities, but current resource constraints do have particularly significant implications for services to cancer patients. The gap between the level of services generally available and the level that it is now possible to achieve has increased considerably. This may be true for some other diseases but we believe it is especially true for cancer. The costs of surgery and radiotherapy are largely contained within the fixed costs of the service but the more recently developed methods of investigation and treatment of cancer patients, based on recent technical advances, are frequently very costly and have to be provided from the limited funds available for new developments. We recognise the difficulties but the overall aim must be to narrow the gap between what is technically possible and what is practicable in service terms with available resources."

The Lancet and other leading medical journals have claimed that Medical Research Council funds are insufficient to maintain a healthy base of science for medical research in the United Kingdom and the confidence and morale of the gifted workers, especially those entering research. I should be obliged if the Minister would comment on such statements by journals that are highly regarded in the medical world. If we are to find a cure for cancer, we must support research.

On the issue of prevention, screening must be available to everyone who is at risk in the community. Proper screening means that there must be proper recall services and easy access to the clinics and GPs who are able to carry out such screening.

On 11 June 1986, the *Nursing Times* expressed grave concern about screening. It stated:

"The mortality rates for cervical cancer have not improved markedly during the past 15 years and this despite increased medical and technical knowledge.

Cervical cancer is a largely preventable cancer. That is the good news. The bad news is that an estimated 2,000 women are still dying each year from this disease, often because they leave treatment too late. Why is the screening programme still so ineffective?"

In my area, the Greater Glasgow health board is taking steps to rectify the problem. However, until recently, the board would have been unable to tell whether six, seven or eight smears had been taken from one individual over several years, or whether several women were involved, because proper records were not kept.

If we are to have proper screening facilities, we should have a recall system, and proper records must be kept if we are to have effective recall. We must also have specialists to analyse the smears that are taken. Scandinavian countries are far more effective in their screening processes than we are. In those countries, cervical and breast cancers have been drastically reduced. Why can we not learn from the countries that are so successful at the moment?

We need not only effective screening but to cut down the incidence of error. The clinics should be within easy reach of both city and rural dwellers.

I welcome the statement made by the Secretary of State for Social Services on 25 February 1987 in which he spoke of the need for proper recall services for cervical and breast cancer. I hope that the resources that he mentioned will be new resources, not funds shifted from another part of the Health Service.

There can be no doubt that education must and will play an important part in prevention. There has been a three fold increase in the incidence of female lung cancer in Glasgow—it has been established that smoking is on the increase among younger women—yet 40 per cent. of the population continue to smoke. The medical profession regards Glasgow as the lung cancer capital of the world. In 1985, 46 per cent. of male cancer deaths were due to lung cancer, and 90 per cent. of lung cancer is avoidable. People working with dangerous substances, such as

[Mr. Michael J. Martin]

asbestos and rubber, and who are non-smokers, run the risk of contracting cancer. People in the same occupation who are smokers vastly increase their chances of catching the disease.

I know that the Parliamentary Under-Secretary of State, the hon. Member for Derbyshire, South (Mrs. Currie), has got into difficulties over the issue of diet. However, we should all take expert advice on our diets and lifestyles. I hope that her Department envisages expanding education on those matters.

Turning to patient care, I understand that some cancer wards in my area—this could be the case throughout the country—have nursng levels below those which doctors and specialists would like. I should be grateful if the Minister could look into that.

I should like to mention specially the Beaton memorial hospital in Glasgow. One of my friends, a terminal patient, was cared for in that hospital some weeks ago. Through visiting her on many occasions, at a stage when the family were allowed in at any time, I know that the care given by the nursing staff and doctors in that hospital was absolutely second to none. Such care is a great comfort to the patient's loved ones. It helps them to know that the patient has been cared for in a loving manner and with all the dignity that is deserved. I hope that all hospitals that care for terminally ill and other cancer patients, who are receiving radiotherapy treatment, look after their patients in that way.

In my constituency, there is the Marie Curie hospital, known as Hunters Hill. When I visit that hospital I am always amazed, because it is one of the most cheerful environments that I have had the pleasure of visiting and it is one of the happiest communities in my area. I would certainly welcome an expansion of hospitals.

Many people who are ill want to be cared for in their own home and cancer patients are no exception. Domiciliary care is most important. It takes a great deal of support to look after a patient at home, and support must be given not only to the patient, but to the family. Such care requires co-operation between general practitioners, district nurses, health centres and social services. When patients want to be cared for at home every effort should be made to make that possible.

Often a husband or wife will not leave a sick spouse who is in pain unless an experienced nurse is prepared to sit with the patient through the night. The Marie Curie organisation and the Health Service are prepared to provide night services. Will the Minister tell us whether she intends to expand the domiciliary care services?

I understand that there are many effective ways of relieving pain. However, those who live in rural or remote areas run the risk of sometimes being denied that help because doctors are not prepared to leave what are considered to be dangerous drugs with anyone other than a qualified nurse. People who live in the borders and the Highlands must travel long distances for radiotherapy treatment. I would like an assurance that steps will be taken to reduce such long journeys to relieve the burdens that patients already endure.

Finally, I should like to read two quotes from the report of the Standing Medical Advisory Committee. The first relates to the need for an integrated service. The report stresses the need for an integrated service, and states:

"In discussing the organisation of cancer services we have emphasised the importance of easy access to services. The underlying aim of cancer services should be to ensure that cancer patients, whether potential or confirmed, have speedy access to the diagnostic and treatment services their condition demands. This must be the baseline on which the efficacy of services in any Region is judged. Given the complex nature of the various cancer conditions and the increasingly complex and expensive treatments involved, we believe this access can only be achieved where cancer services within a Region are planned and delivered in an integrated way. This should embrace not only the hospital services, with which this report is concerned, but also the community and prevention services."

My final quotation is on the need for co-operation between the different disciplines. The report states:

"Success in developing integrated cancer services depends very much on the quality of communications between the individuals and institutions concerned. A theme throughout the Report is the need for good communication between clinicians, between clinicians and nurses and between staff and patients and their families. Good communications between DGHs and the hospitals providing specialist services are essential if the close working links described above and elsewhere in the Report are to be developed successfully. This Report is intended to help clinicians, planners and others both at Region and District to meet the challenge of organising their service in a way which ensures the development of these good communications and the resulting complementary working relationship. Only in this way will those working in both DGH and specialist unit be equipped to meet the basic aim of providing all cancer patients in their care with the services they need when they need them."

I am grateful to have had this opportunity of bringing the motion before the House.

9.55 pm

Mrs. Marion Roe (Broxbourne): I am sure that all hon. Members present are grateful to the hon. Member for Glasgow, Springburn (Mr. Martin) for giving the House the opportunity to debate this important subject this morning. We have heard, rightly, a great deal recently about the threat of AIDS, but that should not obscure the importance of the long-term fight against cancer, which continues to kill many people.

First, I must declare an interest as the vice-president of the Women's National Cancer Control Campaign. It is a voluntary organisation concerned, not only with educating women about cancer, its prevention and treatment, but with practical steps to fight the disease, particularly through screening programmes.

Breast cancer, because it affects women in a way which is particularly damaging to their self-perception as women, demands particular care in treatment. As with all cancers, women are frightened of the unpredictability of the disease, but women are also not helped by the unpredictability of treatment. To many women, breast cancer invokes images of radical mastectomy, yet in reality treatment may involve the removal of only small amounts of tissue. Although less obviously traumatic, much the same applies to the treatment of cervical cancer. The most important step is early screening. The Government's recent acceptance of the Forrest report's recommendations and their announcement of a national screening service for all women between the ages of 50 and 64 are essential first steps and are most welcome.

I accept that any such services started from scratch will need time to establish a network of back-up services, such as training for staff and treatment and counselling for patients. Nevertheless, one must recognise that the numbers of cases of breast cancer among young women

are increasing. I hope that the Government will continue to monitor that and to keep under review whether the service should be expanded to cover all women.

Obviously, it will not be easy to persuade all women to be screened. Understandably, some will be frightened by the possible results of the tests. The only way to counteract that is to show that early screening means early detection of problems and swift, more effective treatment. The WNCCC is in the vanguard of that work and runs a special mobile screening unit which is already in demand.

I should like to congratulate the Tesco supermarket group, the headquarters of which are in my constituency. The firm has arranged with the WNCCC for the mobile unit to tour stores in England, Scotland and Wales, providing free cervical smear tests and breast examinations for female employees. I should add that men have not been ignored—check-ups for excess weight and blood pressure are available to them.

That is an excellent example to other employers. It is an initiative that could usefully be developed. Resources are spread widely throughout the many services within the National Health Service and opportunities for involving the private sector in developing screening programmes would surely be in the best interests of all. As more companies recognise the benefits of pay packages that involve more than just money, co-operation is definitely possible.

Recently the WNCCC provided its mobile screening unit for use during a women's health week which was run by Waltham Forest health authority. The facility was backed up by considerable publicity in the local press and by the use of posters and leaflets. Results were encouraging and, paradoxically, worrying. The tests performed were cervical smears and breast examinations. Of the 406 tests, two were positive, 61 required recall within three to 12 months, 12 were inadequate or lost and 331 were negative. The number of women coming forward was a good response to the publicity, but the fact that 63 out of 406 would require at least further screening suggests that there is a definite problem since, without the WNCCC's mobile unit and Waltham Forest's initiative, none of those women would have been aware of any problem until much later.

Other statistics reinforce my plea for constant monitoring by the Government. A total of 59 per cent. of the women were under the age of 50, which emphasises that screening may have to be widened. The computerised call and recall system for cervical cancer will go a long way towards tackling that, but the inclusion of breast examination needs to be kept under review.

A total of 129 of the women gave details of previous tests. No fewer than 84 per cent. had not had a test within the last three years, 55 per cent. had not had a test within five years and 18 per cent. had never had one. That illustrates the scale of the problem.

The committee on gynaecological cytology has recommended screening at three-year intervals. While I can understand that improving the numbers who come forward for tests is high priority, I think that it is important that if shortening intervals from five to three years significantly improves successful treatment, the change ought to be considered seriously.

Despite a comprehensive screening programme, it is inevitable that some women will still develop both breast and cervical cancer and, unfortunately, die as a result. It is true that tremendous strides in the development of treatment have been made over recent years, not only in relation to tackling the disease at cellular level, but in providing psychological support for those undergoing therapy.

Medical science has known for some time that the speed and effectiveness of recovery from surgery is improved by giving patients accurate, relevant information about their treatment and what they can expect to feel like after an operation. It is as important to post-operative care as pain-killers can be. Much of that research is now incorporated into hospital treatments, and more especially into the work on those who are terminally ill, both in hospitals and hospices.

Such an approach requires co-operation between patient and doctor. The onus lies with the doctor, for it is not always easy to discover a patient's true worries in a simple, single interview. The development of the role of trained nurses as counsellors must provide a way forward. That may produce an additional burden upon resources, but some of that will be offset in the improved effectiveness of treatment. It would also help to deal with the known problems of depression and anxiety which are often found in patients undergoing courses of cytotoxic drugs.

The process relies upon two-way communication; both nurse and patient need to develop a relationship which gives the patient trust and confidence in the treatment she is undergoing. In the light of this, treatment needs to take full account of the views of women as patients, not simply the results of clinical reports and observations of doctors.

Across the country, there are hospitals where such attitudes prevail; but it is not universal. We all accept that the NHS exists for patients, and in the area of cancer treatment that philosophy needs stressing above all. It is not just a matter of surgery as a steady, clinical process.

For all that, for some patients there will come a time when treatment cannot cure; it can act only as a palliative. In this area, I welcome the recent DHSS circular and the National Association of Health Authorities' publication on care of the dying.

Publicity about AIDS has heightened awareness of this both in hospitals and hospices, and emphasised the humane, dedicated care already provided for those unfortunate enough to have cancer.

I welcome in particular the stress laid by the DHSS upon collaboration between local and national voluntary groups and health authorities. No one group has a monopoly on wisdom or resources; joint planning arrangements would make sense.

Although there will be training for those in the Health Service, what arrangements exist for assisting those in the voluntary sector, or local authority social services staff? It is important that there should be no weak links in the chain. Care of the terminally ill cannot rely on small numbers of centres of excellence; every hospital, hospice or home has to be a centre of excellence. So we need to strengthen links between the Health Service and the community—between individuals, rather than between the daunting face of bureaucracy and the confused member of the public, which is the image of big organisations.

What provisions exist for liaison between community nurses and ward staff who have been looking after patients who choose to leave hospital? Patients must have the maximum confidence that community nurses know all

[Mrs. Marion Roe]

about their case, and the treatment that has been offered. That is especially important in the tragic cases of child cancer patients.

I believe that cancer services have been greatly improved over the past 10 years. We have in this country a record of treatment and care of which we can be proud. There is always room for improvement, but every year brings us more understanding and knowledge, and a step nearer a cure. What we can do is to help ourselves by improving prevention.

10.8 am

Mr. Simon Hughes (Southwark and Bermondsey): I am grateful to the hon. Member for Glasgow, Springburn (Mr. Martin) who has allowed us the opportunity to debate this subject. The hon. Member for Broxbourne (Mrs. Roe) hinted at the fact that we often have an opportunity on a Friday to deal with important subjects, which are not total cross-departmental subjects. Cancer, by its sheer statistical toll, has affected and does affect so many families. It is the second highest cause of death in this country. Most of us have had personal experience of coping with the death of close relatives from cancer. This is a good opportunity to try to put that into the perspective of public policy, so I am grateful to the hon. Member for Springburn for his choice of subject.

The hon. Gentleman highlights three main priorities as being those on which to concentrate. Clearly, in a relatively short debate we cannot talk about all of them. Principally I want to consider the facilities available to deal with the terminally ill. However, I want briefly to mention the first two of the three priorities highlighted by the hon. Member for Springburn. I shall start by rehearsing one or two of the statistics which make this such a vital subject for our consideration.

The Minister will confirm that, apart from circulatory diseases, cancer is still the largest cause of death in the United Kingdom. It is interesting that that is not the case in other countries. Other countries are more successful in reducing the incidence of cancer, especially preventable cancer; for example, lung cancer through the avoidance of smoking. At the moment, we suffer about 150,000 deaths a year from cancer in the United Kingdom out of a total of 650,000 deaths. Among those under the age of 70, the disease affects women more than men. We should be aware of that when we consider ways to deal with cancer.

I notice that adverts on billboards claim that one person in three suffers from cancer at some time in their lives. I believe that the figure is closer to one in four. To complete the picture, I will give the other figures. Some 190,000 cancer cases are diagnosed each year and there are approximately 75,000 cures. A lot of good work is being done, but we will not be able to find cures in many cases for some time to come. Therefore, we need to concentrate on care and support systems as well as the preventive aspects of the debate.

The hon. Member for Broxbourne said that one in 12 women suffer from breast cancer at some stage during their lives. The figures are horrific because 15,000 women a year die from breast cancer. That is still the most common form of cancer among women. Therefore, last week's initiative announced by the Government is more than welcome because there are still about 25,000 new cases of breast cancer a year.

Those are the cruel statistics of this horrendous killer disease. The announcement made by the Government two weeks ago was, as I said at the time, unreservedly welcome. It was specifically aimed at women aged between 50 and 64. Hopefully it will provide relief and prevent deaths for up to 2,000 women a year.

Before I consider other issues, I hope that the Minister will deal with the points made in *Hospital Doctor* magazine last week. On its front page an article states that effective screening will take up to 10 years. That is clearly of some concern. Although those people involved with the Forrest committee welcomed the announcement, there is still concern about how long full implementation will take. When the Minister replies, I hope that she will consider whether it is possible to foresee a speeding up of the timetable so that we can have effective screening for those who are intended to be covered by last week's announcement. There is proper professional concern on that point.

Mr. Nigel Spearing (Newham, South): Was the 10 years based on the current rate of funding announced by the Government last week or was it calculated on some other basis? Clearly the rate of funding is crucial.

Mr. Hughes: That was the assessment made by the Forrest committee in the light of the recent announcement. That is the figure which has been announced in the light of funding. Obviously, funding and resources will always be the major determinant of the speed with which programmes can be implemented. The hon. Member for Newham, South (Mr. Spearing) may want to develop that later.

The second priority highlighted by the hon. Member for Springburn was the provision of resources to enable patients to benefit promptly from the most technologically advanced treatment available. I guess, as the hon. Gentleman must know, that that will never be entirely achievable. However highly advanced the technology available, there will none the less never be enough technology to deal with everyone at the maximum rate of efficiency. There will always be a difficulty there. That is probably one of the reasons why the third priority which the hon. Member for Springburn quite rightly highlighted — the development of hospice and other facilities — is even more important.

I remember when my father was dying of cancer he lived in Hereford and had to be treated in Cheltenham in Gloucestershire. He had to go there every week for treatment. The institution in Cheltenham was a relatively new one and the special therapy treatment it provided was also new. I was aware that the competition for places for treatment was enormous. That is still the case and not everyone lives near to such high-tech treatment which can provide alleviation and a possible cure for the disease.

I want to consider the treatment of the terminally ill and the collaboration between health authorities and the voluntary sector. First, I want to consider the growing and apparently effective role of self-help groups, self-help centres and facilities for the dying. I wonder whether we need to be a little wary of the sort of announcement that appeared in *The Independent* on 10 March which stated that it was forecast that by the year 2000 there would be a cure for two thirds of those suffering from cancer. I am not certain that that idea is generally accepted yet. I am not sure that we can look forward to as early a solution as that suggests.

Because self-help is very important, I shall consider one example of an organisation and address my points specifically to the Minister about that body. The Minister will be familiar with the body as it is the British Association of Cancer United Patients—BACUP. That body is run by a cancer patient, Vicky Clement Jones, of whom the Minister will know well. Vicky Clement Jones has come to public knowledge through the publicity which BACUP has received in the past two years. She has learnt, as she came to terms with her ovarian cancer, that she had to confront the fact that she was dying. That was her challenge. When the able-bodied go about their daily lives, they do not think about dying, although we should all be confronted by the fact that we are dying. The point for cancer sufferers, AIDS victims and others is that death may be more imminent for them than for the rest of us. Vicky Clement Jones found—as we often find—that people with a fatal disease often shrink back from confronting the reality. The rest of the public silently put those people into a different category. They seem to say, "They are dying, we are not." That is a false dichotomy.

Vicky Clement Jones reacted to such attitudes. She had the advantage of being a doctor and she reacted positively. She claimed that the lives of people who were dying—the terminally ill—are just as valuable, and probably more valuable for that period, than the lives of healthy people. The terminally ill can live their lives fully and often more fully than those of us who have no imminent risk of our departures. "The prospect of death concentrates the mind wonderfully" is a cliché, but in reality it also concentrates the way in which people try to get the most out of their lives.

Prevailing attitudes must be changed. Even those who are well-informed withdrew from Vicky Clement Jones and that included her medical colleagues. People must be encouraged not to do that. BACUP is trying to ensure that people do the opposite and above all it is trying to inform people of the alternatives if they are suffering from cancer. They inform people of the alternative ranges of action available to them to overcome the disease, minimise its effects or to maximise the opportunities during their remaining weeks, months or years of life.

Without doubt, BACUP, over two years, has begun to change attitudes. I hope that the Minister will be able to give some encouragement to that body today. Since its launch on 31 October 1985—only 16 months ago—it has dealt with 20,000 inquiries, 80 per cent. of them from women. It has been almost overwhelmed by the volume of inquiries because it emphasises the need for information and to communicate to and with the cancer victim.

It has become the national information service for cancer patients. It sees itself as in no way challenging the National Health Service but as a complement to the NHS. It deals with all types of cancer and goes across the range of cancer issues. Cancer patients represent 40 per cent. of its clients; relatives and friends of cancer patients represent another 40 per cent.; 6 per cent. are health professionals, who are often ignorant of the emotional implications; and 6 per cent. ask about screening and prevention.

Apart from a few doctors who still believe that no one else should talk to their patients about their health, BACUP has been accepted as a valuable and useful service. It has received favourable professional comment and it has an eminent team of advisers. Its founder, Vicky Clement Jones, has been recognised by being made a fellow of the Royal College of Physicians. The organisation has tried to involve the users of the service as much as possible.

An important point is that the organisation has made it clear in its statements that there can be no psychological or psychosomatic alternative cure. We often hear the argument that health is all in the mind, but the organisation does not encourage people to believe that the main cause of cancer is psychological and that if they deal with the psychological problem the cancer will go away.

All BACUP services are provided free. The organisation employs 14 staff and its budget this year is £422,000. It is supported by all the cancer charities. In November it asked the DHSS for £40,500. The request is under consideration, and I strongly urge the Minister, although she can probably do nothing today, to grant that request. I understand informally that the Minister may give £10,000. I respect her concern for organisations that predominantly help women, and I ask her to give the service the full amount because it could use it to fund two administrative staff and someone to run the cancer information service. It is the sort of partnership and public access organisation that we must support. I hope that the House recognises the value of such organisations and that the Department will grant the money for which it asks.

There is no great difference across the political spectrum about terminal care. We all want proper provision for the terminally ill, including hospices specially designed to meet the needs of dying people. The theory on which they work is commonly recognised and the Government have responded to them. The circular of 27 February shows that they are committed in principle, but yet again the point at issue is resources. *Doctor* magazine of 29 January said—it is still true—that the hospice movement is "cash starved". That must be corrected, and the Government must play a key role. The sector is growing. Of course, there is voluntary money, but going round with a begging bowl for money for hospices is always difficult and unreliable. It will be more difficult if one of the key groups of people who need hospice treatment are AIDS sufferers, who may not be the most obvious beneficiaries of charity.

I was in the House when the Minister answered a question about encouraging the partnership between the voluntary sector and the public sector. Of course, that must be done, but there is now a serious challenge given the growth of the AIDS factor in hospice care, which must not be allowed to detract from the continuing and growing need of cancer victims in hospices. I hope that the Government will move quickly to respond to the requests for financial and other support. South-East Thames regional health authority produced an excellent report on AIDS, highlighting the fact that hospice treatment and the funding of it is required.

Perhaps we have reached the stage in the development of the hospice movement where we need an umbrella body to co-ordinate voluntary sector provision. London Lighthouse has made representations to the Government in relation to AIDS. It may be the right organisation or it may not, but we shall need an appropriate forum to provide a proper partnership dialogue between the Government and the voluntary sector.

I hope that the general good will and support for the hospice movement will be recognised and that, in the words of the hon. Member for Springburn, terminal care will become a generally accepted priority for NHS

[Mr. Hughes]

expenditure in every region and district in England and Wales and in every health board in Scotland. That will be increasingly important if the service which the organisations have shown that they can deliver is to be available to everyone who needs it.

10.25 am

Mr. Roger Sims (Chislehurst): I, too, congratulate the hon. Member for Glasgow, Springburn (Mr. Martin) on his choice of subject. If one is lucky in the ballot, it is often tempting to choose a subject that is bound to hit the headlines or one that is of a partisan nature. But, as the hon. Member for Southwark and Bermondsey (Mr. Hughes) said, most of us have an interest in this subject because the scourge of cancer is so widespread. This is an especially valuable opportunity to discuss it.

The motion refers to screening for protection against cancer, the treatment of cancer and the care of cancer patients, but it omits to mention—although I was glad to hear the hon. Gentleman mention it during his speech—the prevention of cancer. Alas, we know of no cure for some cancers and we do not know how most cancers are caused, but there is at least one well-known cause of some types of cancer. I refer, of course, to smoking. That cause of cancer is eminently avoidable. Of course, the tobacco companies argue that it has never been possible to isolate an ingredient in tobacco that causes cancer. But there is overwhelming evidence of the link between smoking and cancer. The most obvious type of cancer is lung cancer, but it is also true that a smoker is between five and 10 times more likely to develop cancer of the mouth or the throat than a non-smoker.

I asked the British Medical Association what evidence there was to link smoking with other cancers or whether it could be linked only to the three that I mentioned. It provided me with evidence which is scientific, technical and somewhat beyond my grasp, but it is voluminous. I was surprised by the extent to which cancer of the pancreas, the kidney, the cervix, the urinary tract and the bladder may be associated with smoking.

Dr. M. S. Miller (East Kilbride): Is the hon. Gentleman aware that some people still believe that the relationship between cigarette smoking and lung cancer is not proven? I ask hon. Members to push as hard as they can to show that that is not true. If we had even one hundredth of the evidence linking smoking with lung cancer showing that Westminster bridge was unsafe, it would be closed within two or three minutes.

Mr. Sims: The hon. Gentleman, who is a general practitioner, is far more knowledgeable on these matters than I am. What he says is true, and he will also know that the tobacco companies still deny it. We all know that if tobacco had only just been discovered and was suddenly introduced today, it would not be allowed on the market. He and I are realistic enough to know that it would not be practical to prohibit tomorrow morning the consumption of tobacco. However, we have to do all that we can to persuade people to cut down on smoking, because not only does it have links with the forms of cancer that he and I have talked about, but there is clear evidence that babies whose mothers smoked in pregnancy are more likely to develop cancer.

There is increasing evidence linking the incidence of cancer with the inhalation of other people's smoke, so-called passive smoking. We should be thankful that smoking is becoming a minority activity and that many people are ceasing to smoke. Unhappily, smoking is increasing among young women. About one third of the adult population smokes and it is becoming less socially acceptable. That should be encouraged. We have just had National No-Smoking Day. Last year, some 50,000 people stopped smoking as a result of the National No-Smoking Day campaign and we hope that that figure will be exceeded this year.

In the light of the evidence, we must hope that the new health education authority will give fresh impetus to the campaigns to discourage the young from taking up smoking, and to encourage smokers to cut down or cut out smoking altogether. There is ample scope for that authority to do more work in educating people and to develop non-smoking policies in public places and workplaces.

Since it is the case, alas, that we cannot prevent all cancers, we must do all that we can to detect cancer in its earliest stages. I warmly welcome the recent announcement about Government funds for this purpose. Breast cancer is responsible for 13,500 deaths a year. Following the Forrest report, the Government agreed to set up a nationwide service for breast cancer screening and to have a centre in operation in each of the regions by this time next year. The target is for 100 centres by 1990. This is good news and will be welcome in all parts of the House.

Cervical cancer causes about 2,000 deaths a year. Funds have been made available for call and recall schemes and for the speeding up of testing. This is important because I am sure that all hon. Members will have experience of constituents who had a smear test and then had to wait weeks for the result. That is not satisfactory. If the funds recently allocated assist in speeding up the testing process, it will be money well spent.

The hon. Member for Southwark and Bermondsey and I were present a few weeks ago at a press conference held by an organisation called Quest for a Test for Cancer. It claims to have developed a mechanical screening process for cervical smears and says that it is faster and more reliable than conventional processes and can detect cancer at an earlier stage. I do not profess to understand the scientific basis for the test, although I tried to master the papers that the organisation provided, but it seems that the process was devised and tested by qualified people.

The organisation is keen to open centres throughout the country. It has sought help from the DHSS which says, perhaps understandably, that it wants the process to be properly evaluated. The organisation says that it has already held independent tests and has had the process evaluated, but that it does not have the resources to do further testing. With the support of the Royal College of Nursing and many women's organisations, it has started a campaign to raise £2 million to set up centres. I am not medically qualified to judge the validity of this process, but it seems to hold out hope.

Perhaps there is some misunderstanding between this organisation and the DHSS. My hon. Friend the Parliamentary Under-Secretary of State, the Member for Derbyshire, South (Mrs. Currie), is not one to stand on ceremony. If one wanted somebody to cut through red tape, one would go to her. Perhaps she and her officials

could get round a table with people from Quest for a Test for Cancer to see whether there is some way in which the work that it is doing could be accelerated.

Hon. Members will know about St. Christopher's hospice in Beckenham in the borough of Bromley, part of which borough I represent, and of the pioneering work carried out by Dame Cecily Saunders. I do not need to dilate on that, because on 19 February the hospice was the subject of a debate initiated by my hon. Friend the Member for Beckenham (Sir P. Goodhart), in whose constituency the hospice is situated. He urged more Government support for the hospice, which at present receives support of about 35 per cent. of its costs. The rest of the money for running the hospice comes from voluntary sources and an enormous number of people do a great deal of voluntary work to raise money.

I know that it is not usual to report conversations that take place in the Tea Room or the Lobby, but I was stopped in the Lobby by one of the Badge Messengers who serve this House so very well. He invited me to sponsor him on a walk in support of St. Christopher's hospice and I was happy to do so. It sounds an interesting sponsored walk because I gather that the stages are between local hostelries. The cause could not be a better one, and I hope that when hon. Members are leaving the Chamber after today's business they will take the opportunity to add to my sponsorship in aid of St. Christopher's.

Government support of 35 per cent. is not enough and my hon. Friend the Member for Beckenham suggested that about 50 per cent. would not be out of order. I hope that the Government will consider whether more help can be given to hospices. St. Christopher's does fine work not only in the hospice but in the community. Community care has become known as hospiscare. In that part of north Bromley, the hospice is able to help many families because it is often better for the family and the patient for the patient to spend his last days in the comfort of his home — but with the right sort of care, attention and treatment — rather than in a hospice. That service is limited to the immediate area of St. Christopher's hospice.

About two and a half years ago a similar voluntary hospicecare scheme was set up in the southern part of the borough of Bromley. In that time, 422 patients and families have been helped. On any one day between 30 and 40 people are cared for by South Bromley Hospiscare. The movement has only three full-time nursing sisters, two doctors who voluntarily give their spare time to the movement, a part-time social worker and secretarial staff. Obviously, this sort of work is extremely valuable in helping the patient in the final stages of a terminal illness, in helping the family after bereavement and in educating medical and nursing staff in hospitals on how to cope with the terminally ill. It is a special technique which is not part of the usual training of medical staff. The service enables the patient to spend his or her last days in familiar surroundings as well as releasing a bed in an acute ward for other purposes. It is important, however, that there should be one or two beds available in nearby hospitals for urgent and immediate use if the home situation breaks down or the illness develops in such a way that the patient has to return quickly to hospital.

The recent DHSS letter invited district health authorities to review their care provision for the terminally ill. I hope that the outcome will be the conclusion that each district health authority needs adequate hospital and/or hospice care facilities for cancer patients and adequate domiciliary hospice care services of the kind that I have described. I think that I have shown the value of those services, but to operate properly they must have generous financial support from the health authorities.

I conclude by expressing the hope that some of these points will be recognised by the Government as priorities and will be fully reflected in future funding of the National Health Service.

Mr. Alan Williams (Swansea, West): On a point of order, Mr. Deputy Speaker. I shall be brief, as the debate is of great importance to all our constituents. As you will know, Mr. Deputy Speaker, the Government have in effect been found guilty in the Australian court of neglecting national security since 1981. We had expected a statement from the Government at 11 o'clock this morning, as this is the first occasion for many months on which they cannot argue that, although the matter is not sub judice here, it is sub judice in the Australian courts, but there is no announcement on the Annunciator and it is only 15 minutes or so until 11 o'clock. So that we may be prepared, can you, Mr. Deputy Speaker, say whether there has been any request from the Government to make a statement? If not, may we make it clear through you that the House will expect a full statement on Monday before any appeal is lodged in Australia?

Mr. Deputy Speaker (Mr. Harold Walker): I am not aware of any request for a statement. As the right hon. Gentleman knows, such requests normally have to be made before 10 am on a Friday, so it seems that there will not be any statement at 11 o'clock. However, the right hon. Gentleman's request will have been heard and will no doubt be communicated to the Leader of the House and to the Minister responsible.

10.43 am

Mrs. Renée Short (Wolverhampton, North-East): I join hon. Members on both sides in congratulating my hon. Friend the Member for Glasgow, Springburn (Mr. Martin) on giving us the opportunity to debate this important matter which affects ever-increasing numbers of women. Like the hon. Member for Broxbourne (Mrs. Roe), I must declare an interest as a vice president of the Women's National Cancer Control Campaign since its inception. I am also pleased to record that a former colleague, Mrs. Joyce Butler, was the leading light in getting the campaign started.

The eagerly awaited Forrest report has now been published, with proposals for a national breast cancer screening scheme. Everyone accepts that breast cancer is a killer disease, responsible for the deaths of almost 15,000 women per year, and there are about 24,000 new cases every year. Each year, there are 75,000 deaths among women from all forms of cancer—the highest mortality rate in western Europe or north America. Surgery, radiotherapy, chemotherapy and hormone therapy have produced only modest increases in survival rates after treatment, partly because patients present themselves only after a large tumour has developed. One of the messages that must go out clearly is that medical advice should be sought as soon as there is any suspicion of cancer.

The Forrest report summarises tests carried out in America, Sweden and the Netherlands, and concludes that there is

"a convincing case on clinical grounds, for a change in UK policy on the provision of mammographic facilities and the screening of symptom-less women".

[Mrs. Renée Short]

The report states:

"It would not be sensible to introduce mammographic screening on a UK basis without providing the necessary back-up service to assess the abnormalities that would be detected".

The final report said that mammography was effective for mass screening, that priority should be given to the 50 to 64 age group and that screening should be carried out every three years. The report continued:

"These techniques should be carried out by a multi-disciplinary specialist assessment team — an essential pre-requisite of a screening service for breast cancer."

Forrest says that a unit with one mammography machine would need two full-time radiographers, who could carry out basic screening for about 12,000 women per year in the 50 to 64 target age group. Besides radiographers to carry out the basic screening, a high level of expertise in mammography will be needed so that false negatives and false positives which could endanger women's lives can be avoided. That is a major problem in the way in which testing is currently carried out. Radiologists are therefore essential to interpret mammograms and to work with the surgeons who would then have to carry out the surgical procedures. Forrest says:

"An established breast cancer screening programme with 120 basic units (which is what we need) will require 930 whole time equivalent staff, including 40 radiologists and 200 radiographers plus nurses and receptionists."

I hope that the Minister will confirm that those targets will be achieved.

Clearly, there are both manpower and financial implications. There will be considerable financial implications for investment in equipment, buildings and mobile units, amounting to about £18 million, with capital costs of about £31 million at 1985-86 prices. We are thus a long way from achieving the allocation of resources recommended by Forrest. If more frequent screening is required, more staff and equipment will be needed and costs will be proportionately higher. As research and practice improve, other age groups can be screened, but again more trained staff and equipment will be needed. The Secretary of State recently announced his contribution to this urgent programme as £6 million in 1987-88, so we are a long way off the totals recommended by Forrest. Demand for cancer screening will certainly increase among younger women and better training and techniques will save many more lives.

Britain's handling of science policy has been described by the American president of the Institute for Scientific Information as an "anti-science movement". He goes on to say:

"I say shame on you, Mrs. Thatcher, your budget policy is short sighted, it can only lower the cultural and economic standard of living of your nation. And what an ungrateful response it is, both to Britain's noble record of achievement in science and to its current legions of world-class researchers".

It is this lack of support for our scientists and researchers in science, technology and medicine that fuels the brain drain so that, unfortunately, many of our scientists go abroad, often to America, due to the lack of resources available in this country.

The new test for screening cervical cancer has been mentioned. This might be the first time that screening for cancers of the lung, bladder and stomach is a possibility. The test has been devised by doctors at the Whittington hospital. It involves measuring two chemicals in cell samples by liquid chromatography. The test avoids the present rather cumbersome system and results can be achieved at once.

I should like to consider the role that should be played by others who work in this area. A conference of the Royal College of Radiologists was recently told:

"Some existing centres are so bad—they have so many false positives and false negatives—that they positively do harm. We must improve or eliminate these centres or they will threaten the whole screening programme. If word gets around that the tests are inaccurate, women will not take up screening and the cost per patient will rise."

The necessary medical manpower is available if we decide that breast screening is a priority. We are training 32 more radiologists than there are posts available each year. It is not that they are in short supply, but that we do not fund the posts.

The role of general practitioners in persuading patients to accept screening is important. Experience shows that screening for breast cancer is much more likely to be accepted if encouraged by a GP. The response rate has been found to be highest when patients are sent a personal note with a provisional appointment bearing the GP's signature. The signature was found to be a real motivating factor. The Minister should encourage GPs to do that.

A survey by the National Federation of Women's Institutes in conjunction with the Women's National Cancer Control Campaign in England and Wales revealed that 65 per cent. of women had never been told by doctors that they should have a smear test and that 68 per cent of those who had had a first smear test had never had any form of reminder that another test was due. We have a good deal to do to ensure that information is given accurately to women patients, about whom we are most concerned.

Many women are worried that they are not told the results of tests. I hope that the Minister will be able to give us some assurance that she will take up these points with the medical profession.

10.53 am

Mr. Richard Alexander (Newark): I apologise to my hon. Friend the Minister and the House, but I have to leave shortly after I complete my speech as I have a constituency duty early in the afternoon.

It would have been wrong if any hon. Member had used this debate as an opportunity to bash the Government or to make too much political capital out of what the Government have done. We do not want any of that in this constructive and helpful debate. Nevertheless, the figures for cancer deaths are a matter of concern.

If by cash injection, exhortation or just plain education the Government can do anything to reduce cancer deaths, they should do it. We will all die of something. That is an incontrovertible fact. Fortunately, none of us—I hope—yet know what we will die of. Some of us will just die of old age, we hope, and drop off the perch. Others, unfortunately, will die of cancer.

We know that 2,000 women die of cervical cancer each year. The tragedy is that most of those deaths are probably preventable. As the hon. Member for Wolverhampton, North-East (Mrs. Short) said, few women have the test. Most women do not know whether the test is available and, human nature being what it is, most people do not think about it until far too late.

In the Trent region, people have heard that the smear test will be available for anybody who wants it. That is good news but it suggests, I think correctly, that the service is not yet available for anybody who wants it. There must be some system in which everybody in their sexually active years is called regularly for a smear test. It should not be left to the bright and prudent to make their own arrangements.

The harassed mother and the sexually active, working middle-aged woman just as necessarily need that test. They need to have it drawn to their attention in writing that the service exists, where it exists and what they have to do to take advantage of it. That is not done for the majority of women today.

If we are to reduce or even eliminate the 2,000 deaths annually that are due to cervical cancer, the onus must not be put on women to take their courage in both hands, trot down to the hospital, health centre or doctor and ask to have the test. Doctors are busy people, and most women who have children who they take to the doctor know that all too well. They are sometimes afraid of imposing unnecessary burdens on busy practitioners, so they hesitate to have the test.

A lot of women would come in for a test if called and, for a variety of reasons, they would fail to have the test if not called. We are talking of preventive medicine. We are worried about people's eating and smoking habits. We pontificate and campaign about them. I hope that this debate leads to resources being made available to district health authorities throughout the country to ensure that all women of sexually active age are called, and recalled from time to time, for a smear test.

I believe that most doctors would welcome such a scheme. I hope that none—I know of none—would make women feel that they were wasting the doctor's time, but if there are any I hope that they will be discouraged from making women feel that doctors are busy people and have far more important things to do.

That is my main point, but I should like to make another which has been touched on by my hon. Friend the Member for Chislehurst (Mr. Sims)—terminal care. I join my hon. Friend in paying a tribute to the hospice movement. We have a hospice in Nottingham and others are planned. It takes a great deal of the burden of physical and mental care and anxiety from the patient and his or her friends or family. The Health Service cannot do that, but it is something that it should encourage more and more.

Hospices attract—in a voluntary capacity generally—men and women of the highest social commitment. They do positive caring and therapeutic work and cannot receive enough praise for that. I hope that, if I die of cancer, the hospice movement will be ready to help when my needs are most. Hospices deserve all the praise that the House can bestow on them, and I support them.

11.1 am

Dr. Ian Twinn (Edmonton): Hon. Members have spoken constructively in the debate, and I thank the hon. Member for Glasgow, Springburn (Mr. Martin) for introducing it.

We need not go over the facts and figures again, because it has been demonstrated that cancer is an illness that touches almost every family in the land and many of our constituents. I do not want to go over the ground that has already been covered by hon. Members, but I would like to illustrate some of the problems in the treatment and care of cancer patients with regard to the experience of my constituents in Edmonton.

The problem in the North-East Thames regional health authority area is that proposals have been made to reorganise the treatment of cancer patients. A report has been made and we are now in public consultation, both of which I welcome. That shows that a great deal of genuine interest and concern is being shown by the regional health authority that proper care should be taken of cancer patients.

A great deal of concern has been generated through the consultation process among my constituents and those of hon. Members. They believe that the quality of the treatment will be reduced by the proposals of the regional health authority. It is suggested that there should be a reduction in the regional cancer treatment units from the present figure of nine. The objectives of that are laudable—to improve the care of cancer patients, to improve treatment, increase work on prevention, about which other hon. Members have spoken and to help implement the new Government proposals on screening, which are welcome and which go some way to meeting the genuine criticisms of the process thus far.

In practice, I have grave doubts about the way in which the reorganisation would work. I have raised this subject on the Adjournment, and my hon. Friend the Minister has been helpful and constructive in replying to that. I hope that I can now illustrate one or two points that I did not bring out fully on that occasion. My main concern about the proposals is that there will be a cut in the standard of service to my constituents and others in the region. There would be a drop in the quality of life for cancer sufferers. The concept of the quality of life is increasing in value in cancer treatment, and is something to which we are increasingly turning.

I wonder why my region has decided upon its plan. It is not a financial cut—spending will rise because of its plans. However, cancer treatment services will be radically disrupted in the area. We know that it is not because the region has a poor cancer treatment record; it is one of the better regions in terms of survival rates for cancer sufferers. We know that need for cancer treatment is not declining. Cancer is growing, and, with an increasingly older population, cancer may be claiming more of us than it has in the past.

A report has been brought out by my region called "A Better Cancer Service", which makes it clear that one of the main reasons behind the plans of the region is an increased reliance on chemotherapy, the treatment by drugs. The reliance on drugs is not a universally accepted medical fact. There is a great deal of doubt about the value of relying increasingly on drugs for the treatment of cancer. That worry is not purely restricted to radiographers, but comes also from chemotherapists who believe that, as drugs become more powerful and effective, they may become more toxic and more deaths may result from the side effects of that treatment.

The region seems to be relying on the argument that bigger centres are better. There is some force in that, in that surgeons, radiologists and chemotherapists would be grouped together in the same teaching hospital where, in the words of the region, they have the right setting and, "where progress can be made through sharing of knowledge, experience and opinion." That is a genuine point.

[Dr. Ian Twinn]

However, I have reason to think that that probably is more pious hope than reality and that those who thought up the idea have not thought through the consequences. One of the ideas in the plan is that surgeons and chemotherapists should continue their surgeries and meet their patients in the 16 health districts in the region. They will not, therefore, be concentrated in the regional cancer centres, but spend much of their time going to the district general hospitals and other centres. It seems doubtful that the professional togetherness that the regional planners envisage—for the right reasons—is unlikely to happen.

Dr. M. S. Miller: The argument as to whether there should be a few big centres or a larger number of small ones has been going on for a long time. In the United States, in the sector of high technology, some of the bigger firms have found that it is better to have a larger number of small, bright people—I do not mean small in size—who are given the go-ahead with a limited amount of money. Some of those big firms—3M, for example, but I do not want to mention specifically who they are—have found that they get better results in that way, rather than have a bureaucratic structure with large groups, many of which are not doing very much. It is a better idea to spread matters around with a smaller number of people, but much larger in scope.

Dr. Twinn: The hon. Gentleman illustrates that point well from his own experience.

The report that the regions are relying on in coming to the conclusion that there should be fewer and larger centres recognises that small centres can be good and suggests that it is not necessarily a good idea to close smaller centres. Indeed, it recognises that it can be a good idea to build on the smaller centres and not follow through the idea of bigger and larger centres. That is particularly true in the Thames region, which has some great teaching hospitals situated in the centre of London. No one is arguing that those should be reduced and that we should not have specialist centres. The consultant at the North Middlesex hospital recognises that there are cancers which it cannot treat, and it quickly passes patients to the specialist centres. We are talking of a small percentage of cancer patients who cannot be treated at the cancer centres. A centre such as North Middlesex hospital, and other centres in the region that are to be closed, are not small centres. The North Middlesex is a purpose-built centre with good equipment. It was to have had a linear accelerator which was cancelled by the region only because the report came out. The cost of the cancellation was £40,000, which is not recoverable. If the regional authority listens to the widespread opinion throughout the region it will have to reorder that equipment and re-equip the North Middlesex, which has space for expansion.

The Department of Health and Social Security puts some reliance on the figure of 1 million population as the catchment area for cancer centres. In built-up areas, which I assume includes my constituency, the figure is 2 million population. The Government call in aid two documents —a 1978 circular and "Acute Services for Cancer". In my Adjournment debate, my hon. Friend the Minister refers me to those documents and I have read them again to try to discover the Government's justification for the 1 million population criterion.

I was disappointed by the results of my reading. Both documents contained the broad statement that the 1 million figure is correct. There is no justification for that figure and no appendices showing how it was worked out or giving detailed arguments. The regional health authority should pay particular attention to the lack of argument and evidence from the Government for the centralisation of cancer treatment. I look forward to the Minister's reply today or in future if the Government have to take a decision on the matter.

I suspect that the "Big is Beautiful" movement is left over from the 1960s and 1970s when it was fashionable. We could talk about back-up services and the cost of equipment, but technology changes and becomes more efficient and we can use the same technology in the present units, which are not small and are better located for cancer sufferers.

There is a temptation, which I mentioned in my Adjournment debate, to reward teaching hospitals and their staff with bigger and better facilities at the expense of district general hospitals. The fact that those hospitals may be teaching nurses is often patronisingly forgotten by the planners. I have yet to see a convincing argument that resources in the North-East Thames regional health authority are not being concentrated in teaching hospitals for the sake of rewarding them.

The net result of centralisation in my region and, I suspect, throughout the country may be that centres such as the North Middlesex, which are extremely accessible —we are on the major routes out of London and on the major radial routes round London—will be closed and the travelling time of patients will double. At present, patients from as far away as Hertfordshire, Hackney and Haringey can reach the North Middlesex in a short time. In future, they may be asked to come into central London in the rush hour and try to find a parking space. I have news for them. I sometimes have to take my son to Great Ormond street and I know that parking for a long while is virtually impossible. Cancer sufferers will have to rely on their families to drive them into London and to hang around waiting for them. The alternative will be for patients to come to London by ambulance—12 people at a time, being collected early in the morning and returned late at night.

According to the regional health authorities, it would be better still if there were hostels in which cancer patients could stay during the week. But most of the people we are talking about will die, and we need to alleviate their symptoms while they are being treated with radiotherapy. The regional health authorities would ask them, perhaps in the last year of their lives, to spend long periods away from their families and their loved ones. That is in complete contradiction to the thoughtful speeches of hon. Members in this debate and to the thinking of those involved in cancer treatment and care.

I reiterate that we should be very careful before increasing centralisation on big units where patients may be treated more as numbers than as individuals, where they will not see the same staff on each visit and where it will be much more difficult for their families to visit them.

I praise the Government for their recent announcement about screening for breast and cervical cancer. That is welcomed. I am sure that there is still a long way to go and there is a lot more work to be done for cancer patients, but the Government, working hand in hand with the strong voluntary and charitable sector, can make an enormous

contribution to increasing the quality of life for people — no doubt including some hon. Members in the Chamber—who will suffer from cancer.

11.16 am

Mr. Ken Hargreaves (Hyndburn): I, too, congratulate the hon. Member for Glasgow, Springburn (Mr. Martin) on choosing an important subject for the debate. I am doubly grateful to have the chance to take part in the debate. I am grateful to you, Mr. Deputy Speaker, for calling me to speak and I am especially grateful to the dedicated doctors, nurses and staff of the Accrington Victoria hospital and Blackburn royal infirmary, without whose skill and care 12 months ago my only contribution to the debate would have been as a cancer death statistic —one of the 19,000 people who die from cancer of the colon each year.

It comes as a great shock to be told that one has cancer, but the speed of my treatment, from routine X-ray through further tests and admission to hospital to the operation, was a tribute to the efficiency of the National Health Service. It may not be perfect, and we criticise it from time to time, but when emergencies occur it responds quickly and magnificently. Many of my constituents agree with that view.

In cancer cases it is important that investigations and care should be provided without delay, because delays are distressing to patients and their families and, as cancer is a progressive disease, they can be detrimental to the long-term prognosis.

Despite the remarkable progress made in treatment in recent years, the word "cancer" still strikes fear into the hearts of those who are told that they are suffering from it. Most people think of cancer as being synonymous with death.

I was not worried about dying, though I suspect that that was not the attitude of Conservative Central Office, which would have had to defend my majority of 21. Although I was not scared of dying, I am a coward and I was very afraid of the pain that might accompany my death. Therefore, I thank God that the people of east Lancashire, under the inspiring leadership of Dr. Merton Seigleman, had, by fund raising and direct contributions involving the whole community, raised £450,000 to build the East Lancashire hospice. East Lancashire is not an area of great wealth or high wages, but it is an area of great generosity and its people wish to help those in most need.

The regional health authority contributed £150,000 and, perhaps more important, agreed to fund the running costs. Thus, we had established a hospice which has been a blessing to many people. I assure the House that just to know that the hospice is there is a great comfort to many people, as it was to me.

Hundreds of patients have received kindness and care at the hospice. Their pain has been brought under control and many are able to return to their homes and lead normal lives in the knowledge that Dr. Seigleman is on hand if the pain returns. When the end is near they are able to return to the hospice and die with dignity. I pay tribute to Dr. Seigleman and his devoted staff, especially the many voluntary helpers.

In east Lancashire there is a wonderful tradition of self-help. We see a need and we act. We do not wait, nor do we always expect the state to do everything for us. Having established the hospice we are now involved in fund raising for a laser — an appeal sponsored by the *Accrington Observer and Times*. We are also raising funds for a CAT scanner — an appeal sponsored by the *Lancashire Evening Telegraph*. The latter appeal has had widespread support since its launch only six weeks ago. The fund hopes to raise—I know that it will—£500,000.

The appeal has such public support because there is a widening recognition that many of the common cancers, which may be difficult to treat at a later stage, are curable if detected and treated earlier. Public awareness of the importance of early diagnosis and optimal treatment on the outcome of the disease has changed the level of expectation of standard of care. There is an increasing expectation that the highest standard of treatment, including the very latest developments, should be available to all.

The NHS cannot be insulated against economic realities. The development of new techniques and improved standards of treatment clearly put a strain on scarce resources — not simply in terms of competing priorities for cash, but also the availability of suitably trained manpower. I believe that the NHS must work in closer partnership with the voluntary sector if rising expectations are to be fulfilled.

When people of an area have shown some initiative and are prepared to try to help themselves, the NHS should offer its support. The NHS benefits greatly in many ways from voluntary efforts — not least through voluntary fund raising. The Blackburn, Hyndburn and Ribble Valley district health authority has recently unanimously agreed that, to give the voluntary sector the encouragement it deserves, the DHSS should urge the Treasury to make additional funds available to support and supplement local fund raising efforts — preferably on a pound-for-pound basis. It has suggested that, to start with, that support should be restricted to fund raising for DHSS projects and that it should be limited to a maximum support of £2 per person per year based on the district health authority's catchment population. It also believes that it should be restricted to projects that are part of long-term strategic plans.

Such DHSS support would not be at the expense of a commitment to the proper funding of the Health Service; it would be a supplement to such funding, giving a new vital boost to self-help projects. The district health authority estimated that the maximum cost to the Exchequer would be £100 million per year, but the NHS would benefit by £200 million per year. That would enable projects to be funded much sooner than otherwise would be possible with the consequent saving of lives, especially those of cancer patients.

I believe that that scheme has much to commend it. I hope that when the suggestion is discussed by the regional chairman and other district chairmen the Department will give urgent and serious consideration to the proposals.

The people of my area have shown by their efforts their concern for the victims of cancer and their desire that more should be done. Therefore, they welcome—as I do—the Government's recent proposals for cancer screening, which will do much to reduce death from breast cancer as early detection can lead to successful treatment. The Government are to be congratulated on the steps that they have taken to increase and monitor the effectiveness and efficiency of screening. I very much hope that more people will be persuaded to come forward for such screening.

Now that I am fully restored to health it would be remiss of me not to pay tribute to the support I received,

[Mr. Ken Hargreaves]

during a difficult time, from colleagues in all parts of the House, constituents, friends and relations. Everyone was kind and helpful. However, I could have managed without the headline that appeared in my local evening newspaper a few days before my operation which said, "Tories in by-election drama". I am glad that I was able to disappoint them.

11.25 am

Mr. Nigel Spearing (Newham, South): I believe that the whole House echoes the closing remarks of the hon. Member for Hyndburn (Mr. Hargreaves). We are all very pleased when there is an escape from this fearsome type of reaper. We are indebted to my hon. Friend the Member for Glasgow, Springburn (Mr. Martin) for bringing this important motion before the House today. I believe that its terms are especially significant for those who have control of the country's resources — Her Majesty's Government.

The motion highlights the importance of Friday debates. Most of our citzens are not aware of the difference between a private Member's Bill and a private Member's motion. These motions allow matters of great public importance to be aired in what is, after all, the forum of the nation. Even if the clash of cymbals and the trumpets of warfare receive prime attention in the public broadcasting of this place — I believe that that broadcasting does not give anything like a proper impression of the House's activities — motions such as this one, calling Ministers to account and highlighting the concerns of our constituents, are very important.

There can hardly be a family in the land who is not, has not been, or may not be affected by this scourge of our modern life. Understandably there is a degree of reticence, sensitivity and, in some cases, fear in confronting and discussing the disease. For that and many other reasons, if not the extent and degree to which whole communities can be savaged by the disease, we must, as a nation, make its confrontation a matter of public endeavour. It is a matter not just for statutory agencies — important and fundamental though they are — but for professional skill and advice combined with the skill of voluntary agencies.

It is the way that all those factors work together throughout and for all the nation that is important. It is a national matter. Therefore — without using the word "nationalisation" — it is a matter of public concern that must be dealt with at a national level by national public finance. Of course, that immediately puts the spotlight on the structure, funding, and strategy of the NHS. Those factors may be judged on how they bear on this problem. The strategy on preventive medicine and the link with voluntary agencies also has a bearing on the problem.

Cancer care and cure can put its own X-ray on how the NHS and the voluntary agencies are tackling the problem. Such treatment and care brings the problem into focus and, as has been said by many hon. Members this morning, it is a matter not just of quantity but of the quality of care with which the Minister should be concerned. The hon. Member for Edmonton (Dr. Twinn) spoke of his fears concerning the new centres and treating people as numbers. The hon. Member for Broxbourne (Mrs. Roe) discussed breast cancer and pointed to the fundamental psychological importance of dealing with that particular complaint. It is a matter not just of pounds and pence, but of how they are deployed and the provision of personal caring services.

Anyone can see how all this affects our constituencies. I make no apology for referring to Newham, the second most deprived borough in Britain, according to the quantitative criteria. Cervical cancer smears have been a matter of controversy for some time. My hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) has raised this as a public issue. There has been some response, but things have not gone smoothly in my constituency. The district health authority wished to improve its cervical smear services, but found that funds were not available to do so. There was correspondence, and disagreement, between me and the chairman of the North-East Thames regional health authority. I do not blame him for everything, because there are only limited resources at his disposal. But the funds that we wanted to improve cervical smear services were not available this year. We hope that they will be available in the forthcoming year.

There was misunderstanding and an eruption of letters and publicity in the national and local press, which would not have been necessary if the issue had been sorted out. I suggest to the Government that relatively small sums spent in this area would have prevented the problems that have arisen and will prevent the problems that may arise. The money is needed to improve the callback facilities now on computer in most cases.

This is not a dead issue, but I do not believe that the priorities are being properly addressed everywhere in the country. Even if the system becomes as perfect as we can make it, it depends to some extent on people being registered with general practitioners. It is estimated that up to 30 per cent. of the population in my part of London are not registered with a general practitioner. In those cases, however perfect the system, the recall facility will not operate. Such a system is particularly important for young people who tend to move often, and especially for young women it is a growing problem.

The Forrest report's proposals for breast cancer screening have been given the headlines. I understand that the Royal College of Nursing and its breast care nursing forum have had a part to play in the spotlight which has now been directed to the problem. I understand also that the incidence of breast cancer is much greater than that of cervical cancer — up to 10 times greater. We need to know the figures.

Dr. M. S. Miller: It is 20 times greater.

Mr. Spearing: I understand that it is perhaps 20 times greater. The Forrest report's timeliness is highlighted by what to some is an astonishing figure. Another astonishing figure is the cost of the report — £7·40. I understand that limited copies have been made available to district health authorities. This is just an example of our problems. I do not know the extent of distribution, but I believe that the report deserves wide circulation among district health authorities. I wonder how many copies have been sold at £7·40 a throw. The report and the implications of the Government's announcement last week have to be digested.

I asked the Secretary of State for Social Services

"what additional funds he expects to be allocated to the Newham district health authority in respect of his programme for cancer screening."

I shall read the reply by the Under-Secretary of State for Health and Social Security — the hon. Member for Derbyshire, South (Mrs. Currie)—because it applies to more than 600 constituencies and all the district health authorities. The hon. Lady said:

"Funds will be provided for a national breast cancer screening service to be established in England over the next three years on the basis of centres each serving a population of approximately half a million. It is for regional health authorities to decide in which districts the centres should be located and how the special allocations provided to establish them should be deployed. In 1987-88 each region will receive an allocation of about one third of a million pounds to cover the capital and revenue costs of establishing its first centre. Similar provision will be made for the remaining centres in the following two years." — [*Official Report*, 6 March 1987; Vol. 111, c. *723*.]

That means that my district health authority, which covers three constituencies, will have to battle with 10 or 12 other districts within the North-East Thames regional health authority if we are to set up what I understand from professional advice will be one pilot centre in one district health authority.

The Parliamentary Under-Secretary for Health and Social Security (Mrs. Edwina Currie): We are implementing the Forrest report exactly as we were recommended to do. Within the next 12 months there will be one regional centre in each region. The Forrest report recommended that the best way for the screening centres to function from that time onwards was to have one centre to every two districts, and that is what we propose to do. Therefore, it is probably not quite accurate to say that the district health authority where the hon. Gentleman's constituency is situated would compete with 10, 12 or 14 other districts. Within the three years, as we get the full system, the hon. Gentleman's constituents will share the centre with another district. The centre may well be situated in Newham, or it may be elsewhere, but that specific decision will be taken by the regional health authority.

Mr. Spearing: I am grateful to the hon. Lady. That again illustrates the usefulness of these Friday morning debates when we can obtain information on a leisured and accurate basis. I understand from what the hon. Lady has said that one district will not be favoured with a centre to deal with a population of 500,000, but that the centre will be set up by the region and will serve potentially all the population of the region. The hon. Lady nods her assent. But that will cause all sorts of problems. In the North-East Thames regional health authority, the centre, for geographical reasons, will clearly be somewhere in north-east London. Will it be in Romford, in Waltham Forest or in Newham? What is to be the system of referral? The potential demand would appear to be 10 times the provision, if the figure given by the hon. Member for Southwark and Bermondsey (Mr. Hughes) is correct. We shall get one centre serving a wide area, but 10 years of funding will be required to give a comprehensive service.

Although we welcome this initiative — something being better than nothing—it is clear that the demand in the first year by general practitioners is likely to be almost 10 times the supply of the service, even given the centres that the Minister will provide. If that is correct — no doubt the hon. Lady will correct me if I am wrong—the Government's initiative must be put into perspective. I foresee problems of choice and of administration.

As the hon. Member for Broxbourne said—I am glad to see her in her place again — breast cancer is a particularly difficult matter for the patient. I understand that the morbidity rate of those patients who are involved in treatment is up to 40 per cent. This brings me back to the issue of cancer counselling. The problem is just as much psychological as medical.

Mrs. Roe *indicated assent.*

Mr. Spearing: I am glad to see that the hon. Lady agrees.

In the borough of Newham there is an excellent organisation which deserves to be better known, Cancer: You Are Not Alone—CYANA. It provides a meeting place and forum. It is a co-operative group, mainly of ladies who give support to each other, and it is an excellent arrangement. It is funded by the local authority out of its well-used rate support grant. I hope that it is not affected by recent developments. It is that sort of voluntary effort, funded slightly and given the seedcorn of public money, that we all applaud wholeheartedly. It is perhaps one of the best examples of a proper partnership between statutory and voluntary authorities.

I move from organisations such as CYANA to the hospice movement, which has been mentioned by many hon. Members. We should be grateful for it, but the mere fact that it is a movement that has arisen from voluntary effort illustrates the fact that there must have been a gap in our professional and more customary statutory services in the first place. As the hon. Member for Southwark and Bermondsey said, we are all dying in one sense or another anyway, and dealing with that is a high proportion of the medical profession's task. We all know from our own experience that hospitals are there to cure, but sometimes the care of those who are beyond cure needs attention. It is in that area that the hospice movement started and where it has been so valuable.

In east London, St. Joseph's hospice is well known, and the Macmillan services do excellent and praiseworthy work in homes, which is important. I understand from those involved that, contrary to some public impression, hospices are not only for those who are terminally ill. The condition of many of those who suffer from cancer can be stabilised. Stabilisation can be for a long period, perhaps after two or three short return visits to the hospice. So the hospice movement is for those not just nearing the autumn of life, but for those who may be given life again. That is why that movement and the home care services that the associated nursing staff give are so important.

We all know that the alleviation of pain and the amount of tranquillity that can be achieved by those suffering from cancer are important. That has been referred to several times by hon. Members. The tranquillity and philosophy that some people display are an example to us all. However, the services of those who go out from hospices, treat the patients and counsel their families are fundamental in the hospice movement. I understand that there are some difficulties. A hospice's beds cannot always be used. In some hospices, a proportion of beds are empty. Why is that? It is partly because the necessary voluntary funds may not be available, but there is an additional constraint. If someone leaves the hospice—many do for nursing care at home — domiciliary support nursing is necessary. In some cases it is provided by the district health authority with the help of public funds. However, where those funds are not available, or where there is an imbalance between beds and nursing facilities, those beds cannot be used.

[Mr. Spearing]

Therefore, I ask the Minister to undertake to look at the problem. I do not think that she will give an undertaking immediately, but I think that she can undertake to look at the problem. I should have thought that it is right and proper for the NHS to say that where hospice beds can be funded by voluntary sources, the NHS, through the district health authority, will provide the necessary domiciliary skilled Macmillan-type back-up to enable those beds to be fully used. It would be a scandal, voluntary agencies having established hospices, for those beds not to be used because there was insufficient public backing to make them usable. I hope that if that problem exists it will be rapidly eliminated.

We have heard much recently about the strategy of regional health authorities in respect of cancer treatment and detection. Nowadays funds are often devoted to spectacular medical cures. We must look at the balance between the funds established and maintained for those purposes and those of cancer detection, stabilisation and cure, because, as has been said time and again, that disease is one of the major killers.

Recently a horrific disease has received an enormous amount of publicity, but we must remember that the majority of people suffer even more through the disease of cancer. What of them? We must make sure that we get things in balance, otherwise we, as public representatives or people involved in the medical profession, will be found not to be doing our duty.

What about preventive medicine? It is one of those things to which people pay lip service, but they do not necessarily take a great deal of action. There is a welcome movement of well women clinics. A great deal of our discussion today has been about cancer in women. What about well men clinics or well person clinics? We in the House are privileged because at three or four-year intervals check-ups are available to us. Why are they not available to the whole population, if necessary? Surely we in the House should not rest until such comparable facilities are available easily for every person who wishes to use them.

What about the role of general practitioners? Do we pay sufficient attention to the epidemiological techniques of finding out causes not just of cancer but of environmentally linked diseases? What about the role of the medical officer of health? I do not believe that he exists now. Many years ago I remember hearing anecdotes from an elderly doctor who was a medical officer of health. He said that the best tools of a medical officer of health were a sharp pair of eyes and a sniffing nose. We have community physicians. They are also concerned with the scourge of cancer. But do we give them the proper prominence in our district health authorities and community health councils? Those are relevant questions.

What about the role of family practitioner committees? Are they only committees operating the contractor relationship between medical practitioners and the community? We in east London have problems of coverage, with the hours that general practitioners' surgeries are open and the number of visits that they can make. On today's Order Paper, as the Minister will know, there is a modest Bill arising from deficiencies in that respect. Do we say to our family practitioner committees, "You have a role in the detection, prevention and cure of cancer through the general practitioner services."?

We have all heard of colleagues who have suddenly become ill, gone to their general practitioner and found that the disease is well advanced. What role can general practitioners play in preventing or producing preventive measures to stop that happening? It is possible that not only hon. Members but the entire nation have inverted priorities about such matters. This debate, initiated by my hon. Friend the Member for Springburn, has enabled those issues to be aired in the place where such matters should be aired.

The treatment and care of cancer patients is the responsibility of the entire nation. It is the responsibility of us all to ensure that we encourage the whole person. The nation, through public, voluntary and private means as well as family sacrifice, should encourage those who are less fortunate than hon. Members in the Chamber today.

11.49 am

Dr. M. S. Miller (East Kilbride): I am spurred to make a small contribution to the debate by the quality and the scope of the speeches that I have heard. My hon. Friend the Member for Newham, South (Mr. Spearing) referred to the medical surveillance scheme that applies to Members of Parliament at the moment. I am grateful to my right hon. Friend the Member for Blaenau Gwent (Mr. Foot) whose House of Commons (Services) Committee accepted the arguments that were put forward by the hon. Member for Reading, East (Sir G. Vaughan) and myself after two years work, and instituted the medical surveillance scheme, which is working extremely well. Such a scheme could be considered for every section of the community and population. Indeed, it is being implemented in some places.

My hon. Friend the Member for Glasgow, Springburn (Mr. Martin) has done a service in terms of the scope and priorities that he envisages in his motion, which sets out clearly the way in which a civilised community should think about the disease of cancer.

The horror and terrifying power of the disease have been triggered in my mind. In science and medicine, one can encounter horrific injuries and diseases of various kinds, where people are badly affected, but the body mechanism helps the patient. Often natural help, without invasive help from the medical profession, can bring that person to perfect health again. However, in the case of cancer, it is incredible that a little spot or blemish on one's skin—often the size of a pin head, if not smaller—can develop into a condition that kills the whole human organism. The mind boggles at the ability of the disease.

When I was a medical student, progress was just beginning to be made into antibiotics against infectious diseases. When we learned about Dr. Paul Ehrlich's magic bullet, we thought that infectious disease could be controlled by vaccination, inoculation, or the giving of antibiotics or bacteriostatics. Bacteriostatic and bacteriocidal medicaments have been given different names at different times. That area of research not only showed promise, but lived up to that promise. There are few infectious diseases now that are not preventable or curable. However, cancer does not fall into that category.

As a medical student, I felt that the cure or prevention of heart disease and cancer were the two problems that remained to be conquered. Unfortunately, in the last few years, we have seen another one, which bears a strong relationship to cancer. The way in which the AIDS virus,

HIV, works is similar to what happens to the human cell in cancer. That is why there is considerable evidence that some cancers and leukaemias are viral in their origins.

Although the state of medicine and science at the moment in relation to curing the disease is not static—it is making slow progress—at least one can say that there is a much greater understanding of what causes cancer. As it primarily affects the older members of the population and as people are enabled to live longer, we expect the incidence of cancer to increase. Indeed, with the better methods of diagnosis in the past 25 years one would also expect an increase in the number of cancers. Fortunately, advances towards cures have been made in science and nursing. It is difficult to speak of "cures" because the disease may appear to be cured, but can recur or break out anew many years later.

The Forrest report is excellent in the limited but extremely important matter of mammary cancer. Incidentally, that can also affect men and, perhaps, men as well as women should be screened. I have seen one such case in my lifetime; the incidence is not great.

Mrs. Currie: I can confirm that breast cancer is not confined to women. I understand that about 100 men a year die from breast cancer, but that pales into insignificance beside the 15,000 deaths a year of women. At present, our plans are directed wholly towards women which I hope the hon. Gentleman will accept.

Dr. Miller: I accept that entirely and have no objection to it. It is one of those little matters that sparks in one's mind as we are now in an era of equality of the sexes. The point is well made and I take it.

My hon. Friend the Member for Springburn has done a great service bringing his motion before the House and I wish to say a few words about prevention. Cancer is common and accounts for almost a quarter of all deaths. That figure is fairly constant in most parts of the world, certainly in developed countries. There is a variation from 22 per cent. to 25 per cent. As the disease is difficult to cure, it is incumbent on us to prevent it where possible. I cannot make a big enough plea for people to forget the propaganda that cigarette smoking has not been proved to be the cause of lung cancer. It depends on what is meant by proof. Sometimes it is not easy to juxtapose cause and effect and to reach a conclusion.

Evidence has been accumulating for a long time. The Doll report was published in 1956—that is 31 years ago —and I stopped smoking then. After about 10 years, many doctors had stopped smoking and the incidence of lung cancer among them fell. It falls after a period in every group which smokes less. That cannot be coincidental. Since cigarette smoking is responsible for many conditions in addition to lung cancer, that should be a strong incentive for people to stop smoking.

I do not favour a complete ban on cigarette smoking, if for no other reason than that it would be impossible to effect. However, I am certainly in favour of a complete ban on smoking in all public places where others can be affected. There has undoubtedly been an increase in the incidence of cancer through passive smoking and inhaling smoke. I invite colleagues on both sides of the House to do everything in their power to ensure that all efforts are made to reduce the areas where smoking is permitted and to hammer home that message.

It is, as it ought to be, the norm not to smoke. Two thirds of the population do not smoke. About 25 or 30 years ago 75 per cent. of the population did smoke and, therefore, the message is having a great effect. We should not be lulled into any false sense of security by those who say that the relationship between smoking and cancer has not been proved.

I again commend the efforts of my hon. Friend the Member for Springburn and other hon. Members who have contributed to the debate. As my hon. Friend the Member for Newham, South (Mr. Spearing) said, there is something different about Friday debates. I suppose it has been going on for years—one forgets that it happened in the past — but certainly in recent years Friday's debates have been excellent, not only in the subjects discussed but the contributions made by hon. Members and, not infrequently, the responses from the appropriate Ministers.

I ask the Minister who is to reply to pay particular attention to the terms of the motion and to the points of view that have been expressed by hon. Members. I should say to the hon. Member for Hyndburn (Mr. Hargreaves) that I, too, feel a sense of elation when someone escapes the evil of cancer. I am sure, from the type of condition he had, that he will live a full life without any great problems resulting from his operation. I wish him all the best in the future.

12.1 pm

Mr. Frank Dobson (Holborn and St. Pancras): I should like to congratulate my hon. Friend the Member for Glasgow, Springburn (Mr. Martin) on his good fortune in winning the raffle and our good fortune in him choosing topics relating to cancer as the subject for debate. There have been many interesting contributions, including those from Opposition Members, but I hope that they will not take it amiss if I say that the most touching contribution was made by the hon. Member for Hyndburn (Mr. Hargreaves) who drew on his own experience. It was moving to hear the hon. Gentleman describe and pay tribute to those who helped save his life. I felt that he showed admirable levity in the matter which I am sure I could not have displayed had I undergone the same experience.

What he did and said should be taken as an example to show that there are many cancers which, if caught in time, can be treated, and that people can lead entirely full and happy lives thereafter. That is one of the most important lessons that can be drawn from the debate. Despite, at one level, many people understanding that that is the case, at another level there are large numbers of people who feel that the mention of the word cancer is a death sentence and give up. Giving up is no way to survive. I am not suggesting that one can overcome some types of cancer by sheer willpower, but without it it is difficult to benefit from the medical and surgical help available.

Cancer, as we know, is a major individual cause of deaths in Britain. There are questions that must be asked. Are we doing all we can to carry out useful and productive research into finding out what causes it and what can be done to prevent it and treat it? Are we taking measures to prevent cancers? Are we taking measures to treat cancers and are we taking the necessary steps and providing sufficient resources in a proper form to help those who are trying to deal with that suffering?

With regard to prevention, it is a plain fact that the major preventive action that could be taken in this country is a really substantial effort to stop people from smoking.

[Mr. Frank Dobson]

There was publicity this week about a National No Smoking Day or whatever it was called. However, our effort in relation to the problem is quite trivial. We are just playing with the matter until we do something about the advertising and promotion of cigarettes. By doing something, I mean doing something nasty about the advertising and promotion of cigarettes.

Smoking kills 100,000 of our people a year. Not all of them, by any means, die of cancer. Nevertheless, smoking kills 100,000 people a year. It follows as night follows day that the cigarette industry must recruit another 100,000 smokers to make up for those it has killed. That is a plain fact and the industry sets about its task in a skilful way. It knows, for instance, as we all know, that very few people take up smoking for the first time after the age of 20. Consequently, the bulk of advertising and promotional activity by the cigarette industry is directed at young people and, because young women, at least until recently, had smoked considerably less than young men, that activity has been directed particularly at young women.

The cigarette industry is pretty successful at drumming up people to buy its deathly product. I do not believe that any amount of sincere efforts by some Ministers in the Department of Health and Social Security to get people to stop smoking is likely to have the necessary effects to bring about the required reduction.

There is now a class bias in smoking in the sense that the relatively well off and well informed have tended to give up smoking while those who are less well off and less well informed have tended not to give it up. In health education, there has always been what I have previously described as the "too much of the Habitat and not enough of the Tesco" approach. We have been quite good at getting the message across to people who, roughly speaking, are pretty well informed in the first place. However, we have been pretty lousy at getting it over to those who are not well informed to begin with.

The best way to get the message across is the Labour party policy. I am glad that this policy has been adopted as it involves prohibiting by statute all forms of advertising and promotion of tobacco products. That, and only that, will bring about a substantial reduction in the capacity of the cigarette industry to recruit more people to kill. We must stop that recruitment.

Screening women for the signs of the early stages of cervical cancer has been called prevention, although I do not believe that it is really prevention. Perhaps I should refer briefly to attempting to prevent cervical cancer. There seems to be considerable evidence now that cervical cancer in women is caused by small genital warts in men. Therefore, if the Government's campaign to get people to wear condoms as a method of contraception is successful, that may have the side effect of reducing the incidence of cervical cancer. There is some evidence that barrier forms of contraception will reduce cervical cancer. Further studies should be carried out to verify the evidence that has been brought forward to date about the causes of cervical cancer so that we can set about preventing it rather than just having the early warning system in the screening process to treat the early signs of cervical cancer.

In 1981, the Government's committee on gynaecological cytology advised them to introduce computer-based call and recall cervical cancer screening schemes in every district health authority in England and Wales and every health board in Scotland. The Government did not do very well on that, because when they allegedly passed on the committee's advice to the health authorities they missed out the vital aspect, which was that they should introduce a call system as well as a recall system. It was not until 1985 that the Government got round to advising health authorities that call was a vital aspect of the committee's recommendations.

In a parliamentary answer to me on 6 November 1986 — I always attach great weight to the accuracy of parliamentary answers — the Government claimed that this time last year 33 of the 191 health authorities in England were operating cervical cancer call and recall schemes. The answer went on to say that, of the 158 health authorities that had not implemented such schemes as at 31 March 1986, 76 planned to do so by the end of this month.

In pursuit of truth and justice, I asked my secretary and someone else who works for me to telephone those 76 health authorities. The parliamentary answer of 6 November was confirmed as recently as February by the Secretary of State in his statement on cervical and breast cancer screening and AIDS research. I do not accuse him or anyone else of lying, because that would be out of order and, in any case, it may not have been his fault. However, I accuse him of not checking the accuracy of what he asserted. Up to this morning, my staff had managed to contact 56 of the health authorities and discovered that no fewer than 42 do not yet operate call and recall schemes in their areas.

Darlington expects to have such a scheme by April this year; East Cumbria by July; Gateshead by September; Tyneside by April; South West Durham probably later this year — whatever that may mean — and Dewbury in April. Leeds, Western might do it by 1988-89. Northallerton hoped to have a partial recall scheme, but no call scheme, in operation by the end of 1987. Scunthorpe said that it hopes to have a system by the autumn of 1987. Wakefield says June this year. Leicestershire said that such a system was imminent, which is bureaucratese for mañana. Nottingham says within the next few weeks, while Norwich and West Norfolk hope to have the system by July this year. East Surrey, Kingston and Esher, Mid-Surrey, North-West Surrey, South-West Surrey and West Surrey and North-East Hampshire say that the hardware has just been installed and that they hope to have a system in operation by March 1988.

Bath says that one third of its area which is covered by one family practitioner committee has coverage, and it hopes that the other two thirds will be covered "fairly soon" and "a bit later" — whatever that may mean. Southampton says that it will have a scheme by June or July. Aylesbury Vale says that it hopes to have a scheme working by September 1987. Kettering says July or August. Milton Keynes says September. Northampton says that the first patients might be called in September. Wycombe says that its scheme will not come on stream until it has had time to evaluate the results from Aylesbury Vale. The House will recall that Aylesbury Vale says that its system will be in operation by September this year. Bromsgrove says it hopes to do it by April.

The great city of Birmingham with five health districts says that it hopes to have one pilot scheme — not a proper scheme — in operation and that the other four are still at the planning stage. North Warwickshire says that it expects to start calling patients, but not before June.

Herefordshire says it will be in operation there at the end of 1987. Five health authorities in Cheshire—Chester, Crewe, Halton, Macclesfield and Warrington—that had promised to have it in operation by the end of this month say that it will now be April. Tameside says that the first patients will be called in September or October, Bury says August, and so it goes on.

I expect that the people on my staff will by now have just about completed getting in touch with the other 20 out of the 76, but on the strength of what they have found so far they will not find that many of the health authorities which we were promised would have schemes in operation in this financial year will have them in operation. That is most disturbing but, I am sorry to say, it is typical of the Government's treatment of this issue. Ever since 1981 when they received the advice from the committee on gynaecological cytology, their response to the report and to the proper implementation of these vital schemes has been slipshod, to say the least. That is a disgrace. We know that women will die as a result of this slipshod attitude by the Government.

Perhaps in slightly less offensive tones it appears that *The Lancet* shares our view, because talking about the Government's proposed initiative on breast cancer screening the issue of 7 March says:

"'standards must not be sacrificed to expediency. The UK has a poor record in the organisation and management of its cervical cancer screening programme and the same mistakes must not be made again'."

It does not amount to making mistakes, because the Government have not been making much of anything and certainly not making progress. We need further progress if women are to be saved from cervical cancer. One of the problems is that, although the Government have rather late in the day issued instructions to health authorities, they have never given them earmarked funds with which to do the job. Health authorities in London that I know have been faced with the choice of introducing a cervical cancer screening system or continuing to fund cardiac surgery for the last month of the financial year. I cannot blame those authorities if they choose to come down on the side of keeping cardiac surgery going. I blame the people who are not providing them with the funds, especially funds that are earmarked for these purposes.

Dr. M. S. Miller: The figures that my hon. Friend has quoted are disturbing. It is important that the suggestions made by my hon. Friend should be taken up. In my native city of Glasgow when I was a councillor about 1956-57, the health committee instituted a massive radiography campaign. Glasgow had about four hospitals devoted entirely to the treatment of tuberculosis, but within 12 months we were able to close them all. We detected every case of tuberculosis and treated patients with the modern drugs available at the time, and were able to wipe the disease from the face of Glasgow.

Mr. Dobson: I accept what my hon. Friend says. If the right amount of effort is put into screening and it is properly carried out, it works to great effect.

One aspect that bothers me is that the Secretary of State in his February statement about breast cancer screening said that he was ensuring that a close watch was kept on progress with cervical screening because the Government wanted to increase the takeup. If the Department has not sufficient grip on the situation to know whether anything or nothing is being done, its chances of discovering the takeup rate in the minority of health authorities which have introduced screening must be very small. Staff from my office rang around to discover the takeup rates. The lowest rate given was 40 per cent. in Manchester, where the authority had at least kept tabs on how many women responded. That figure is nothing like good enough. We must put far more effort into achieving a greater response. In parts of Scandinavia the response rate is 90 per cent. or more. Until we can achieve that level in this country, the situation will remain unsatisfactory. Even more disturbing than the figure for Manchester was the fact that most authorities with schemes in operation could not even give the response rate because the system did not make it possible. Clearly, insufficient attention is being paid to the aims of the scheme.

The Government promised to publish the Forrest report in December, but they did not get around to it until February. Their response, as far as it goes, has been welcomed by most people but, given the rag-bag situation in relation to cervical cancer six years after the equivalent report was published, every woman in this country and every man who cares about women's health must look with a jaundiced eye at the Government's promises about breast cancer screening.

I do not usually seek to disagree with the recommendations of an expert committee, but I have doubts about some of the Forrest recommendations. For instance, it is proposed that breast cancer screening should be confined to women between the ages of 50 and 65. I understand the reason for that. It is because there is a high incidence of breast cancer among women in that age group and technically it is relatively easier to use mammography to find lumps which may be cancerous, so there is a good pay-off in relation to the effort involved. Many people, however, want the age limit brought down as soon as technically and humanly possible so that women of 35 and 40 can also be screened.

There is one recommendation with which I disagree completely. It relates to the screening of women over the age of 65. Of all the 10-year age groups, women in the first decade above 65 have the second highest incidence of cancer and are extremely vulnerable to breast cancer. The explanation for the Forrest report recommendation that nothing should be done for those women is not that it is technically difficult to find the lumps and carry out the necessary diagnosis, but that women over 65 do not come forward very much for screening. I do not know how anybody knows whether they come forward very much because there is scarcely anywhere where they have had an opportunity to come forward. More and more people, especially women, are living longer, and most women of between 65 and 75 regard themselves as perfectly normal and entitled to any treatment that is going for younger age groups. I think that they are right.

The other explanation put forward by the Forrest report is that women between the ages of 65 and 75 may die of something else. So they may, but the object is to so stop them dying of breast cancer. The Government should reconsider the upper limit recommended by Forrest and ask why on earth there is a cut-off point when, perhaps with a lot of effort, we could save about as many lives in that age group as among those aged between 50 and 65.

Implementing the Forrest report properly will require a considerable and consistent commitment by Government during the next few years, but it is not just a matter of buying a few X-ray machines, although

[Mr. Dobson]

practically every part of the country will need new machines designed and earmarked to screen symptomless women. Moreover, practically every part of the country will need new or newly adapted buildings because, by and large, symptomless women should not be screened in the same units as women who have been referred for mammography by a doctor who thinks that there is something wrong with them. For many reasons the service should not be provided in part of the ordinary X-ray unit.

Staff are even more important than machines and buildings. It is a disappointment that the Government received the interim report on Christmas eve 1986 and that nothing has yet been done to identify the staff who must be recruited, trained and put in place if we are to have a proper breast screening system. Although Forrest's final recommendations were not known then, they were fairly predictable, and the Department should have done far more, in consultation with the professions and the health authorities, to get on with the work in anticipation of the report's likely recommendations. Not much has been done on that score, even on what might be described as the technical side.

There is another aspect of the Government's response to the Forrest report which does not have the emphasis right. As the hon. Member for Broxbourne (Mrs. Roe) rightly said, women's breasts are precious to them, and there are all sorts of psychological problems and fears about having anything done to them. Neither Forrest nor the Government's response give sufficient attention to the need to recruit and train nurses throughout the country to give proper psychological advice to the 50 out of 1,000 women who show some signs that they require further attention after being screened and the three to six out of those 50 who may require an operation. Those 50 women will suffer massive psychological problems until they can be assured that they do not need treatment, and even more massive psychological problems will be suffered by the limited number of women who will need treatment. The Forrest report does not give sufficient weight to deploying staff to give that psychological help and counselling, nor to giving women the necessary information and confidence to have a bit of a say in how they will be treated. Everybody agrees that that is a welcome and useful development.

I said that I did not like criticising official technical reports, but the organisation that Forrest has proposed is probably the most dubious aspect of the report. The history of the cervical cancer screening system shows how immensely difficult it is even when each health authority is under an obligation. If we are now saying, roughly speaking, that there will be one local breast cancer screening unit for every two health authorities, the potential for argument, dispute, local petty jealousies and delay is immense. There will be arguments about where the unit should be located, who will provide the back-up, and such matters. It makes me cringe to think of the potential delays. We all know of the degree of rivalry between various hospitals, between people who have been to different medical schools and between consultants who have not spoken to one another for 20 years. There is a danger that local jealousies and so on will delay and foul up even the regions' decisions as to where the major regional centres will be. I ask the Minister to consider—not necessarily in reply to the debate, because considered responses are better than ones made on-the-hoof as an immediate response to something that someone has said—whether the Ministry needs to lay down from the centre who will have operational responsibility for each scheme. The only way in which it can do that is to earmark the funds for each of those schemes on the first instance, and not ask two, three or four health authorities to have a barney about who will do the job and an even bigger barney about who will find the money to do it. There is a great potential for delay in that.

Mr. Spearing: I touched on this issue in relation to the North-East Thames regional health authority. Is my hon. Friend suggesting—in an army analogy—that, although a regional health authority might be attached to a district for pay and rations, it should be responsible for strategy, funding, operations and regional priorities?

Mr. Dobson: Not quite. Often, the existence of the regional tier is used as an excuse for irresponsibility by Ministers and district health authorities. If my hon. Friend asks Newham health authority why they are not doing something, it will say, "The region has not given us the money." If my hon. Friend then complains to a Minister that Newham does not have the money, the Minister will say, "That is an autonomous decision of the North-East Thames region." In this case, if we attach as much importance as we should to the proper, effective and swift introduction of a breast screening system, then we should not have any confused responsibilities. Either Ministers or the local health authorities take the hammer. No intermediary should be hanging around, confusing matters.

There are in England almost the same number of family practitioner committees as the number of units recommended by the Forrest report. As those committees will be the basis of the call and recall system, because they should possess age-sex registers and the necessary computers, perhaps the Minister and her officials could consider—I do not ask for an instant response—whether it would be sensible to base the local centres on family practitioner committees. That would get round the problem of arguments between districts.

I emphasise that we cannot expect women to suffer the delays in breast cancer screening that they have faced in cervical cancer screening. I do not wish to be controversial, but I cannot agree with the endorsement of the hon. Member for Broxbourne of the role of the private sector. It is crucial to ensure that all women are covered, and the only organisation that covers all women is the NHS. In addition, the private sector does not appear to have the necessary capacity to follow up some of its work. BUPA's medical research outfit—if we can call it that—said:

"We have attempted to follow up the 86 women who were found to have abnormal smears at the BUPA Medical Centre in London in 1982 but despite letters and telephone calls have been able to trace only 54".

Only 63 per cent. had been traced. If the private sector does not have the age-sex registers, the computing capacity or the localised base of family practitioner committees, it will always be in that position. I fear that a number of women will go to the private sector, in the absence of a proper NHS scheme in their locality, and will get lost to the system. We need a proper, comprehensive screening system rather than a lot of bits and pieces.

The hon. Member for Edmonton (Dr. Twinn) spoke about the organisation of the treatment of cancer. The North-East Thames regional health authority, which serves one quarter of London and south-east England, carried out a review of its major cancer treatment centres. Many doubts were expressed about that review and the report produced by Coopers and Lybrand was a disgrace to the management consultancy profession. It was denounced not just by me, but by several Conservative Members, not because they disliked its conclusions, but because it was slipshod and inaccurate.

A few weeks after the report was issued, the regional authority was forced to issue two and a half or three and a half pages of corrections—not of typing errors, but of facts. Some centres that were said to have linear accelerators or simulators did not have them, and centres that were reported as not having such equipment did have it. The regional health authority paid £80,000 for that load of rubbish. I am glad that it ignored almost all the recommendations and set up a little working party of its own, which produced better-founded, if not more acceptable, conclusions.

The original report, referring to the incidence of cancer in the region, produced figures that differed from those of the Office of Population Censuses and Surveys, which is normally an accurate source of information. It even predicted a lower work load for the new centres than that currently carried out by the existing centres. It appeared to suggest that, in some way or other, the review would crack cancer in North-East Thames region. It also produced alternative travel times from various places to various centres. I believe that those estimates were denounced by the hon. Member for Hornchurch (Mr. Squire) as plain wrong. I will go no further. Suffice to say that people were extremely dubious about the report.

I feel somewhat responsible for what happened next. As some of the centres for North-East Thames are located in London, I did not believe that it would be a sound thing for North-East Thames to review its major provision without considering what would happen in the other three Thames regions — North-West Thames, South-West Thames and South-East Thames. I asked Ministers whether they would consider urging the four health authorities to get together or whether they might hold the ring, intervene and require an overall review. Ministers refused to do so, but the regional health authorities, after a fashion, did it themselves. The only disturbing feature was that the authorities employed Coopers and Lybrand to advise them. North-West Thames region stated:

"Coopers and Lybrand are conducting the four reviews, building on the methodology developed for their review of services in North East Thames, and maintaining continuity in the membership and expertise of the Review Team they have engaged to undertake the detailed review."

I believe that that is the smallest commendation that can be made for the review team. Having made one shambles, it was invited to produce possibly three other shambles for the other three Thames regions. However, we all learn from our mistakes—I make as many as anyone and I try to learn from them—and perhaps Coopers and Lybrand will attempt to learn from its mistakes. Perhaps it has.

I am disturbed because South-West Thames region told me that it had commissioned Coopers and Lybrand, which for the purposes of the review for South-West Thames, is assuming that the plans already prepared in North-East and South-East Thames regions will be implemented. That is absurd. The object must be a thorough-going, proper review of provision throughout the four regions rather than to assume that the ones that have got off first will stick by their proposed plans, especially as the proposals in North-East Thames have been changed a number of times. Those proposals have gradually improved, but not enough.

My other objection to such a process of review is that all such reviews have pre-supposed that no more resources are available for major cancer treatment centres in any of the regions. I do not believe that that is the proper approach. The four Thames regions should have got together to set up a small unit consisting of members from each region. That unit should have produced a review of the provisions it believed would be necessary. The regions should have then asked for the money that they believed was necessary. They should not have supposed, "We will not have enough in the first place, so let's bodge around and see what we can do to get near to a scheme which will do as good a job as possible with the money that is available".

That is the wrong approach. It is certainly the wrong approach at a time when the Government are contemplating giving as much as a 4p in the pound tax cut next week. If there is enough money to contemplate taking twopence off income tax, surely to God we have enough money to allow the British health authorities to decide what they believe will be needed to treat cancer properly and find the money for them to do so.

The Opposition support the call for more effort to be put into cancer research. The shortage of funds—I shall not call them "cuts" in case it causes offence—within certain health authorities where practical clinical cancer research is being carried out is having an impact on that research. To provide additional nursing to carry out the various bits of clinical experimentation to deal with cancer research at St. Bartholomew's hospital, the health authority provided additional nurses on top of the money that the Imperial Cancer Research Fund provided. The authority has said that it can no longer afford to provide the additional nurses. It will continue to fund the ordinary level of nursing, but the extra level of nursing provided in the Kenton children's ward at Bart's will have to be met by the ICRF. As well as directly funding the research, the ICRF is expected to fund part of the nursing. That is characteristic of what is happening all over the country. There must be continued research efforts. We need to do more to prevent cancer and to screen people. We clearly need to do more and to do better in terms of cancer treatment so that everyone can be properly treated by people who have the necessary resources and necessary capacity to care. I am delighted to see that that care was deployed to such good effect on the hon. Member for Hyndburn. I hope that that will be an example to everyone.

A number of hon. Members, including my hon. Friend the Member for Newham, South (Mr. Spearing), have mentioned the hospice movement, which developed in the voluntary sector and has set an example. Although my hon. Friend rightly said that people who are not terminal cases sometimes stay in hospices and benefit from that stay, a curious fact emerges. People looking at the system without knowing what has happened might think that it is wrong to establish a place where one basically goes to die and feel that it is an artificial and possibly unpleasant

[Mr. Dobson]

place to go. But it is clear that if a place sets out to provide the atmosphere, care and concern that characterises the hospice movement, it succeeds better in helping people to cope with dying and in helping their relatives to cope with death than does a general hospital, where other activities are occurring all the time and which, even with the best will in the world by the staff, are not geared for the sympathy, kindness and cajoling that goes on in a hospice.

We welcome the development of the hospice movement. We should like it to be extended. It is right and proper that the Health Service should take on its share of providing hospice care, particularly when a number of small hospitals here and there are no longer needed for acute treatment or for treatment that has gone out of fashion or is no longer needed. The NHS should take up the baton — but not take it out of the hands of the voluntary movement—and provide hospices.

I am grateful to my hon. Friend the Member for Springburn for choosing this subject for debate. Not every debate is of particular benefit to the people of this country, but I hope that at least some will draw some benefit from the products of this one.

12.49 pm

Mr. David Amess (Basildon): I apologise to both Front Benches for my late arrival to the debate. I gave prior notice that I would be late. I launched a mobile surgery in my constituency this morning, but, as it was Friday the 13th, I was not helped when a tyre on my car burst as I was going through Whitechapel about an hour ago.

I commend the hon. Member for Glasgow, Springburn (Mr. Martin) on choosing this subject for debate. I wish that it were not necessary, but there is no doubt that cancer is well known to all hon. Members. We have all known someone who has had cancer, and we all have friends and relatives who have been affected by the disease.

Unfortunately, I did not hear the speech by my hon. Friend the Member for Hyndburn (Mr. Hargreaves), but I well remember the personal trauma that he experienced when he was told that he had cancer. I went to see him in hospital, and I join him in congratulating all the staff and people who looked after him at Accrington Victoria hospital. There is no doubt that he owes his life to that hospital, with the excellent care that was provided.

The subject that I wish to bring to the attention of the House is on two fronts. It is all about the care and treatment of cancer patients. I wish to bring to the House's attention a document produced by the North-East Thames regional health authority, entitled "A Better Cancer Service". The hon. Member for Holborn and St. Pancras (Mr. Dobson) commented on it. I wish to bring that document to the attention of the House because it has caused grave disquiet throughout south-east Essex. In the introduction we are told:

"Cancer occurs when cells in tissues and organs of the body get out of control. They divide and multiply and form tumours. The smallest tumour detectable by the most advanced diagnostic equipment might have as many as one thousand million cells.

Surgery or radiotherapy, or the two combined, will often halt the spread of a tumour—the first by removal of the affected area, the second by the destruction of the cancer cells with high-voltage x-rays. Nevertheless, some of the cancer cells may already have invaded other parts of the body."

The introduction concludes:

"Advances in surgical techniques and radiotherapy will continue, but the best long-term hopes of beating cancer may well rest in developing drugs which can get at cancer cells that surgery and radiotherapy cannot reach—drugs which will kill the cells or change their behaviour."

The document goes on to outline the authority's proposals for improving cancer care services.

The Government have adopted a most serious and responsible attitude to the treatment of cancer patients. I am delighted with the amount of money that they have committed to the long-term task of trying to find a permanent cure for that horrific disease. In the interim, we must concentrate on how best to treat it. For the people of south-east Essex, the best way to treat cancer patients in our area is to leave alone the excellent facility that we already have at Southend hospital.

I realise that my hon. Friend the Parliamentary Under-Secretary has already answered an Adjournment debate on that subject. The constituents of seven right hon. and hon. Members are served by that facility. I refer to my right hon. Friends the Members for Castle Point (Sir B. Braine) and for Southend, West (Mr. Channon), my hon. Friends the Members for Southend, East (Mr. Taylor) and for Billericay (Mr. Proctor), the hon. Member for Thurrock (Dr. McDonald) and, last but not least, my hon. Friend the Member for Rochford (Dr. Clark).

In Basildon, more than half of the people who are diagnosed as suffering from cancer receive treatment from Southend hospital, which provides an excellent facility. Frankly, we were horrified by the proposals put forward by the North-East Thames regional health authority to take that excellent facility away from Southend and move it to Harold Wood. The report in page 11, appendix 3, states that the longer travelling times would cause grave anxiety to patients treated with radiotherapy. We all understand that the longer radiotherapy treatment continues, one often begins to feel sick. Longer travelling times cause great trauma, not only for the patients but for their friends and relatives. The travel time to Harold Wood would be far greater than that to Southend for most of the residents of south-east Essex. Southend has more travel arteries leading directly to it and also facilitates easier transit, whereas, from most places in Essex, one has to change trains in Southend to reach Harold Wood.

I emphasise to my hon. Friend the Parliamentary Under-Secretary that, when the matter goes before the Secretary of State, the proposal has nothing to do with resources or cuts. In fact, it will cost an extra £4·5 million. That is why we cannot understand it. The facility that is suggested at Harold Wood will be very expensive. The ancillary services of Southend hospital are quite removed from Harold Wood and the co-ordination of those services would present personal expense as well as difficulty.

My hon. Friend the Parliamentary Under-Secretary of State knows only too well that our local newspaper, the *Evening Echo*, has been most responsible in launching a powerful and effective campaign to mobilise the people of south-east Essex in support of that excellent hospital. Only last week, we arrived at Westminster in an open-air double decker bus. We went round Parliament square four or five times before arriving at No. 10 Downing street. A petition, signed by more than 100,000 people, was presented there by six cancer patients, all of whom are currently receiving radiotherapy treatment at Southend. We are all determined that that excellent service should be retained at Southend.

I know, from what my hon. Friend said in a Adjournment debate, that she is not in a position to comment in detail until the decision goes before her right hon. Friend. However, this is a gentle signal to say that our resolve is as firm as it could possibly be. We have an excellent service that has the confidence of all the people of south-east Essex. Under no circumstances do we want it removed to Harold Wood for the extra expenditure of £4·5 million.

The final point that I should like to make relates to the role of hospices upon which the hon. Member for Holborn and St. Pancras touched. I am delighted that we have a hospice movement in my constituency. About two years ago, the Cox family, together with some friends, local doctors and nurses, decided to build a hospice in Basildon. The development corporation — now the new town commission — was most co-operative in more or less giving them a converted farm house. In just two years we have raised £280,000. We have not asked and are not asking the Government for a penny. We raised that £280,000 through voluntary work. Until then, we did not have a charity in Basildon. Through the St. Luke's hospice movement in my constituency the entire town and district have rallied round in fund-raising activities to raise that huge amount of money. The large thermometer outside the hospice shows that we are only halfway there. I need help from my hon. Friend the Minister, and particularly from Treasury Ministers, with whom I have raised the matter.

In last year's Budget the Government took a specific line to encourage businesses to make donations to charity. I understand and support the argument for it. We would like the Treasury to waive VAT payments on the added expenditure involved in the conversion of the farm house. That would save us £140,000, which is a considerable sum. Therefore, I ask my hon. Friend to raise that matter with a Treasury Minister.

The plan is for St. Luke's hospice to have an eight-bed facility for patients. Statistics from similar institutions give the approximate stay of each patient as being about three weeks, in which case St. Luke's will be able to treat 140 in-patients a year. However, the hospice will not stop there. It has plans for a day-care facility for those who are well enough to remain at home but would like or need to spend an occasional day in a nice environment. It would also be a place of rest for patients after threatment but before the journey home. It wants to operate a home-care team who will visit the homes of patients who are well enough to remain at home, but not to travel. Patients will certainly not be well enough to travel if the facility is removed from Southend to Harold Wood.

The hospice will provide services to relieve families of the full responsibility of care for patients by helping to care for the patients. The day-care facility and the home-care team will be operated by St. Luke's to relieve pressures on families, and at the same time it will relieve pressures on overcrowded facilities in hospitals and in the hospice. The hospice beds will relieve the families and facilities of extremely ill patients, so that others may be treated in hospitals and families will not have to suffer the trauma of caring for dying relatives.

I am grateful for the opportunity provided by the hon. Member for Springburn to raise those two matters. I look to my hon. Friend the Minister to urge her right hon. Friend the Secretary of State not to remove the excellent facility from Southend to Harold Wood and to encourage the Treasury team to help us with our VAT payments for St. Luke's hospice.

1.2 pm

The Parliamentary Under-Secretary of State for Health and Social Security (Mrs. Edwina Currie): I join other hon. Members on both sides of the House in congratulating the hon. Member for Glasgow, Springburn (Mr. Martin) on his wisdom in drawing this subject to our attention and giving us an opportunity for this debate. This is certainly the first debate that we have had on cancer in this Parliament. I am not sure when we last had a debate on the subject, but I suspect it was many years ago. We may have had odd debates on individual cancers in the past. Therefore, we should all feel extremely grateful to the hon. Gentleman.

My hon. Friend the Member for Edinburgh, South (Mr. Ancram) would wish to be associated with those remarks and, as hon. Members will have noticed, he was present on the Front Bench at the beginning of the debate. I understand that, challenged by an Edinburgh newspaper on Tuesday night, he immediately gave up smoking. That may account for the fact that he found it a little difficult, suffering as I suspect he was from some of the cold turkey symptoms, to stay in the debate for the whole day. I am sure that we wish him well and hope that he will be successful. As his parents live in my constituency I take a particular maternal interest in his welfare and hope that he will be successful.

Some 12 hon. Members have spoken in the debate and covered many different aspects. If I miss anything in my responses I hope that hon. Members will forgive me, and I shall undertake to read *Hansard* in detail and write to them on any individual cases.

We have come a long way on cancer. Cancer is no longer the taboo word it was 40 years ago when Lord Beaverbrook forbade its appearance in his newspapers because he thought that people did not want to read about it at breakfast. Perhaps at that time he was right.

The moving words offered to us today by my hon. Friend the Member for Hyndburn (Mr. Hargreaves) about his own treatment and recovery from cancer have done a great deal to move us on from Lord Beaverbrook's attitude. People should talk about cancer and say, "I have suffered from cancer, I have got rid of it and here I am, fit and well and working again." That is one of the best ways in which we can encourage people to come forward for screening and treatment programmes and it is also one of the best ways of advising people about prevention. I honour my hon. Friend for what he said. I have checked up, and the type of cancer from which he was suffering has a good survival rate. We look forward to his retiring when he chooses to do so at some point long in the distant future.

We also heard from my hon. Friend the Member for Broxbourne (Mrs. Roe) and the hon. Member for Wolverhampton, North-East (Mrs. Short) about the Women's National Cancer Control Campaign. As they may know, I had lunch with people from that organisation just before Christmas at the Cafe Royal, which I enjoyed very much. I hope to meet them again in May when I plan to visit one of their mobile clinics, I hope in Soho square. I would welcome an opportunity to discuss the campaign in more detail with the organisation, perhaps in my office,

[Mrs. Edwina Currie]

to find out what it is developing at the moment. I shall ensure that the two hon. Ladies are advised of the meeting and, if they wish, perhaps they might attend.

We fund the WNCCC to the tune of some £68,000 per year and the grant for next year is currently under consideration. We also fund the excellent organisation, Women's Health Concern, to the tune of £7,000 and we are involved in helping a number of other organisations such as the Mastectomy Association, which gets £6,000, Cancer Link which also receives £6,000 and the Anthony Nolan Trust which received £11,000 this year. We are closely in touch with the Imperial Cancer Research Fund and Cancer Research Campaign which have funds of their own of about £20 million each. Of course, we are in touch with the Marie Curie Memorial Foundation which I shall mention later. As I understand it, that has nearly £10 million. We are talking about good links with those voluntary organisations and quite large sums of money.

The hon. Member for Southwark and Bermondsey (Mr. Hughes) mentioned the British Association of Cancer United Patients. He may not know that among the 20,000 inquiries it received since it was set up was one from myself as a Back-Bencher asking whether there was anything I could do to help and registering my personal interest. The Department has received its request for a grant and I have asked officials to give it sympathetic consideration. We hope to make announcements shortly on a number of grants for various organisations that have been mentioned for the year starting in April, along with all the other requests that we get.

This is an opportunity to pay tribute to all the volunteers and fund raisers in the area of cancer whether it is cancer research, prevention, treatment, care, advice for families or whatever. The volunteers do things that we cannot do in the National Health Service and perhaps, particularly in the hospice, Macmillan and Marie Curie movements, they do things in ways that we can admire and learn from. Particular reference has been made to hospices, and I know that at St Christopher's hospice, on which there was a recent Adjournment debate, there are 200 paid staff matched almost man and woman for man by 200 volunteers. We could not run the Health Service in that way. That is an excellent recognition of the desire of ordinary people to put something back into health care and I believe we all welcome the voluntary effort and would not wish to see it wither or disappear.

I should like to join my hon. Friend the Member for Broxbourne in recognising the work of the private sector, which has done so much to promote screening and understanding among those people able to take advantage of it. Of course, we work closely with it.

I want to refer to individual points raised by hon. Members. My hon. Friend the Member for Edmonton (Dr. Twinn) and my hon. Friend the Member for Basildon (Mr. Amess) questioned the proposals that are soon to come to us for the re-organisation of cancer services in the south west and the inner London regions. I take issue with the comments of my hon. Friend the Member for Edmonton about the cut in the standard of services to constituents. As I understand it, the idea is to improve the service to constituents, not to cut it. Both my hon. Friends drew attention to the fact that the proposals would cost more money, not less. Therefore in no way is there a cut.

The proposals are based on scientific advice from committees which date back 10 years which suggest that the larger centres have better survival rates ultimately than smaller centres. We set up the committees so that they could provide advice—in the same way as we gained advice from the Forrest committee. It behoves us to do what we can to take that advice. However, that does not absolve us from the responsibility—especially as time goes on and some of the research is now 10 years old—of carefully examining the papers to ensure that they are not out of date through changes in prices of equipment or staff rotas so that the procedures may be modified.

I intend to ask my officials to gather in the information and evidence that lies behind those decisions. I shall examine that and attempt to get an up-to-date scientific view. I do not know whether we shall change anything. However, we ought to take that information into account. I shall ask my officials to advise how far stress and problems with travelling play a role in the treatment of patients. We must be aware that with cancer, as with many other diseases, stress can be an exacerbating factor. That is hard to measure, but we are not absolved of responsibility to assess that. I will consider that matter.

The hon. Member for Newham, South (Mr. Spearing) raised particular questions about the way in which the breast cancer screening service might work for Newham. I shall take that point up later. I agree with the hon. Member for Holborn and St. Pancras (Mr. Dobson) that we do not get enough "Tesco". That is why we have recommended that Miss Carey Dennis, the daughter of Sir Jack Cohen the founder of Tesco, should be a member of the new Health Education Authority. Miss Dennis is in charge of product development and consumer control and the way in which products are presented to the consumer in Tesco. She has been responsible, among other things, for the much improved labelling of Tesco products and the removal from many of Tesco's products of unnecessary additives. That is remarkable. I am delighted that she has accepted our invitation to serve on the new Health Education Authority. I hope that the hon. Member for Holborn and St. Pancras will not start to accuse us of having too much "Tesco" and not enough "Habitat". In my view we need both.

With regard to voluntary organisations and hospices I want to go deeper into the relationship between the National Health Service, the DHSS, local health authorities and the voluntary movement. Questions were raised at Question Time on Tuesday about terminal care and the circular that was issued last week. The hon. Member for Southwark and Bermondsey mentioned that point. Obviously at Question Time we do not have time to go into those issues in great detail. However, I want to read into the record paragraphs 4 and 5 and paraphrase paragraph 6 of the circular as that should answer some of the points that have been raised by hon. Members. The section is called:

"Collaboration with the voluntary sector."

It states:

"Health authorities should take particular account of the contribution that is being or can be made by local and national voluntary groups. Wherever possible these should be involved in the planning of services in order to make the most effective use of all the resources available. Where a voluntary group provides a service that represents an essential element in a health authority's overall plans for terminal care, the health authority should agree with them a contribution to the costs of that service."

That is what we told health authorities last week. We mean that and we want them to report back to us on how they propose to do that.

Paragraph 6 sets out in detail some of the ways in which authorities might want to help. For example, section 23 of the National Health Service Act 1977 gives health authorities powers to assist voluntary bodies by making available to them land, buildings, vehicles, medical supplies and special equipment. There is guidance to health authorities on the making of grants to voluntary bodies under section 64 of the Health Service and Public Health Act 1968, and joint finance is available. That is apart from any other arrangements that they may wish to make. I hope that that answers some of the points that were made.

Mr. Simon Hughes: There must be a partnership, and the circular sets out well the parameters, between local health authorities and the voluntary sector, and the Minister has accepted that there must also be a Government contribution. But knowing the figures in relation to the voluntary organisations in that sector that are grant-funded, I believe that there is scope for a substantial overall increase. The present amounts are so small that it would be a significant contribution, not just in cash terms but in a recognition by the Government of the importance of care and treatment, if in the decisions that are about to be made that partnership is backed with a bit more hard cash than we have seen so far.

Mrs. Currie: Perhaps it is safest to say that the hon. Gentleman's views are noted. We have acquired an extra £1 billion for the year starting in April, much of which has been distributed to the regional health authorities and, eventually, to the family practitioner services. As a former district health authority chairman, I am reluctant to see more done from the centre when we should be telling local health authorities, as we have done in this circular, "You must work with the voluntary organisations in planning and development and if you ask them to do some of it, you must pay."

Mr. Spearing: Although I do not expect the Minister to give a full undertaking, will she at least give an undertaking to consider the point I made about voluntary agencies providing the beds in hospices and Government assistance in the provision of the domiciliary, associated nursing services?

Mrs. Currie: I shall come to some of the more detailed points a little later. I am glad to have the opportunity to do so.

It is highly appropriate to discuss cancer this week, following the announcement in December last year by the Prime Minister, on behalf of the EEC Heads of Government, that 1989 will be European Information on Cancer Year, and that between now and then the EEC Commission is proposing a plan of action as part of the Europe against cancer initiative. That will cover prevention, public information, health education and research, and it will be considered in detail by EC Health Ministers in May. This has also been the week in which we have had no smoking day, with all the razzmatazz that that has involved, so it is apposite to end the week with this debate.

The first question that I have asked is how much we spend overall. I am advised that it is impossible to quantify NHS resources involved in the treatment of cancer, primarily because cancer patients are distributed throughout the main medical specialties. The only service that is wholly devoted to cancer treatment is radiotherapy. However, the information that is available suggests that cancer makes a considerable demand on the Health Service and that the demand is increasing. The development of expensive diagnostic and treatment techniques, some of which we heard about today and which are mentioned in the motion, will contribute to the demand on resources. We are well aware of the points that were made by hon. Members.

There are 200 or more different conditions called cancer which affect more than 1 million people in the community at any one time. In 1981, it caused 23 per cent. of all deaths in the United Kingdom. It is a strongly age-related phenomenon, with about 60 per cent. of all cancers affecting the over-65 age group, although it occurs in all age groups. But the number of cases of cancer which present for treatment is increasing, at least partly as a reflection of the ageing population. The hon. Member for Holborn and St. Pancras mentioned the number of women in older age groups who die from breast cancer. Survival rates seem to have changed little overall, although reports that we have received point to significant improvements in certain cancers. I shall mention those in detail in a minute. It is worth putting on record what we know and what the Department accepts about deaths from cancer and about potential or possible or agreed causes, because we do not have many opportunities to put such things on the record. That will make sure that at least before we go on to talk about treatment, we shall know what is happening and, perhaps will know about the forces for prevention in future.

The biggest killer in Britain is heart disease—heart and arterial diseases and strokes. That is the largest single group, and in England and Wales in 1985 about 287,000 deaths were caused by diseases of the circulatory system. Therefore, that remains our major target and among other things we will have in April a look-after-your-heart campaign which, we hope, will draw people's attention to that fact.

Cancer is the second biggest killer in Britain. In 1985 more than 150,000 people in the United Kingdom died from cancer. The biggest single group, more than one quarter—40,000—had lung cancer. I shall read into the record one or two of the other cancer figures from the 1985 report of the United Kingdom Office of Population, Censuses and Surveys. Total deaths from cancer were 160,000. Of these, 40,000 were from lung cancer; 20,000 from large bowel cancer; 15,000 from breast cancer; 11,000 from stomach cancer; and 10,000 from lymphomas and leukaemias. The other cancers accounted for fewer than 7,500 deaths each. Those are the main cancers to which we are paying attention.

There is a difference between the figures for men and women. The major cancer that kills men is lung cancer, of which there are nearly 30,000 cases a year. After that, we are talking about large bowel cancers, prostate and so on. In women, the main killers are breast cancer, which causes 15,000 deaths a year, and lung cancer which results in more than 11,000 deaths a year. However, deaths of women from lung cancer are rising and one of the most worrying things that has arrived recently on my desk is the information that deaths from lung cancer in women have

[Mrs. Currie]

gone up by 20 per cent. since 1979. That is completely against the trend for lung cancers as a whole, where there seems to have been some slight drop since 1979.

That 20 per cent. rise is extremely worrying and it troubles me when I visit universities and colleges and someone has a go at us about cervical cancer while she is smoking a cigarette. Deaths of women from lung cancer are five to six times more likely, more common, than deaths from cervical cancer. On the other hand, the major cancer killer among women is breast cancer. Both of those are killers of women before their time — premature deaths.

I should also like to place on record the trends in cancer survival in Great Britain. These are details of cases registered between 1960 and 1974 and it looks as if the death rates have not changed very much in these cases. The relative survival rate at five years for all lung cancer cases in England and Wales, the average for males and females, is only 7 per cent. Worldwide there are now more than 1 million cases of lung cancer a year, and most patients die within two years.

The prognosis for lung cancer victims is very poor and has barely improved. I am advised that only about 25 per cent. of all lung cancer cases are operable, and that the survival rate of those which are operable is not good. Therefore, it follows that for that cancer perhaps more than for any other, prevention is almost the only cure. To seek cures for lung cancer against figures of that sort is going about it in the wrong way.

The survival rates for cancer of the oesophagus, which I shall come to in a moment, and for cancer of the stomach are about the same. The survival rates for many other cancers are much better. For example, the survival rate for cancer of the uterus, which was mentioned by the hon. Member for Springburn is generally very good and seems to be improving. I am delighted to say that I have checked on the survival rate for the illness of my hon. Friend the Member for Hyndburn and find that it is generally very good and improving dramatically all the time. My hon. Friend is here to prove that statement.

What is causing those cancers? I am not a doctor, so I looked up the books and I should like to quote from "The Causes of Cancer" by Richard Doll and Richard Peto, the standard work on the subject which was published in Britain and in America in 1981. The authors say:

"No single measure is known that would have as great an impact on the number of deaths attributable to cancer as a reduction in the use of tobacco . . . The principal impact would be on the incidence of cancer of the lung which by late middle age is more than 10 times greater in regular cigarette smokers than in lifelong non-smokers . . . By contrast, the difference in incidence between smokers and non-smokers is less marked for cancers of the bladder, pancreas and kidney than for cancers of the respiratory and upper digestive tracts, but the accumulating evidence suggests that an average consumption of cigarettes approximately doubles the incidence of cancer of the bladder and probably also of the pancreas while being associated with a more moderate increase in kidney cancer".

A material effect would also be produced on the incidence of cancers of the mouth, the pharynx, the larynx, the oesophagus and other organs.

"That smoking should affect bladder cancer and perhaps kidney cancer is not surprising since tobacco smoke contains a wide range of mutagenic and other chemicals, some of which are absorbed from the lungs into the bloodstream, circulate through distant organs and are found at particularly increased concentration in the urine of smokers."

In other words, the carcinogens go right through the system.

The same reference work compares the number of deaths observed in a sample of male cigarette smokers with the number that would have been expected if the rate of death had been the same as that for age-matched non-smokers. The figures come from the United States, but there is no evidence to suggest that the figures would be any different in north Europe. To put it colloquially, it shows how many times higher the chances of cancer are for smokers. For cancer of the lung, the risk is 11·3 times higher. For cancer of the mouth, pharynx, larynx or oesophagus it is seven times higher. For cancer of the bladder, it is 2·2 times higher, and roughly the same for cancer of the pancreas. It is also higher for cancer of the kidney. Indeed, for all other cancers there is a 30 per cent. increase in the observed risk. For causes other than cancer, deaths from respiratory disease are 4·3 times higher for smokers and there is an increase for just about all the other diseases.

The authors of that work go on to consider one or two other possible causes. The second is alcohol. They say:

"It is convenient to consider alcohol next, not because it is the second most important cause but because it 'interacts' with smoking, each agent enhancing the other's effects . . . Both in Western Europe and in North America, the carcinogenic effect of even quite substantial consumption of alcohol is small in non-smokers . . . In smokers, on the other hand, consumption of the same amount of alcohol would have a large absolute effect as it seems to multiply the carcinogenic effect of tobacco smoke on the mouth, the pharynx, larynx and oesophagus, although it has no such effect on the lung. . . Pure alcohol is not by itself carcinogenic . . . but most of the cancer deaths now caused by alcohol could have been avoided by the absence of smoking even if alcohol consumption remained unchanged."

They then go on to look at diet. I make no comment at all about this, although I am entertained and interested by what they say. They state:

"Diet is a chronic source of both frustration and excitement to epidemiologists. For many years, there has been strong but indirect evidence that most of the cancers that are currently common could be made less so by suitable modifications of national dietary practices. This is even more plausible now than it was 10 years ago"—

the book was published in 1981—

"but there is still no precise and reliable evidence as to exactly what dietary changes would be of major importance. The chief need is, therefore, for continued and more intensive research."

On the other hand, they go on to say:

"The importance of gross aspects of nutrition were suggested 40 years ago by Tannenbaum's experiments on mice, which showed that restricting the intake of food without modifying the proportion of the individual constituents could halve the incidence of spontaneous tumours of the breast and lung and of a variety of cancers produced experimentally by known carcinogens. The underfed mice grew to one half the size of those fully fed but they were active and sleek, appearing perfectly healthy and they lived on average longer than the others . . . Tannenbaum's experiments made little impact on cancer research . . . (More interest might have been aroused, however, if the freely fed mice had been described as obese instead of the mice on the restricted diet being described as small!)"

Dr. M. S. Miller: We are all interested in that, but may I suggest that what the Minister has just said is very confusing? The public want to know facts, not

Tannenbaum's experiments. It would be much better if we stuck to what is certain — the relationship between cigarette smoking and lung cancer and other conditions.

Mrs. Currie: The hon. Gentleman is absolutely right. I am putting those findings on record simply because there may well be more than one cause. Professor Doll's Stevens lecture to the Royal Society of Medicine on 23 June 1986 says:

"Scientists should take care to distinguish the advice they give that is based on incontrovertible evidence (such as the harmful effects of tobacco, alcohol and asbestos) from that which is based on their assessment of the most likely interpretation of the evidence such as the benefit from increasing the consumption of dietary fibre, vegetables and fruit."

He says elsewhere that many of the recommendations that are being made for dietary changes are for other reasons, but make enjoyable choices and should be encouraged. The hon. Member for East Kilbride (Dr. Miller) was right. The single most important cause of cancer is smoking. I am very glad therefore that my right hon. Friend the Secretary of State for Social Services has issued today the statement by the independent scientific committee on smoking and health on passive smoking. I shall read some of it into the record.

The committee was set up in 1973. It is intended to advise Ministers and the industry on what might be done and what might be needed to be done about the effects of smoking. It is chaired by Sir Peter Frogatt of the university of Belfast. The note that it has sent to us says:

"In its third report to the Secretaries of State in January 1983, the independent scientific committee on smoking and health noted reports of the irritant effects of tobacco smoke on eyes, nose and throat, the exacerbation of symptoms in some adults already suffering from coronary and other arterial diseases and chronic non-specific respiratory disease and the increase in the incidence of respiratory diseases in children exposed to tobacco smoke in the home. The four main studies investigating passive smoking in relation to cancer were reviewed and the committee considered that a causal association had not been unequivocally demonstrated. Since them, additional studies have confirmed the association between passive smoking and the exacerbation of respiratory and cardiovascular symptoms while other studies have examined the possible association between passive smoking and lung cancer, some reporting 'positive' and some 'negative' results. While none of the studies of passive smoking and lung cancer can on its own be accepted as unequivocal, the findings overall are consistent with there being a small increase in risk of lung cancer from exposure to environmental tobacco smoke, possibly between 10 and 30 per cent. This opinion regarding an increased risk is supported by other types of evidence."

The remainder of the statement is available in a parliamentary answer which has been issued today. The more colloquial way in which to put that is to say that perhaps 200 to 300 additional cases of lung cancer per year are caused by people breathing in other people's cigarette smoke. That is a matter for some concern.

We are issuing the statement. We expect to receive the final report at the end of this year and we will then consider, in the light of responses to the statement as much as anything else, what action may or may not be required.

Mr. Simon Hughes: Does the Minister accept that the DHSS, which is responsible for the nation's health, cannot have two masters — the tobacco industry and good health? Therefore, it must come down on the side of God rather Mammon—good health. Has the hon. Lady, or her departmental team, spoken strongly to her two sets of colleagues — the Treasury and the Department of the Environment — and told them that they cannot encourage tobacco from one part of the Government while discouraging it from the other? We must have a clear, new direction.

Mrs. Currie: Is that not the value of this debate? The British people are moving fast on some of these issues; sometimes they are moving faster than Ministers, sometimes slower. However, a lot of research into the effects of passive smoking is still under way and the Committee is continuing to review the evidence.

We have seen some progress. The percentage of people who smoke in this country has dropped sharply from more than 52 per cent. of the population in 1972 to 36 per cent. in 1984, and I am sure that it has dropped since then. The percentage of women who smoke has dropped from 42 per cent. in 1972 to 32 per cent. in 1984. People are giving up smoking at the rate of about 3 per cent. per year, which means that we are giving up smoking faster than any other country in Europe. The number of cigarettes smoked has dropped from 137,000 million in 1973-74 to 98,000 million in 1984. The average tar content of cigarettes has dropped from 20 mg to 14·4 mg. As a result, as we mentioned earlier, deaths from lung cancer are just beginning to slide; we are beginning to see the tide turn. Unfortunately, that is just among men. The numbers of deaths of females from lung cancer is rising. Smoking is increasing among the young, and more female teenagers smoke than male. That is a horrible legacy for the future.

We have many successes to report. Leukaemia is an example. Not long ago, that disease was, invariably, incurable, but bone marrow transplants offer a prospect of treatment. Hon. Members will know that we have given a commitment that bone marrow transplant will be a service development priority for all English regional health authorities. In October 1986, the Secretary of State set a new target of 550 such operations by 1990. We can look forward to that improvement.

Mr. Dobson: Does the hon. Lady think that one of the more bizarre aspects of the relationship between the Government and the tobacco industry was that the Scottish Development Agency gave a £1 million grant to help an American tobacco company set up the Skoal Bandit manufacturing plant to produce little tea bags of tobacco, which were so dangerous that on the day that it first started selling its product in this country the chief medical officer of the DHSS issued a warning to all doctors that these things were likely to cause cancer of the mouth? Is it not a little bizarre that one arm of the Government was giving that company £1 million, yet the other arm was telling people that this project could kill them?

Mrs. Currie: Sometimes, we all must be wary of our friends. I recall that when the Southern Derbyshire health authority, which covers my constituency and five others, recently attempted to implement a no smoking policy in its NHS premises, NUPE objected most strongly. I am sure that the hon. Gentleman will take that message back to where it came from.

I hope that Scottish Members will not mind if I leave some of the Scottish issues in view of the time that we have taken, but I shall ensure that my hon. Friend the Under-Secretary of State for Scotland has an opportunity to respond.

[Mrs. Currie]

I shall now turn to screening, which has been raised in some detail. There are some misconceptions about screening, such as that we should screen all of the people all of the time. That would serve no real purpose. The principles of screening were clearly set out in 1968 by Wilson and Jungner for the World Health Organisation. They are sound and worth recognising.

There are 10 principles. First, the condition should pose an important health problem; secondly, the natural history of the disease should be well understood; thirdly, there should be a recognisable early stage, which there is not for lung cancer; fourthly, treatment of the disease at an early stage should be of more benefit than treatment starting at a later stage, which applies strongly to breast cancer screening; fifthly, there should be a suitable test; sixthly, the test should be acceptable to the population —that is perhaps one of the difficulties that we have run into with certain sections of the population over cervical cancer screening; seventhly, there should be adequate facilities for diagnosis and treatment; eighthly, for diseases of insidious onset, screening should be repeated at intervals; ninthly, the chance of physical or psychological harm to those screened should be less than the chance of benefit, which is why I question screening everybody for AIDS; tenthly, the cost of a screening programme should be balanced against the benefit that it provides.

There is a clear distinction between screening symptomless people, which is what our screening programmes are for, and treating people who have symptoms, who do not come into the screening programme and should be strongly encouraged to seek help and advice. If a woman has a lump in her breast she should not wait for the Newham system to be set up, but should come in and seek help now. If a woman is having trouble with infections of the cervix, she should not wait for a piece of paper carrying the signature of a doctor or anyone else, but should come in and seek advice and assistance. People with problems should not wait; they should come in at once for assessment, diagnosis and treatment.

On the other hand, we have to advise and encourage people without symptoms and problems to feel that they are part of the screening service. They should not feel that simply because they are fit and well it does not apply to them. They are just the people whom we are trying to reach.

Mention has been made of the ages of the women whom we want to screen as part of the breast cancer programme. Time and again we have been asked why we will not screen younger women. I am 40 and if I thought that there was any benefit in screening women of my age, by golly we would be doing it. At least, I hope that I could convince my colleagues that we ought to do it.

I read the Forrest report with great care. Opposition Members have been waving the report at me and I hope that, as well as having acquired copies, they have read it, particularly chapter 5 which sets out advice based on the latest scientific evidence. It says:

"The most important risk factor for breast cancer is age . . . the incidence and mortality rates increase with age so that for women aged 50-54 incidence is over seven times and mortality is over 12 times that of women aged 30-34."

The report goes on:

"Screening policy should ideally be based not merely on the age groups most likely to develop breast cancer, but on those in whom early detection can improve the prognosis. All of the studies that have so far examined the effect of screening on deaths from breast cancer have clearly shown its value for women aged 50 or over but at younger ages its effectiveness is less and is uncertain."

The report goes on to list various studies in Holland, Sweden and New York which show that even when women were screened at a younger age there was no apparent improvement in detection and mortality rates until the women reached their 49th or 50th birthdays. In other words, much of the earlier screening was of no benefit to younger women. Indeed, they could be told that they were all right and in the clear when they were not or they could be advised that they had some problem when they did not. The Forrest report concluded:

"There is clear evidence that women aged 50 and over are likely to benefit from screening. Further evidence on the effectiveness of screening women under 50 is required: studies are continuing . . . Women up to age 65 should be positively encouraged to be regularly screened, but after this age screening should be provided only for those who request it."

The studies that I have seen from Sweden suggest that the acceptance rate of older women for call and recall schemes drops off sharply and can be as low as the 40 per cent. rate of which the hon. Member for Holborn and St. Pancras was so critical.

I accept the points made about the treatment of women as people and the importance of counselling—that has been written into the Forrest report and the advice that we are issuing. I reject the criticisms that have been made about the timing of Forrest and how long it will take to implement that report. I reject the criticism that the rate of development depends on the rate of funding. The real constraint is how quickly we can get radiologists, radiographers and other essential technicians recruited and trained.

As part of the preparations for the Government's decision on the Forrest report I went to Guildford and I spoke to Dr. Barbara Thomas and her team. Their strong advice was, "Don't rush it. Get the people trained." If we are to achieve a 90 per cent. success rate through screening it is important that that screening is carried out properly. Recently when Professor Forrest was challenged that it was all too little too late he said:

"On the contrary. They are after a high quality service."

I would much prefer that we do it a little bit more slowly than we would like so that we get it right. Getting a proper, effective screening service for women is not a magic wand exercise.

Mr. Dobson: Does the Minister agree that the broad outline of the Forrest report's likely recommendations were discernible in December 1985 when the interim report came out? I believe that things could have been done a bit quicker if the Department, the health authorities and the professions had got on with starting, at the preliminary stages, to identify the availability of staff and had done something about that rather than wait until the second Forrest report came out.

Mrs. Currie: There is no point in having interim reports that help us to initiate discussions, but then to ignore the possibility that the final report may reach slightly different conclusions. It seemed wise to wait. We are now going ahead to implement the Forrest report in precisely the terms and with precisely the costings that were recommended to us. That report has been widely welcomed throughout the country and, with respect to the hon. Gentleman, he might do rather better than carp at it.

Dr. M. S. Miller: Does the Minister agree that she must also approach the Treasury about this matter because the pay and conditions of nurses must be improved? The *Nursing Times and Nursing Mirror* of this week carries a large coloured advertisement offering a salary of between $28,000 to $40,000 a year as well as all sorts of benefits, to nurses in California and other parts of the United States. I do not say that we should match that figure, but I believe that the Government should do better on nurses' pay.

Mrs. Currie: I sometimes wonder what the reaction of other members of the Health Service would be if we paid our nurses more than our doctors—that would broadly be in line with the figures that the hon. Gentleman has given. A pay review is under way, evidence has been given to it and we expect it to report in April. We shall see what it has to say.

With regard to cervical cancer I am most grateful to the hon. Member for Holborn and St. Pancras for the hard work he has done. Earlier this week he said that he did not trust letters these days, but he clearly trusts the telephone.

However, as far as we have been able to check up, he is getting different information from us. I agree that some of the things that he has said are accurate, but I believe that he is carping if he criticises a health authority that, at one stage has said that it will be ready in March, but now says it will be ready in April. I find that perfectly acceptable. If it says it will be ready in June I will hold the authority to that promise. I have regular reports from the call and recall schemes to discover exactly what they are up to.

With regard to the remark that Leeds Western district authority is reported to have made to one of the hon. Gentleman's staff, we shall check and if there is any truth in what he said one of my officials will be there next week to find out exactly what the authority thinks it is up to.

I am aware that there have been some difficulties in Birmingham. I intend to invite the chairmen of the five district authorities and the chairman of the family practitioners committee to see me in London. In that way I can discover what they propose to do to ensure that women in Birmingham are given the same opportunities as everywhere else. I believe that some cities believe that London is a long way away. Perhaps I should just warn them that it is not far enough away. We intend to ensure that promises are kept and that the systems are implemented.

Mr. Dobson *rose*——

Mrs. Currie: We have another debate to come, so I hope that the hon. Gentleman will forgive me if I do not give way. I suspect that some of the difficulties come from the fact that——

Mr. Dobson: The Minister has just attacked my staff.

Mrs. Currie: On the contrary, I have not attacked the hon. Gentleman's staff. I will offer them a job in the Department if they are that good at making telephone calls to the FPCs.

Mr. Dobson: I understood from my staff when I returned from Stockport this morning that DHSS officials had telephoned around trying to find out what was happening, only after they had discovered that my staff had been doing so. I am willing to stand by the information supplied to me. Perhaps on odd occasions points have been slightly misheard, and some of my comments may turn out to be mildly unfair to an individual health authority. If so, I shall duly apologise to the authority when it proves me wrong.

Of the 56 health authorities which my staff contacted, 42 have not done in this financial year what Ministers told women would be done in this financial year. I welcome the Minister's commitment to put the boot into those who are not doing their job properly, but I regret the fact that it takes an initiative from me at the end of the financial year to get attention drawn to that aspect, when a bit of effort by her officials earlier in the year would have drawn it to her attention in sufficient good time for them to have kept their promises.

Mrs. Currie: On the contrary, what is clearly happening is that the questions asked by the hon. Gentleman's overworked staff and by my overworked staff are probably eliciting different replies because the questions are worded in slightly different ways. Installing the system involves a number of stages. First, the equipment has to go in. Then the register has to be put on the computer. Then the existing screening records have to be put on the computer. Then there is, I hope, the opportunity for a dry run before we practise the system on any patients. Then we go on to the call and recall of patients. Some health authorities have done one of those before the other.

Recently, the hon. Member for Holborn and St Pancras went to the Calderdale district, to Halifax. He was extremely critical about the non-existence of a service for the women of Halifax. The doctor who started running that service 22 years ago took him to task in the local newspapers. When I visited the area a few days later, the authorities insisted on taking me into the magnificent laboratory where cervical screening tests were carried out, and they were able to demonstrate exactly how all that work is done.

It is clearly not satisfactory that we get different answers. I checked again this morning, and I am told that we are getting good answers from some of the health authorities. They say——

Mr. Dobson: Will the hon. Lady give way on Calderdale?

Mrs. Currie: No, that is enough. The hon. Gentleman has already made his speech, and I want to finish mine.

I am told that the Leeds Western health authority is still saying that it will be ready at the end of March and that Aylesbury Vale and Wycombe say that they will be ready in the summer. We shall check, not because the hon. Gentleman has been jumping up and down about it but because, apart from anything else, I as a woman am concerned to ensure that they do things properly.

We have insisted that the family practitioner committee computer programmes include a report-back facility on take-up rates. We expect to get accurate reports back from May.

We have heard about a 90 per cent. response rate, but I do not think that that is possible. I doubt whether that calculation has been done on the same basis as the others. Apart from anything else, 18 per cent. of women in their sixties have had hysterectomies and, therefore, are that much less likely to be candidates for these problems. About 20 per cent. of the register is inaccurate. We have looked repeatedly at this problem and at other possible registers, but this is the best that we have.

[Mrs. Currie]

I am satisfied that we are saving lives. The district medical officer recently reported to the Southern Derbyshire health authority—my local health authority —that in that district 22 women die each year from cervical cancer, but some 150 cases are picked up through its cervical cancer screening programme. Although the death rate is not now being improved, God willing, in future 150 women will not die of cervical cancer. Therefore, we should begin to see an improvement.

We fund cancer research to the tune of very large sums of money. We have been in touch with Quest for a Test for Cancer for over four years and have told it repeatedly that the correct procedure for it or any other similar research group is to have its work independently assessed by one of the appropriate bodies. In this case, that would be either the Medical Research Council or one of the major cancer research charities. We advised the quest in March 1983 and on several subsequent occasions to make a formal application to one of those bodies. As I understand it, so far it has been unable to do so. In the absence of an independent evaluation, the DHSS cannot consider the potential application in the Health Service of that technique as a cancer screening test. That is the wise and sensible line for us all to take.

Hon. Members mentioned several other issues. In view of the time and the fact that we have another debate yet to come, I hope that they will allow me to write to them.

However, I should like to mention the care of cancer patients at home, because that issue comes into the terminal care circular. I have taken an interest in it for many years, going back to my time in Birmingham. I was involved in setting up the nightwatch services, funded by the local authority in Birmingham, which supplemented the work of district nurses and the health authority's "tuck-in" service. This year we have given an extra 1 per cent., through Department of Environment grants to the local authorities, to pick up the costs of community care. That means about £26 million. There is no harm in at least some of that being directed to such services.

There are now some 125 home care teams, NHS-employed, with some charitable funding, and some 25 hospital support teams, which do much of the work that has been described. There are some 4,000 Marie Curie day and night nurses, most of whom are part-time. They have been recruited by the Marie Curie foundation, which sends them to the health authorities on request, and then each meets half the cost of the care.

There are now 350 Macmillan nurses all full-time and highly trained. That is a specialised resource on which the ordinary NHS staff can draw. They are trained by the Macmillan fund and paid for by the district health authorities. Much of the recent hospice movement developed through the Macmillan campaign. I am a patron of the Macmillan hospice in Derby, which has been established in the old Nightingale home.

Also available for the care of patients at home is financial assistance through the attendance allowance, mobility allowance, invalid care allowance and so on. Some of those allowances have a six-month qualifying period because they are intended to help those needing long-term care, but increasingly as we are able to help cancer patients — we hope that the death rates and survival rates will improve—it is likely that more will be able to qualify.

From April 1988 grants to promote community care of terminal cancer patients will be available to those on income support under the new discretionary social fund. Although we expect it to start fairly modestly, the Government hope to develop that element of the fund.

In recent weeks we have seen yet more steps taken to combat cancer. They range from the razzmatazz of no smoking day, which was a gimmick, but it worked, right through to the major announcement of breast cancer screening, which will save women's lives for decades to come. We have gone from improvements in the cervical cancer screening system—they will be improvements and they will make the system effective—to the setting up of the Health Education Authority, which is a major step forward in prevention and health promotion, and then on to the circular on terminal care, which will make such a difference to so many people.

The debate has been yet one more step forward. I believe that it will also have been a major contribution. I should like to put on record my gratitude to the hon. Member for Springburn for raising the matter and allowing us all to debate the issues.

1.59 pm

Mr. Martin: I should like briefly to thank all hon. Members who have taken part in the debate. It has been interesting, and I have enjoyed all their contributions. It was good of them to stay, particularly as this is a Friday and I know that Friday is often the only opportunity that they get to return to their constituencies. I thank my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) and the Minister for their contributions. I should also like to add to the comments made by other hon. Members about the hon. Member for Hyndburn (Mr. Hargreaves), and say that his contribution was excellent. My majority being different, he at least had his party headquarters worrying about him. When I was ill some years ago, the only get-well card that I received was from my pair.

Question put and agreed to.

Resolved,

That this House believes that a humane and efficient health service should be guided by three main priorities in relation to cancer, namely: an effective national screening system designed to facilitate the earliest possible diagnosis of the different forms of disease, the provision of resources to enable patients to benefit promptly from the most technologically advanced treatment available, and the development of hospice and other facilities to permit the terminally ill to end their lives in decent and dignified surroundings with the minimum of pain; and calls on the Government to ensure that these priorities are fully reflected in the future funding of the National Health Service.

Gipsy Caravan Sites

2 pm

Mr. Peter Lilley (St. Albans): I beg to move,

That this House calls for a thorough reform of the legislation requiring local authorities to provide caravan sites for so-called travellers; believes that no special privileges, such as the right to build permanent sites in the green belt, should be granted to one section of the population when the rate-paying, settled majority is rightly prevented from doing so; recognises that districts which are comprised largely of green belt and residential areas should be required to provide fewer sites than other districts; and believes that official caravan sites should be available only for those pursuing a genuinely nomadic lifestyle rather than semi-permanent residents in one place.

This is the third debate that I have had the privilege to introduce this year on environmental matters. The first was an Adjournment debate on the river Ver in my constituency, which is in danger of disappearing. The second was about the green belt, which we are determined should not disappear. The third, today, is about gipsy sites which, unfortunately, show no sign of disappearing. They will not disappear because local authorities are caught in a "Catch-22" situation under the present legislation. Without designation, local authorities do not have adequate powers to move on gipsies using illegal sites and are forced to tolerate them. To obtain the powers to move them on, local authorities must create official sites. So, one way or another, we have to have gipsy caravan sites in our area.

Gipsy caravan sites and their locations are emotive because they concern three powerful considerations. The first is our concern for the environment. The second is fear of crime. The third is the importance that people attach to education. However, it is not just an emotive matter as some people claim. The concern is based on genuine hard and concrete problems, to which I recognise that there are no easy solutions.

We now need a thorough review of the present legislation. I do not think that the recent and modest review, which was carried out by my right hon. Friend the Secretary of State for the Environment, is sufficient, because, in the words of the Environment Committee that recommended it, it was "merely modest". It was also quite distinctly biased towards accommodating the needs of gipsies, rather than recognising the public concern.

The key legislation under which we operate is the Caravan Sites Act 1968. I am sorry that no Liberal Members are present today because that legislation was introduced by a Liberal Member, under the congenial supervision of a Labour Government—congenial to the Liberals, that is. The legislation was introduced by Lord Avebury. When I mentioned to the inhabitants of Redbourn, who are threatened with a gipsy site, that the present legislation was introduced by the present Lord Avebury, soon after he had publicly announced his desire that his body should be fed to the dogs after his death, their immediate response was, "Why wait until then?"

However, I do not want to put the blame on him or the Liberal party because, on looking back, I see that the Act received near unanimous support on Second Reading. In my experience, that should have given us cause for suspicion because my experience is that when any measure has nearly unanimous support across all parties all too often it is an unmitigated disaster. We should have recognised that when we passed the legislation without proper, careful consideration and recognition of the difficulties which would arise.

I wish to highlight one particular problem which is not mentioned in the Act, in Professor Wibberley's report, which was recently prepared for my right hon. Friend the Secretary of State for the Environment, or in the final review of the operation of gipsy caravan site policy. The problem is the provision of gipsy caravan sites in the green belt.

The Act requires every county council to build sufficient sites in its area to accommodate all the gipsies who habitually resort to or live in its area. The only limit on that obligation for London boroughs was a maximum of 15 pitches per borough. Circular 28/77, which was issued to implement the Caravan Sites Act, specifically states that caravan sites can be built in the green belt. Indeed, it states:

"In certain counties there are areas of open land (including Green Belts, and Areas of Outstanding Natural Beauty, etc.) where the land use policies which apply are severely restrictive to development. It may be necessary, however, to accept the establishment of gipsy sites in such areas."

That has been taken by county councils and planning authorities generally to mean that gipsy sites can be placed in the green belt. There is a tendency to neglect that the circular also states:

"On the other hand, there will clearly be a special obligation to ensure that the arguments in favour of a departure from the development plan are convincing."

There will, indeed, have to be such special circumstances and I hope that the Minister and the Secretary of State, in evaluating any proposals in my area, will lay greatest weight on that final sentence. Not only does that apply, but county councils can exercise compulsory purchase powers in the green belt and elsewhere to establish such sites.

In effect, one section of the community is being given an extraordinary privilege. Ordinary owners of caravans do not have the right to set up caravan sites or to have sites set up for them in the green belt. Plenty of local residents in my area would like the right to build a house or site a caravan in the green belt. We, rightly, forbid them to do so because we believe that the green belt should be sacrosanct and preserved as a green lung, separating us from London and other built-up areas. There are plenty of people without jobs in the old smoke-stack industries of our major towns, often in the north, who would love to seek work in my constituency where jobs are plentiful. They would be only too happy to reside in caravans on green belt land, but they are not permitted to do so; only gipsies are granted that privilege.

Gipsies are given that privilege despite the fact that they are not conspicuously noted for paying rates or taxes or for abiding by the law, as most of my constituents do. When the privilege was granted, people may have thought of gipsy sites as a few rustic, wooden caravans nestling among the trees, like a Constable painting—the sort of feature that would enhance rather than detract from the green belt—but in practice that is not the case. They can look like dumps. Indeed, even well-regulated gipsy sites are not attractive with their modern, garish caravans and vehicles. Indeed, they look all the more unattractive as the activities in which gipsies frequently engage and on which they depend for a living, such as car breaking, the provision of aggregates and laying tarmac, are unsightly, require unsightly machinery and equipment and leave

[Mr. Peter Lilley]

residues which destroy the environment. Nobody else would be given permission to carry out those activities on green belt land.

If gipsies are not allowed to do those things on green belt land—it is not required by the Act that working provision should be provided at the same place as living accommodation — they have to be able to do them somewhere. In many areas, there is no alternative to green belt land unless working areas are to be thrust into built-up residential areas.

I hope that the Minister and my right hon. Friend the Secretary of State enforce vigorously their powers to prevent the development of sites on the green belt. I hope that we will have a review of legislation to remove that special privilege from gipsies, but clearly gipsies must go somewhere. In my area, if they are not on green belt land, they have to be in residential areas because my constituency consists solely of green belt land or built-up residential areas.

The 1968 Act recognises that London boroughs, being entirely built up, do not have the full obligation to accommodate all and every gipsy caravanner who can claim to have resort to their area. It seems reasonable that a similar exception should apply to other districts which are heavily urbanised or consist solely of urbanised areas and green belt land. That is simply a recognition of the fact that gipsy sites cannot be placed easily in the middle of residential areas. Gipsies themselves, by their culture, want to live apart from the rest of society. They want to be different, separate and distinct. That is their privilege and I do not want to deprive them of it. However, that desire is reciprocated by the majority of the public. They do not want to be cheek by jowl with gipsies either. That is their right and privilege and we should not force gipsies upon them.

I am sure that, like everybody else, the majority of gipsies are decent, law-abiding folk, but a significant number do not abide by our laws and there is often a crime problem associated with gipsy caravan sites. That crime problem will be intensified if they are in the middle of residential areas.

There is an educational problem if one has to accommodate large numbers of gipsy children in existing schools. That also gives rise to concern in residential areas. Often, a travelling school is the best solution to that problem.

At best, only a small number of gipsies can be accommodated within residential and built-up areas in constituencies such as mine just as in the London boroughs. I hope that any review of the legislation that is implemented will extend that recognition to areas such as St. Albans.

The presumption must be that most gipsies will be accommodated in rural areas that are not designated as green belt. Failing that, planners should at least be allowed to take into account the social and other problems associated with caravan sites when they are considering a particular application for an official caravan site in an area. At present, I am told that they are required to assume that all the problems of crime, education and other social problems are deemed to have been solved.

That unrealistic assumption is required of them and they consider only the environmental and visual aspects of a gipsy site in their green belt or other planning areas. That is obviously nonsense and should be changed.

I hope that all those factors will be taken into account when my hon. Friend the Minister and his right hon. Friend the Secretary of State consider the proposal to establish a gipsy site on green belt land in the village of Redbourn. That epitomises the problems I have been talking about. It is proposed to build an official gipsy site on green belt land that falls in the middle of a residential area. A more unsuitable location could barely be imagined. At the same time, all the associated problems of crime and education are to be deemed to been solved.

I know that my hon. Friend the Minister cannot comment on specific cases in his response, but I hope, none the less, that he will hear what I have said and bear it in mind when a decision has to be taken.

The second point which I hope will be considered when a thorough review of the legislation is carried out is the fact that under the present law designation, once granted to a district because it has established a sufficient number of official sites to accommodate all the gipsies who habitually live in or resort to the area, can subsequently be revoked. That is viewed with apprehension by people in my area. They fear that even if we establish enough sites and subsequently gain designation, that may be revoked and we would be back in the original position and prey to an influx of more gipsies from elsewhere.

That is a particular problem with regard to the one official site in my constituency at Barley Mow. When that site was established more than a decade ago with 15 pitches, local inhabitants were assured that the site would be temporary although there was a possibility of it being renewed, and that 15 pitches was the maximum that they would have to face. There is now a proposal to expand that site by another five pitches. In view of the past assurances, I hope that the proposal will be withdrawn. Even if it is not withdrawn and a further five pitches are established, we must be able to give the local inhabitants an assurance that, if designation is given in return, that will not subsequently be revoked.

The third problem that we have to tackle is the definition of what constitutes a gipsy. The current definition is vague. It appears to be a bureaucratic re-interpretation of Stevenson's "The Vagabond":

"All I seek, are the heavens above
And the road below me."

Gipsies are simply defined as:

"Persons of nomadic habit of life whatever their race or origin."

For some reason that excludes only people engaged in travelling circuses and travelling show men. I do not know why those are the only categories of people who cannot pose as gipsies. The definition is so loose that virtually anyone could pose as a gipsy.

Hippies are increasingly seeking the status of gipsies and they have a nomadic mode of life whatever their race or origin. Presumably official sites must be provided for them. Indeed, many of my constituents spend most of their time moving house from one part of the area to another. Are they of a nomadic habit of life? If they own caravans, could they claim a right to official gipsy sites? We must tighten the definition and prevent an increasing number of people claiming to come within it.

At the same time we must recognise the Irish dimension to the problem. In recent years, ever since the war, there has been a growing influx of Irish tinkers and didicois. That is a consequence of our immigration laws which permit people from Southern Ireland to enter this country without requiring British nationality status. That is absurd.

Mr. John Fraser (Norwood): That is true of people from the rest of the EEC.

Mr. Lilley: That has been so until now. No check is placed on those people, not even the checks that apply to other EEC citizens. Irish entrants should clearly be placed full square with other EEC citizens.

We are dealing with a balance of rights and obligations. We must consider the obligations of each part of society. The general public has a duty to be tolerant towards gipsies and those who pursue that way of life. There can be no question of harassing them unnecessarily or of acting vindictively towards them because they are different — although that may have happened in the past. We have the same obligation towards members of the gipsy community who need help as we have to any other member of society and, by and large, my constituents overwhelmingly accept that obligation. But we have no moral obligation to subsidise a lifestyle, nor to promote it artificially.

It may have become more difficult to pursue a gipsy lifestyle than it used to be with the decline of casual agricultural work, but many opportunities have become more difficult to pursue. There are fewer opportunities for those whose parents and grandparents were tenant farmers to become tenants, but we do not compulsorily acquire land, hand it over to tenant farmers and artificially subsidise them. There are fewer opportunities for people to become steel workers, but we do not build steel works in the green belt and artificially subsidise them to keep them going.

We do not have obligations to provide benefits to a special category of people who are often considerably wealthy. I have visited several illegal gipsy sites in my constituency and been impressed by the quality of the cars and how new they are, the expensive caravans, the heavy lorries that they use and the immense variety of equipment that they possess to carry out their activities. We have no obligation to provide social security benefits to people who are clearly well able to look after themselves, if they are not genuinely unemployed.

Gipsies, too, have obligations to pay taxes and rates, to abide by the general laws of the community and to respect the rights of the majority among whom they live. The policy makers—Members of Parliament and the officials and well-meaning people who determine the climate in which policy is made — have a duty to consider the gipsies and the general public. In almost all the work that I have read on the subject, the bias is towards the gipsy and the tendency is to sneer at the worries of the general public. Even Professor Wibberley, who, by and large, is free from this, refers to the frenetic opposition by local people to reasonable site suggestions for new gipsy sites. He says that, as a local councillor, he was aware of how strong and distasteful such local opposition can be.

It is not especially distasteful for people to express their anxieties about genuine problems. There is nothing distasteful about the concerns expressed by my constituents. I am extremely worried on their behalf, and I hope that the law will be altered to accommodate their worries as well as to allow opportunities for gipsies to continue their way of life.

The Act is producing intolerable pressures, which are especially strong in green belt and residential areas. The laws are weighted too heavily towards the gipsies, who are accorded privileges that are not available to any other section of the ordinary public. There is a great danger that others will learn of those privileges and seek to define themselves as gipsies under the loose definition that operates. All those matters require correction after a thorough review. I hope that my hon. Friend the Minister will begin such a review.

2.23 pm

Mr. John Fraser (Norwood): Time is so short that it is impossible to make more than the briefest remarks about this subject. Wherever nomads and settled people have lived alongside each other, there has been conflict. One can see that in Darwin's "Voyage of the Beagle" and in the song by Rodgers and Hammerstein, which said that farmers and cowmen should be friends, but they were not. The amount of virulence, venom and hatred directed towards gipsies is almost metaphorical. I have encountered it in my constituency, as have most people.

In a civilised society, we must try to find an accommodation between people of different lifestyles. It is not easy, and there are no absolute principles that one can lay down, but we must try to find that accommodation and deal with the problem objectively, instead of giving way to prejudice.

I have looked at the Minister's response to the recent inquiry and have no hesitation in agreeing with almost all of that response. I am unhappy about designation, but for reasons quite different from those put forward by the hon. Member for St. Albans (Mr. Lilley). As the Government provide the whole of the cost for gipsy sites, a further effort must be made to try to enforce local authorities to meet the need that remains by providing one site for each gipsy family for every 10,000 settled families in Britain. That should not be too difficult to do. It would be hopeless if we started to make even more exceptions and gave further dispensations to local authorities, some of which are not meeting their responsibilities.

I appreciate the constituency points that were made by the hon. Members for St. Albans, but we must take an overall view. We have to try to enforce more thoroughly than before the duty that is placed on local authorities, because it is often the neglect of that duty that creates problems. I hope that the Government will renew their efforts, which follow the efforts of the previous Labour Government, to try to solve this problem by the provision of proper sites.

2.26 pm

Sir Hugh Rossi (Hornsey and Wood Green): Time is so limited that I shall not be able to address all the problems in my constituency that I should have liked to draw to the attention of the House. In my constituency there are some horrendous problems because of an invasion of the area by so-called gipsies. Instead of describing those problems, I shall ask the Minister a few questions, because he has been to my constituency and has seen the problems that exist there. He also kindly met me to discuss these problems.

[Sir Hugh Rossi]

Does the Minister know where the people who invaded my constituency come from? Are they covered by the provisions of the Caravan Sites Act 1968, and is any research being conducted to find out why this sudden growth has occurred? What are the exact legal obligations of Haringey borough council? It says that it has a duty to accept all these visitors. My understanding of the law is that a council has an obligation to provide a 15-caravan site properly laid out with all the necessary facilities so that it can be kept in a clean and tidy condition. Is not a 100 per cent. grant available from the Government for the provision of such a site, and is it therefore wrong for the council or its members to say that no money is being made available by the Government to regulate this problem?

Once a council such as Haringey has provided a properly regulated site for 15 caravans at Government expense, is that not an end of the council's obligation and can it not claim to be a designated area and receive powers to turn away any fresh invasion? If such a council fails to apply for designation, in his review of the law, would the Minister consider the possibility of, say, up to 50 local ratepayers applying to the Secretary of State for designation when the council refuses or neglects to do so?

I read with great interest the report by Professor Wibberley, and the Minister will know that that report says that the London Boroughs Association asked for automatic designation for every London borough. That would suit my constituents very well, but if that cannot be done, at least when the minimum provision has been made, can there not be a direct application to the Secretary of State from hard-pressed and distressed residents?

2.28 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. Richard Tracey): This is a short debate, but it is clear from the speeches that we could go on for a long time. All that I can do in the time remaining is to congratulate my hon. Friend the Member for St. Albans (Mr. Lilley) on once again bringing this topic to the Floor of the House and on securing time for the debate. He asked questions and made some comments and criticisms in order to enable us to address this problem. I pay tribute to my hon. Friend for his work on behalf of his constituents since he entered the House. Today's debate is evidence of his persistence in that work.

I also pay tribute to my hon. Friend the Member for Hornsey and Wood Green (Sir H. Rossi), Chairman of the Select Committee on the Environment, who has led some interesting research and discussion on this subject, leading to a report——

It being half-past Two o'clock, the debate stood adjourned.

Orders of the Day

Private Members' Bills

DEER BILL

Considered in Committee; reported without amendment; read the Third time, and passed.

MEDICAL ACT 1983 (AMENDMENT) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 20 March.

ANIMALS (SCOTLAND) BILL *[LORDS]*

As amended (in the Standing Committee), considered.

Motion made and Question, That the Bill be now read the Third time, *put forthwith pursuant to Standing Order No. 56 (Third Reading), and agreed to.*

Bill accordingly read the Third time, and passed, with amendments.

London Borough of Ealing

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Malone.]*

2.32 pm

Sir George Young (Ealing, Acton): I welcome this opportunity to develop on behalf of ratepayers in the London borough of Ealing the case for the Secretary of State to rate-cap the council in 1988-89. My hon. Friend the Member for Ealing, North (Mr. Greenway) hopes to catch your eye, Mr. Deputy Speaker, for a couple of minutes at the end of my remarks. We are both delighted by the response of our hon. Friend the Minister for Local Government, who has first-hand constituency experience of the damage wreaked by Left-wing Labour councils.

For eight years, until last May, Ealing council was Conservative controlled. In the last four of those years, rates increased by only 13 per cent. in cash terms due to prudent budgeting, contracting services out to the private sector where that made sense, making realistic charges for rents and other services, keeping a tight control on manpower and developing a partnership with the private sector to harness its energies to regenerate rundown parts of the borough. Those policies bore fruit and the new town centre opened by the Queen two years ago brought fresh heart to the borough. In my constituency, the Park Royal industrial estate, which had been declining for many years, began to sprout new offices and factories. Attracted by the combination of low rates and good services, businesses in Ealing expanded, others moved into the borough, and more discerning people, including the Leader of the Opposition, chose to make their homes in the borough.

Last May, Labour took control and the policies that I have described were thrown into reverse. As democrats, we live by the ballot box and accept the verdict, but with one or two comments. First, it is now remarkably difficult to find anyone in Ealing who admits to having voted Labour last year. A random poll in the Red Lion in Acton earlier this week found no volunteers. Had people known last year what they know now, Labour would certainly not have got in. The Labour party now running Ealing is an entirely different animal from that which ran the borough in the 1960s and 1970s, for which a number of people mistakenly thought they were voting.

The biggest cost increase is in the number of additional staff and the office space needed to house them. Sadly, many of them are political appointments. Since coming to power, the council has taken on 750 extra staff, a figure which is due to double by May next year to about 1,225. The majority provide no actual services—they are not teachers, social workers or refuse collectors. Many are political appointments.

There is a large number of press and publicity officers, personal assistants and clerical support to the chairman of committees. We have large numbers of people running the animal rights sub-committee, the gay and lesbian sub-committee, the nuclear disarmament sub-committee, the anti-apartheid committee, the women's committee and the race equality committee—all the municipal apparel that the well dressed Labour council now feels obliged to wear. Those people have to be accommodated, and a new office block has been hired at a cost of £3.1 million a year, to the enormous relief of the developer who put it up. That represents a long-term commitment by the council.

Where else has the money gone? Some £1.3 million a year goes to the GLC in exile, £1 million goes on the de-privatisation of street cleaning, we are to have an anti-apartheid festival in Ealing in July at a cost of £12, 000 and we have a race equality committee with a campaigning role budget and grants of £200,000. The cost of stationery has increased by 44 per cent., and attendance allowance for councillors has gone up by 400 per cent. They, at any rate, do not propose to be worse off.

Last Thursday, the bill for one year's Labour administration in Ealing was added up. The council voted an increase in the domestic rate of 65 per cent. and in the industrial rate of 57 per cent. An alternative Conservative budget involving an increase of up to 10·6 per cent. was voted down. I pay tribute to the Conservative opposition on Ealing council under the dynamic leadership of Councillor Martin Mallam.

I attended part of the council meeting at which the director of finance described the path down which Ealing council has now embarked as an exceedingly high-risk strategy. A higher increase was avoided only by a dubious practice of charging to capital account a number of items conventionally charged to revenue account.

By adopting that strategy, the council has ignored its own research into the acceptability of a rate rise. Independent research funded by the council and carried out last year in four Labour wards and one Liberal ward showed that 48 per cent. wanted no increase at all and that 38 per cent. were prepared for a small rise if it meant an improvement in services in their area. Only 5 per cent. were prepared to fund a big rate rise.

The average rate rise for a council tenant will be more than £4 a week and for the average owner-occupier nearly £5 a week. For industry, the problem is even more acute. I should like to quote from a statement by the Industrial and Commercial Ratepayers Consultative Panel, the energy and initiative of which I applaud for bringing home to the council the consequences of what it has done. After the rate increase, it said:

"We would reiterate our view that the damage to the industrial and commercial sectors in the London Borough of Ealing will be considerable.

1. Some smaller traders have already advised that they will go out of business as a result of such a large increase.
2. With regard to the larger businesses employing in excess of 1,000 people, such an increase will affect their overheads and their competitiveness. It would require a substantial increase in turnover just to stand still. It would also make such companies less competitive and could have a knock-on effect on their ability to create further employment opportunities.
3. There is no doubt that some other companies will be affected by such an increase which could result in a reduction in the number of people employed, or curtailment of investment, or both.
4. Businesses in general would be severely affected and some have already indicated the possibility of relocation to areas more conducive to industrial and commercial development."

There is an impact on the health authority, which has to pay rates. I have a letter from the director of finance which outlines how the more than £250,000 extra rates might be found. It involves a delay in opening 12 geriatric assessment beds, converting a children's ward to a five-day ward and a reduction in the mental health unit's budget, all of which would cost 21 jobs in the Health Service.

I have just opened a letter from Landis & Gyr which says:

[Sir George Young]

"Further to your recent visit to Landis & Gyr we have learnt through the newspapers of the appalling rise in rates in Ealing which I believe to be 65 per cent.

As we discussed, the effect on our company is extremely unpleasant to say the least, and we calculate that it will cost us approximately £150,000 a year. Put another way, that is worth at least 15 jobs or we must sell another £2 million worth of goods to pay for it.

Will you please use your best endeavours to resist this outrageous increase or at the very minimum ensure that it does not occur next year?"

That is what I am doing at the moment.

The point is well made by the panel to which I referred a few moments ago, which said:

"We would ask the council what is the net gain to the local economy if additional jobs in the public sector (as the council is proposing) are at the expense of jobs in the private sector."

It is not just the Conservative party that is fed up with Ealing council and would like to see it restrained. The hon. Member for Bassetlaw (Mr. Ashton) was quoted in *The Sunday Times* as saying:

"I was told to keep quiet after the Bermondsey by-election. I kept quiet after the miners' strike. I kept quiet during the Militant Tendency but I am not going to keep quiet any longer.

Neil has got to take on these councillors. We can't win with 65 per cent. rate rises in Ealing and stories about banning boxing in Hackney.

They are not fighting an election in Ealing until 1990 so they don't care. We are fighting an election this year . . ."

The right hon. Member for Birmingham, Sparkbrook, (Mr. Hattersley) wrote in *The Mail on Sunday*:

"Nothing can be more damaging to a political party than small groups of vocal zealots who think they know best—better than the leader, better than official party policy, better even than the voters whose support they hope to win."

We all know of the views of Patricia Hewitt, who said:

"The 'loony Labour Left' is taking its toll . . . The gays and lesbians issue is costing us dear."

The equal opportunities programme in Ealing will cost the ratepayer £7·5 million. There are national implications of what is happening in Ealing. Two leading councillors are trying to get into Parliament, presumably so that the national taxpayer can benefit from the treatment which is being allocated to the Ealing ratepayer. They are not alone in London. They represent the new modern Labour party in London—dogmatic, humourless and expensive.

Not only is spending out of control, with unpopular policies being pursued and senior officers leaving, we now have the first ever white-collar strike in Ealing. It is not possible to pay rates in Ealing because the town hall is on strike. Houses and businesses cannot be sold in Ealing. If a bill is sent to the local authority it will not be paid. No urgent housing repairs are being conducted, the switchboard is on strike, the homeless families unit is not working and even the incontinent laundry service is out of operation. That is the administration that my constituents are having to put up with.

I ask my hon. Friend the Minister for Local Government for help. I want to put the problem in perspective. Previously, Ealing had enjoyed eight years of Conservative administration. We have had eight years of Conservative Government, and we are all looking forward to the Budget. The undoubted damage which is now being done in Ealing can be reduced if, next year, Ealing is rate-capped and if it is known, as soon as possible, that that is the course of action that will follow. For some, one year of Socialism will be one year too many, but the rest of business in Ealing might survive if we knew that help was on the way.

We in Ealing are not asking for the cavalry: one horse will do, as long as it is mounted by my hon. Friend equipped with his rate-capping gear. The people of Ealing are looking to the House to protect them from the local tyranny that we now have in the London borough of Ealing.

2.44 pm

Mr. Harry Greenway (Ealing, North): I am grateful to my hon. Friend the Member for Ealing, Acton (Sir G. Young) for allowing me two or three minutes in his debate. I congratulate him on securing it and on the excellent case that he has made out, which I second with all my heart and determination.

The House should note that the alliance is opposed to rate capping, so it will not support any efforts to rate-cap this high spending and evil council. The Ealing rate is the highest in the country. As my hon. Friend has said, the borough has been brought to a standstill within 10 months of the accession of this council. In addition to the services that my hon. Friend said had been affected, schools are being closed throughout the borough and children are being sent home on account of the strike. It is a most serious situation.

Can my hon. Friend the Minister answer a question that is on the lips of everyone in Brent? By how much could rates in Ealing have been raised without the council incurring penalties? My hon. Friend and I both know Whitton avenue, because it runs between our constituencies. Previously, rates on the Ealing side have always been half of those on the Brent side. From 1 April this year the Ealing rates will catch up at a stroke. Ealing council says that rates have been too low, and that is part of its justification for raising them.

An elderly lady, who is well into her nineties, lives in a small house and pays rates of £210. She has been told that they will go up by no less than £136, and she will have no increase in her income, apart from a rise in her pension, to pay those rates. The rates of the Leader of the Opposition will go up by £333 a year. We need not feel sorry for him, but we should note the facts.

People from all over Ealing want to take round petitions against the rate increase. Mrs. Penny Talbot of Northolt brought me a petition signed by 1,000 people. It says:

"We the undersigned bitterly reject Ealing council's planned 80 per cent. rate increase and their wasteful expenditure behind it, compared with a reduction of 4 per cent. by the previous council. We demand no further rate increases for ten years. We particularly reject the wasteful expenditure on homosexuals, lesbians and other such wrongful expenditure."

There has been a great deal of such expenditure.

The rates of Lyons, which employs 2,500 people in my constituency, will go up by over £600,000 a year. That means that porridge, tea, coffee, ice cream and other basic necessities of life will cost much more or people will be made redundant or there will be a combination of the two effects. The CDS laundry tells me that its rates will rise by £8,000 in a full year, which will hit mums, dads and single parents in their laundry operations. Carhill Roller Shutter Services wants to move from its present 3,900 sq ft of premises to a new place of 5,600 sq ft, but the rate

rise is likely to rule out such a move. As a result, six people who would have been employed by the firm will not now get jobs.

The situation is serious and we look to my hon. Friend the Minister for Local Government for the succour of rate capping.

2.47 pm

The Minister for Local Government (Dr. Rhodes Boyson): I have listened carefully to the excellent speeches of my hon. Friends the Members for Ealing, Acton (Sir G. Young) and for Ealing, North (Mr. Greenway). There is no doubt about how strongly the people of Ealing and their representatives feel about this matter.

I am grateful to my hon. Friends for raising the subject. I trust that we can influence public opinion, even if we cannot do anything about rate capping this year. I shall refer later to rate capping.

Ealing is just one of a number of London boroughs that have recently fallen under the control of the hard Left. Once a haven of sensible Tory administration, it has now been infected by the Brent disease spreading across the Great West road and Whitton avenue. Hilary Benn and his cohorts are, by their antics, giving new life and meaning to the noble traditions of Ealing comedy. Life in Ealing, once the heartland of fine old English comedy, has reverted to tragic farce.

The situation is doubly horrifying because Ealing has a long history of responsible, moderate and Conservative administration. It has spent within 2·5 per cent. of its grant-related expenditure assessment in every year since the block grant system was introduced and in every year expenditure growth has been consistently below the rate of inflation. During that period, when there were targets and penalties for overshooting them, the council budgeted prudently and safeguarded its ratepayers from the loss of grant penalties. That is not to suggest that service levels have been low; on the contrary, Ealing has the sixth highest grant-related expenditure per head of outer London boroughs.

Rates have been held closely in check, with rate poundages last year among the lowest in outer London. That increased the shock that Ealing ratepayers faced this year. The rate increase in 1985-86 was only 0·1 per cent. Now, as Ealing ratepayers dig deep into their pockets to find the extra 72 per cent. that the council is asking for, they will come to look on the time of the previous Conservative administration as a veritable golden age.

This year the Government have given authorities an extremely reasonable RSG settlement. Indeed, throughout the country there has been an increase in RSG of £1·2 billion, which represents an average of 9 per cent. so nobody can say that the Government have not done their share to help hold down local rates. The majority of boroughs have taken the opportunity to budget sensibly and levy modest rates increases. So far, the average increase in the country as a whole is about 6 per cent. In outer London Conservative boroughs the restrictions on expenditure have been such that the average rate increase is only 5 per cent. What a difference from the Ealing scene!

As my hon. Friend the Member for Ealing, Acton has said, the council is blaming the Government for the increase. It is arguing that grant reductions have forced the increase on the council. It would have been interesting to note what the rate levy would have been had the Conservatives been elected last year — no doubt the wisdom of the electorate will increase as a result of this year's events. It is complete nonsense to say that Government grant cuts have caused the rate increase.

This year had the council increased spending in line with inflation—as the previous Conservative administration constantly achieved or bettered—the block grant entitlement would have been £73.2 million and the rate increase 3.6 per cent. On top of that, ratepayers would have had to find about 2.4 per cent. for teachers' pay, but, even so, the rate increase would have been only 6 per cent. I should add, as my hon. Friends know, that the council is also receiving extra balances from the London residuary body, and grant that it did not budget for this time last year — in total about £4.4 million. Had the council sought to use this extra for the benefit of ratepayers, the rates could have been lower still. In fact, overall, Ealing's local rate need not have risen at all if the extra balances had been used in such a way.

Instead, ratepayers in Ealing are having to face a massive increase. My hon. Friends have said that that increase is driving business out and bankrupting people of all ages. I listened with great care to the effect that the increase is having upon old-age pensioners within the borough.

Mr. Greenway *rose*——

Dr. Boyson: If my hon. Friend will allow me I will give way in a moment.

Mr. Greenway: I apologise. I was not seeking to intervene, but was passing some papers to my hon. Friend the Member for Ealing, Acton (Sir G. Young).

Dr. Boyson: I thought that my hon. Friend was so excited that he sought to intervene. I thought that the spirit of intensity had moved him.

I am grateful to my hon. Friend the Member for Ealing, Acton for giving us full details of Ealing's final budget and rate for 1987-88 so that we can compare it with previous years. Neither I nor my officials had, until now, succeeded in obtaining this information since Ealing town hall appears to be out on strike and is incommunicado at this time. One cannot phone, write, or make personal approaches.

Personnel management does not appear to be one of the strong points of Ealing's Left-wing council as, apparently, there is no contact with that council. To the Leftists presumably, these are just teething problems before their view of Utopia is achieved.

I had feared that the grave problems relating to management efficiency, recently highlighted by the Audit Commission in certain Labour-controlled London councils, might spread to other authorities. However, I never dreamed that it could spread as quickly as it has to Ealing. It is a great sorrow to me that this year the Government have no power to protect ratepayers from such swingeing increases—except where an authority is rate-capped.

My hon. Friend the Member for Ealing, Acton, who served as a distinguished Minister in the Department which I now have the honour to serve, knows the basis of rate capping. As hon. Members will be aware, selection for rate capping is on the basis of budgeted spending in the previous year in relation to GRE, not on the basis of rate increases in the year itself. Rate capping for 1987-88 is based on expenditure in 1986-87. This year we have

[Dr. Boyson]

selected 20 high-spending authorities for rate limitation. All of them were budgeting to spend at least 12·5 per cent. above their GRE—the Government's objective assessment of what an authority needs to spend to maintain a standard level of service—and all have increased their spending significantly in recent years.

Ealing was not selected because its spending was very close to the GRE—in fact, slightly below it in 1986-87—nor had it shown any significant increase in previous years. Needless to say, it was at that time under a Tory administration. I should add that where an authority budgets below GRE, as Ealing did in 1986-87, the Rates Act 1984 specifically provides that it cannot be selected for rate limitation. That is to acknowledge that in such circumstances the authority is clearly run economically with the interests of its ratepayers in mind.

Four London councils fell to Labour control in the 1986 municipal elections — three from Conservative control and one from hung Conservative control. Those boroughs were Waltham Forest, Hammersmith and Fulham, Brent and, of course, Ealing. One could consider them the unfortunate boroughs in last year's election. Their ratepayers certainly feel that they were. For 1986-87, ratepayers in those boroughs were protected by the modest rate set by the previous administration. Unfortunately, no such protection is available in 1987-88. Apart from Ealing's local rate increase of 71·8 per cent., increases of 67 per cent. and of a staggering 127 per cent. have been announced by Waltham Forest and Hammersmith and Fulham respectively. Only in Brent, thanks to rate capping, is a modest increase proposed—7 per cent.—a testimony to the value of rate capping if ever there was one. Any hon. Member who doubts the use of rate capping need only look at those three boroughs to see the necessity for it.

Even in these three boroughs, however, some protection is afforded this year by the capping of the precepts levied by the Inner London education authority and the London fire and civil defence authority. This reduces the increases in actual rate bills in the high-spending Labour authorities. In Hammersmith and Fulham the increase at ratepayer level comes down from 127 per cent. to 50 per cent.; in Waltham Forest from 67 per cent. to 62 per cent; and in Ealing from 72 per cent. to 65 per cent. If it were not for the rate capping of the precepts levied by the ILEA and the London fire and civil defence authority, the ratepayers would face larger increases.

If the 1987-88 selection criteria had been applied to Ealing's latest budget, it might have been a different story. It appears that the council is budgeting to spend £179 million, as against last year's budget of £144·6 million—a phenomenal increase. It would have meant Ealing would easily have met the growth criteria for selection. If £179 million is the correct figure, the council is proposing to spend 18 per cent. above GRE, and would also have met the other GRE criterion for selection—GRE plus 12·5 per cent.

As regards the case for rate capping Ealing in 1988-89, I can only say that my right hon. Friend the Secretary of State for the Environment has not yet decided what criteria should apply for selective rate limitation in 1988-89. Before deciding on the appropriate criteria for excessive spending, he will, of course, need to have regard to all relevant considerations. It is intended that he will make an announcement on selection in July in the usual way for next year, in the same way as there was an announcement in July last year for the rate-capped boroughs which were selected for rate capping in 1987-88.

I feel strongly on the matter, both as a Minister and as a Member of Parliament, as my constituency is adjacent to that of Ealing, North. Brent, as well as Ealing, has a hard Left authority. I should like to mention Brent, and I cannot let this opportunity pass without commenting on a leaflet about the police now circulating in the borough, which came to light this week. I believe that it is also circulating in Ealing. It was distributed by the Brent hard Left Labour council throughout the borough. The chief superintendent of police in Brent issued a statement against it this week.

The leaflet is entitled "How to make a complaint against the police and take them to court". It is an outrageous and completely irresponsible document. In an area in which the police are working hard to build better relations with people of all races and creeds, the leaflet is designed to create an atmosphere of distrust and fear among all the people. The tone of the leaflet is clearly demonstrated by a cartoon on its opening page. It shows the boot of a policeman crushing the head of an individual stretched on the ground. Another cartoon and the text of the leaflet seek to undermine confidence in the independent police complaints procedure. I hope that the House will join me in condemning that leaflet, which can do nothing but harm. I am sure that there is unanimity on that on the Floor of the House this afternoon.

When in control, the hard Left spends money as if there is no tomorrow, and, by attacking the police, it hopes to undermine law and order in society. Those people are the wreckers of the late 1980s. Ealing, Brent, Waltham Forest and Hammersmith and Fulham show the whole country what Britain would be like if Labour won the next general election. We did not volunteer to suffer, but at least the warning is going round the rest of the country. The lesson is being learnt every day by more people as to what happens when the hard Left takes control, as it has in Brent, Ealing and the other boroughs. We see the misery of the ratepayers. That misery cannot be revenged but it can be ended nationally by our victory at the general election——

The Question having been proposed after half-past Two o'clock and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at two minutes past Three o'clock.

House of Commons

Monday 16 March 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

British Rail Workshops

1. **Mrs. Dunwoody** asked the Secretary of State for Transport if he will have urgent talks with the chairman of British Rail about the concentration of repair work in the regional depots, and the work available to British Rail Engineering Limited, Crewe in the light of the accelerated redundancies.

The Secretary of State for Transport (Mr. John Moore): The allocation of repair work between regional depots and British Rail Engineering Limited is a management matter for the British Railways Board.

Mrs. Dunwoody: Is the Secretary of State aware that that extraordinarily distancing reply will do nothing to satisfy the interests of those of my constituents who are now told that they will be faced with redundancies, not in tens, but in hundreds? If the right hon. Gentleman does not intend to support British Rail workshops, he should now make that plain. We cannot afford to lose work in the workshops.

Mr. Moore: It was not a distancing reply; it accurately described the proper relationship between the management of British Rail, BREL and the Government. Obviously, I would regret further job losses, and I know that the hon. Lady will be concerned about her constituents. She, like others, should also be concerned to argue the case for British Rail beyond this sector. For example, it would be pleasant for her constituents if she were unequivocally to support British Rail with regard to the Channel tunnel.

Mr. Coombs: Is it not time that the news from BREL was about job creation rather than about job losses? Would not the most positive measure that the Government could take be to prepare British Rail Engineering Limited for the private sector so that, like Jaguar, it could create new jobs instead of laying people off? It might then follow in the footsteps of the Great Western Railway, which was at its greatest when it was in the private sector.

Mr. Moore: The Government cannot make any comment on privatisation. No decision has been taken on whether, when or how BREL could be privatised. The Government have a lot of other things to do at the moment. My hon. Friend should be commended for the way that he has handled the problems of ex-BREL employees in his constituency and for the work that he has created as a consequence.

Mr. Anderson: The Minister will know that much of British Rail's rolling stock is in poor condition. A programme of refurbishment is precisly what BREL is good at, and it is very labour intensive. Will he, with the management of British Rail, stress the importance, in job-creation terms, of that refurbishment programme?

Mr. Moore: The hon. Gentleman is right about the importance of refurbishment, but he would want me to remind the House that the £2 billion investment programme over the next five years for British Rail includes £716 million for locomotives and rolling stock. That is a sizeable re-equipment and refurbishing programme.

Airlines

2. **Mr. Dicks** asked the Secretary of State for Transport what information he has as to the number of airlines currently based in the United Kingdom.

The Parliamentary Under-Secretary of State for Transport (Mr. Michael Spicer): There are about 50 United Kingdom airlines holding air transport licences.

Mr. Dicks: What are the major benefits of competition in the airline industry, and what are the major obstacles to that greater competition?

Mr. Spicer: Our policy towards encouraging competition in the airline industry is one of the reasons why our industry is now the largest and most efficient in the Western world outside the United States.

In answer to the second part of my hon. Friend's question, we would like to extend competition in Europe and to see British airlines able to compete more fairly for business in the United States.

Mr. Sheerman: When scrutinising some of the deals that smaller airlines are tying up with large American airlines will the Minister ensure that those deals do not give a foothold to major American airlines which can damage the national interest and the British airline business?

Mr. Spicer: I agree with the hon. Gentleman if he is implying that any such tie-ups should be on a reciprocal basis, but we would like our airlines to be able to invest in commuter travel in the United States. It would only be on such a reciprocal basis that we would conceive of the reverse being the case.

Mr. Soames: I congratulate my hon. Friend on his robust championing of the aviation industry. Will he give a fair wind to the applications by British Caledonian for a number of new European routes being heard today? Does he agree that, through no fault of its own, British Caledonian has had a difficult year and needs every assistance that we can give it?

Mr. Spicer: My hon. Friend is far too well versed in the affairs of the airline industry to expect me to make any comment about the hearing currently before the Civil Aviation Authority. My right hon. Friend the Secretary of State has a quasi-judicial role in relation to appeals, so he will have a role if an appeal is made. The Government's avowed policy is to encourage all sorts of competition between British airlines wishing to fly into Europe.

Mr. Wallace: Will the Minister take this opportunity of congratulating Loganair, one of our domestic airlines,

which this year celebrates its 25th anniversary? Will he pay tribute to the valuable service that it provides to and within the islands communities in Scotland? Does he accept that British Airways complements that service to an important extent? May we have an assurance that following privatisation the Government will not agree to any diminution in the vital lifeline services which British Airways provides for the islands communities?

Mr. Spicer: I associate the Government with the first part of what the hon. Gentleman said about British Airways and Loganair.

The second part of the hon. Gentleman's question might come up in detail later in connection with lifeline services. The British Government are committed to lifeline services and to the appropriate licensing procedures associated with them.

Mr. McCrindle: How many of the 50 airlines fly scheduled services through Stansted, or how many have indicated a desire to do so? Can my hon. Friend confirm that the Government's policy is still the expansion of Stansted to a maximum of 7 million to 8 million passengers a year, looking to the time when there will be complementary services to the main European destinations?

Mr. Spicer: Air UK is the major supplier of scheduled services through Stansted. My information is that airlines are increasingly finding it difficult to get into Gatwick and Heathrow and are looking at Stansted as an alternative. That is one reason why we took the decision last year to expand Stansted.

Mr. Carter-Jones: As American airlines have change of gauge facilities in this country, will the Minister arrange for British airlines to have similar change of gauge arrangements in the United States?

Mr. Spicer: One of the matters being discussed in Washington by our officials this afternoon is the question of reciprocal arrangements and fair trade between the United States and the United Kingdom. The hon. Gentleman is right to say that the American airlines, which often are the first to complain about charges, at Heathrow airport for instance, can use their rights at Heathrow—change of gauge is one of them, and to pick people up at Heathrow, is another—which our airlines cannot do in the United States. One day that will have to be redressed.

Mr. Roger King: Will my hon. Friend accept the grateful thanks of the people of the west midlands in particular for the fact that, because of his policy on competition and deregulation within the internal airline industry, shortly we are to have an international transatlantic service in the shape of Highland Express, which I am sure will go a long way towards re-establishing Birmingham as the country's industrial capital?

Mr. Spicer: Highland Express is applying to the Civil Aviation Authority for the appropriate permission, so I cannot comment about any particular airline which is currently applying for licences. My right hon. Friend has a quasi-judicial role. We want to encourage the maximum number of viable airlines to fly to the United States, or anywhere else.

Railways (Electrification)

Mr. Madden asked the Secretary of State for Transport when he next intends to meet the chairman of British Rail to discuss electrification of the Bradford-Leeds railway line.

The Minister of State, Department of Transport (Mr. David Mitchell): The chairman is well aware that I am willing to consider any proposals for electrification where there is a sound case.

Mr. Madden: Does the Minister agree that rail passengers travelling between Bradford and Leeds are entitled to a first-class service that is fast, clean and comfortable, rather than the fifth-rate service that they now receive, which is slow, dirty and uncomfortable? When he next meets the chairman of British Rail, will he tell him that instead of subsidising sick public relations stunts, such as taking people to Sellafield on the first anniversary of the Chernobyl disaster, he would be better employed submitting electrification proposals for the Bradford-Leeds line, which would help to give passengers a better service, to combat unemployment, to expand local industry and to promote tourism?

Mr. Mitchell: The hon. Gentleman will be aware that, during the past 12 months I have paid two visits to Bradford, both by rail. The hon. Gentleman spoke about the level of services between Leeds and Bradford and asked for a first-class service. I must tell him that responsibility for the level of local passenger services in West Yorkshire rests with the passenger transport authority.

Mr. Waller: Is my hon. Friend aware of the multi-million pound investment in new rail services, including new stations and the latest and most modern trains, that is being embarked upon by the West Yorkshire passenger transport executive? This more efficient use of resources is a clear rebuff to the forecasts of Opposition spokemen, who claimed that bus deregulation would spell the end of rail services because they would be unable to compete with buses on the most profitable routes.

Mr. Mitchell: My hon. Friend is perfectly correct. I am also grateful to him for his invitation to visit his constituency later this week, when I shall have the opportunity to ride on some of those buses.

Mr. Meadowcroft: If the responsibility for services rests locally, surely the Minister is not suggesting that the local community should electrify the lines? Does the Minister appreciate that electrification may well bring advantages that will enable other stations to be opened between Leeds and Bradford, including west Leeds? The benefits of through-running will be greatly appreciated by people in Pudsey and west Leeds as well as Bradford.

Mr. Mitchell: Electrification is a matter for British Rail to propose. British Rail proposes and Ministers dispose.

Our record of approving electrification proposals for British Rail is one that should give the hon. Gentleman some cause for complimenting the Government. Between 1974 and 1979, when the Labour Government were in office, £71 million worth of electrification was approved. Since 1979, under the Conservative Government, no less than £476 million worth of electrification has been approved. I believe that the figures speak for themselves.

Dr. Hampson: In the context of the development of the Channel tunnel, does my hon. Friend agree that electrification will be an important factor in preventing the relocation of northern companies in the south-east? Will he assure us that he will consider the development in Yorkshire of a new freight terminal, possibly with free port status, to assist companies to stay in the north?

Mr. Mitchell: My hon. Friend is absolutely right to draw attention to the considerable advantages to the north that will come from the Channel tunnel with the possibility of direct through services for both passengers and freight.

With regard to the development of freight terminals in Yorkshire, British Rail will report back to me in July with its report on the freight side, which will say where it wants those terminals.

Motorways

4. **Mr. Knox** asked the Secretary of State for Transport how much has been spent on new motorway construction in each of the past three years, at constant prices.

Mr. Moore: In the past three years, expenditure on motorway construction at constant 1985-86 prices reduced from £323 million in 1983-84 to £317 million in 1984-85 and £254 million in 1985-86, reflecting the switch to trunk road improvements, particularly bypasses. Capital investment in roads is now nearly 30 per cent. higher than in 1978-79.

Mr. Knox: Is my right hon. Friend concerned that the figure for 1985-86 showed a sharp decline compared with the two previous years? Does he agree that a much better motorway network is essential if we are to improve our industrial efficiency?

Mr. Moore: We have seen an overall increase of 30 per cent. in real terms, because that encompasses the switch to trunk roads and bypasses. However, I recognise the point that my hon. Friend has made. Without question, motorways assist the economic development, and to that extent I know that my hon. Friend will be interested to learn that I am currently reviewing the overall programme and hope to make an announcement about it in the spring.

Mr. Ashby: My right hon. Friend will be aware that the M42 comes up to the boundaries of my constituency. He will also be aware that the contract for the extension to that road is shortly to be placed. Will my right hon. Friend please ensure that there is no slippage in that contract, because the traffic conditions in Measham and Ashby-de-la-Zouch—2,000 extra vehicles per day—are absolutely dreadful? Will my right hon. Friend also undertake to see whether it is possible for the contract for the next section, from Ashby to Kegworth, to be put forward ahead of time?

Mr. Moore: I bow to my hon. Friend's detailed knowledge of his constituency and its environs. I know he will be pleased that the completion of the M42 is part of our programme. I shall draw the attention of my hon. Friend the Minister with responsibility for roads to the additional points that my hon. Friend is understandably making within his constituency.

Mr. Ward: Is my right hon. Friend aware that the trunk roads and bypasses programme has been a tremendous help, particularly by restoring a respectable and quiet way of living to numerous towns and villages? Nevertheless, when he reviews the programme, will he bear in mind the necessity of completing the link between the M3 and the M27? At present the two motorways are connected by a dangerous and narrow section of road, which is highly dangerous for the heavy traffic from Southampton and Poole docks and for traffic from London.

Mr. Moore: Again, I have listened carefully to the point made by my hon. Friend about the connection between the M3 and the M27. He is right to draw attention to the fact that since 1979 we have completed 398 miles of new, all-purpose trunk roads in addition to the motorway programme. Sixty-seven bypasses have been completed and another 150 are in the programme. We can be pleased with and proud of that programme.

Manchester Airport

5. **Mr. Silvester** asked the Secretary of State for Transport if he will make a statement on the latest position regarding the development of the rail link to Manchester airport.

Mr. David Mitchell: I understand that an outline application for grant for the rail link to Manchester airport will be submitted very shortly. I welcome this progress and will ensure that the application receives immediate attention.

Mr. Silvester: Is it not a little disappointing that this is taking so long? Where does responsibility lie for the next stage? Can my hon. Friend give us any idea of the date on which he expects the application to be submitted?

Mr. Mitchell: As far back as 28 October last year I promised to consider a section 56 grant application urgently. Apparently it is not regarded quite so urgently by the passenger transport authority, or presumably I should have received it before now. I understand that there is private sector interest in providing a rail link, either partly or wholly at its own expense, relating to the development that the private sector is prepared to undertake at the airport. That may be very good news for people in the area and for the airport.

Mr. Stephen Ross: I congratulate Manchester on getting permission for its airport connection and getting it under way, but will the Minister tell us what progress has been made in the review of a rail link to Heathrow, which I suggest is absolutely urgent?

Mr. Mitchell: The review of the corridor and of the transport links within it is proceeding.

Mr. Adley: Will my hon. Friend make a clear statement on behalf of the Government that his Department accepts that, if we are fully to maximise the advantages of a new airport, it must have a rail link? Given the increase in road traffic that airports bring, a rail link is an environmental necessity for a modern airport.

Mr. Mitchell: My hon. Friend makes an interesting point, but we have to consider horses for courses. In some cases, people travel to an airport from all directions and do not all channel down a single rail link. My hon. Friend must take that fact into account in his enthusiasm for railways to all parts of the country.

Mr. Carter-Jones: When the Minister receives the application, will he give it favourable and speedy

consideration and appreciate the significance of the rail link, not only for the airport, but for the infrastructure of Manchester and the north-west?

Mr. Mitchell: I undertake to deal with it speedily, but until I receive it I cannot say how I shall regard it.

Driving Tests

6. **Mr. Peter Bruinvels** asked the Secretary of State for Transport how many driving test examiners are employed by his Department *(a)* nationally and *(b)* in Leicester; what qualifications are required of driving examiners; and if he will make a statement.

The Parliamentary Under-Secretary of State for Transport (Mr. Peter Bottomley): *(a)* 1,445; *(b)* 15. The waiting times in Leicester are below the national average. I have arranged for the information on qualifications to be placed in the *Official Report*.

Mr. Bruinvels: I welcome the possible privatisation of driver testing, which would reduce waiting lists. The average waiting time for the 2 million driving tests each year is 15 weeks. Will my hon. Friend investigate urgently the possible impersonation by a number of people in driver tests? Is he aware that in the east midlands people are charging £200 to take someone else's driving test? In one case, the person failed the test—even though he had a current driving licence—then went outside the driving test centre, removed the L plates, drove away, and was eventually prosecuted and fined £300. Will my hon. Friend investigate this as a matter of urgency?

Mr. Bottomley: I am grateful to my hon. Friend for his welcome of the internal review of driving tests. We do not have fixed views on what the outcome should be. We know that it is right to see whether improvements could be made. My hon. Friend seems to have given one example of an instance when impersonation, or personation, was detected. If he has any further information on that or other cases, will he give it to us? It is not right for us to give every bit of information on how we check people who falsely take the driving test, but all information will be welcome.

Mr. Robert Hughes: What on earth possessed the Minister to bring forward the bizarre idea that, by privatising driver testing, he could increase efficiency and improve pass rates? Will driving schools offer 10 lessons at £100 or 10 lessons at £300, with a driving licence at the end of the course?

Mr. Bottomley: The hon. Gentleman should be aware that we try to run the driving test regime in a way that is seen to be safe, fair and honest. It is our intention to keep it that way. We want to see whether it is possible to give customers a better service and to get greater efficiency. *—[Interruption.]* I ask the hon. Gentleman to listen to my reply. I listened to his question. If I may, through the hon. Gentleman, I shall speak to the 1 million people a year who take the driving test. It is ludicrous that over half of them present themselves when they are likely to fail. It is ludicrous to have a waiting time of 13 weeks on average. It is sensible to see whether we can make improvements that can include delegation to the private sector.

Following is the information:

Examiners must be over 26 years old. They must have at least six years experience of driving different types of vehicles, and wide experience of driving in the three years before appointment. They must demonstrate their driving ability in a special test. After initial selection by interview, they must complete successfully an intensive residential training course, usually lasting four weeks.

London Underground

7. **Sir John Biggs-Davison** asked the Secretary of State for Transport, pursuant to his answer to the hon. Member for Epping Forest on 23 February, *Official Report*, column *8*, what consideration he has now given to the memorandum about the running of the London Underground submitted to him by the hon. Member for Epping Forest.

Mr. David Mitchell: I have, as I offered, copied the memorandum to the chairman of London Underground for consideration and reply. In addition, I covered a number of these matters in my recent letter to my hon. Friend.

Sir John Biggs-Davison: Although the improvement of tracks and signals must take time, may immediate attention be given to the representations of the Line Users Action Group regarding timetables, with particular reference to Epping and Debden?

Mr. Mitchell: I shall ensure that my hon. Friend's views are drawn to the attention of the chairman of London Underground Ltd. There were problems on the introduction of the new timetables, but I understand that they are now being satisfactorily dealt with.

Mr. Squire: Is my hon. Friend aware that there is a widespread welcome in my constituency for the increased number of trains on the District line, particularly in the rush hour, and the fact that it has been achieved at a reduced cost to the taxpayer? Will my hon. Friend, when he tries to improve the use of the Underground, continue to bear in mind the fact that a large number of women refuse to travel on the Underground after the evening rush hour?

Mr. Mitchell: I am grateful to my hon. Friend for drawing attention to that fact. The sum of £15 million is being allocated over the next three years to London Regional Transport to help cut crime on the Underground. I hope that that will bear the sort of fruit that he and I want to see.

Air Traffic Control

8. **Mr. Wallace** asked the Secretary of State for Transport if he will make a statement on the ratio of air traffic controller posts to the number of flights.

Mr. Michael Spicer: This matter is the statutory responsibility of the Civil Aviation Authority. The authority's inspectorate of air traffic control ensures that there are sufficient qualified staff at all air traffic control units to handle the traffic there.

Mr. Wallace: Does the Minister accept that since the last major review of air traffice control, transatlantic flights, for example, have doubled and that air movements plotted by the air traffic control centre at Prestwick have gone up by 267 per cent., while staffing levels have remained the same? Against that background, does it not seem rather odd that the Civil Aviation Authority is seeking to reduce its manpower by 10 per cent.? Will the Minister undertake that when he, or the Secretary of State, meets the chairman of the Civil Aviation Authority he will

emphasise the paramount consideration of safety over any commercial considerations that it may have in trying to compete for other contracts at other airports?

Mr. Spicer: The answer to the last part of the hon. Gentleman's question is yes. The Civil Aviation Authority employs air traffic controllers at a limited number of airports. One of the reasons why its payroll has been falling is that it recently lost the Liverpool contract. As the hon. Gentleman implied, as long ago as 1983 the Monopolies and Mergers Commission reported that there was under-utilisation of air traffic controllers at some airports. As a result, the CAA is trying to make better utilisation of its air traffic controllers at non-busy airports and at off-peak periods. On the hon. Gentleman's last point, I can give him a specific assurance that, despite the increase in traffic to which he referred, the number of serious risk-bearing air misses declined between 1976 and 1985 from 40 to 16.

Mr. Tim Smith: Does my hon. Friend agree that there is an inherent conflict of interest within the Civil Aviation Authority arising from the fact that it is both the principal provider of air traffic control services on the one hand and the official investigator of air misses, which may involve those very air traffic control services, on the other? If he agrees, does he think that the problem might be resolved by privatising the CAA's air traffic control services?

Mr. Spicer: The provision of air traffic control services operates in competition with at least three other organisations. There is never any question of there being any conflict of interest on safety. The answer to the question that was asked earlier about whether safety is paramount has to be yes.

Mr. Foulkes: Does the Minister not accept that the volume of traffic that is being controlled by the Atlantic centre at Prestwick is rising, and will continue to rise, and that to try to control aeroplanes with a reduced number of air traffic controllers is both a false and a dangerous economy? Will he express these views to the CAA so that we do not end up with an air crash and the Minister having to make a statement at the Dispatch Box to explain that the crash occurred because some poor air traffic controller had been working long hours because of the cuts, with the blame inevitably falling on that poor scapegoat instead of where it ought to fall—on those who are making the economies?

Mr. Spicer: I very much hope that the hon. Gentleman is right and that air traffic into Prestwick is increasing from across the Atlantic.

Mr. Foulkes: No, through the Atlantic centre.

Mr. Spicer: Through the Atlantic system as well, through the Prestwick control. However, the hon. Gentleman is absolutely wrong and, I have to say, almost mischievously wrong, in his implied criticism that safety is being put at risk. I have already stated categorically that during the last 10 years the air traffic control system has progressively become safer and safer. That is the policy of both the CAA and the Government. It is quite another matter to consider whether or not there is some scope for better manning during off-peak periods and also in airports that are not busy. That is all that is being proposed.

Mr. Robert Hughes: Will the Minister take to heart the very old adage that prevention is better than cure? Therefore, does he agree that by far the best course of action is to have a proper system of regulations that lay down hours of work and proper rest periods while on duty? Although an air traffic controller may not be hyperactive during a certain period, the fact that he is not doing very much may equally be a cause of fatigue. That matter ought to be looked at very seriously.

Mr. Spicer: If the hon. Gentleman is saying that there should be standardised regulations throughout the country, I do not agree. At the busier airports there are already very substantial fatigue periods. Every two hours at a busy airport there is a half an hour fatigue period for air traffic controllers. I do not agree with the hon. Gentleman that standardised regulations are the answer. Airports throughout the country are very different. In some cases there will be a greater requirement for air traffic controllers. For example, as STOLport comes on stream there will be more air traffic controllers. It is a matter for the judgment of the CAA, for a start, which always puts safety at the top of its list of priorities.

Roads (West Sussex)

9. **Mr. Soames** asked the Secretary of State for Transport if he will make a statement on investment by Her Majesty's Government in the road infrastructure in West Sussex.

Mr. Peter Bottomley: The M23 and its associated Gatwick link were completed in 1974 and 1975. Apart from a short length of the A3, the other trunk roads in West Sussex are the A23 and A27. Actual and planned expenditure since 1979 amounts to more than £70 million at 1983 prices. In addition, £18 million has been made available to the county council through transport supplementary grants over the past five years.

Mr. Soames: I thank my hon. Friend for his great help, but does he agree that the increase in vehicle miles and traffic in and around my constituency has been dramatic in the last few years? Is he also aware that the traffic congestion is unacceptable to my constituents? Although my hon. Friend has been down to see this for himself, will he do whatever he can to assist West Sussex county council in resolving this problem, to the betterment of my constituents and local industry?

Mr. Bottomley: I should like to pay tribute to my hon. Friend, not only for inviting me to meet those primary school children and to see at first hand the problems of the growing amount of local and longer-distance traffic. It is the Government's determination to put figures on the help given to county councils, rather than fresh directions, which do not. We intend to go on trying properly to meet the needs of both commercial and domestic road users. I look forward to associating myself with my hon. Friend's efforts towards that achievement for many years to come.

Mr. Gow: Does my hon. Friend agree that East Sussex is adjacent to West Sussex, and will he—*[Interruption.]*

Mr. Speaker: Order. The question is about roads infrastructure, not adjacent to, but in, West Sussex.

Mr. Gow: Will my hon. Friend accompany me on that part of the A22 which is the London to Eastbourne road, which passes through West Sussex? If he makes that journey he will realise that great though is the need of my

hon. Friend the Member for Crawley (Mr. Soames) and his constituents, the needs of my constituents are even greater.

Mr. Bottomley: If I am allowed, Mr. Speaker, I shall quote from my briefing, which states:
"also applies to East Sussex, if raised."

British Airports Authority

Mr. Hubbard-Miles asked the Secretary of State for Transport what representations he has received about progress in the privatisation of the British Airports Authority.

Mr. Moore: Preparations for the privatisation of BAA plc are progressing well. The privatisation is planned for June-July this year.

Mr. Hubbard-Miles: I am grateful to my right hon. Friend. What, if any, special arrangements have been made for employee shares?

Mr. Moore: The 7,200-plus employees will be involved in the issue. They will be eligible for about £100 worth of shares at no cost, at the time of flotation. In addition, the Government will provide two free shares for each share purchased by an employee up to a maximum of about £400 of free shares for £200 purchased. All employees and pensioners of BAA plc will be able to apply on a priority basis for shares at the offer price.

Mr. Robert Hughes: Have the Government learnt any lessons from the sale of British Airways, in which a great deal of public money was lost? Or has the right hon. Gentleman been reminded by the Prime Minister of a statement that she made to the House in April 1968, when she said that it would be Conservative party policy to sell off public assets at below their true value?

Mr. Moore: We certainly have learnt lessons from the successful privatisation, of British Airways. The prime lesson is that I am still trying to discover what the Opposition fear most, a further successful privatisation, or a general election.

Mr. Bowen Wells: Will my right hon. Friend advise the House how, when preparing the British Airports Authority for privatisation, he will deal with the loss-making Stansted airport? He will know that a new terminal is being built there. In a recent answer to a question from me he said that the passenger traffic at Stansted is decreasing. Will not the abolition of income from duty-free sales at the airport put BAA totally in the red for a long time ahead? Will he consider curtailing the development at Stansted to prevent that occurring?

Mr. Moore: I cannot accept certain of my hon. Friend's propositions. Like others, he will want to look forward to the detailed prospectus that will appear in advance of the privatisation of BAA, which, as I said, we are looking forward to, successfully, in June-July this year.

Mr. Stephen Ross: May I take it that in the legislation providing for the privatisation of BAA protection will be given to ensure that foreign airlines will not be able to acquire shares and form cartels which might give them some effective control over the future of BAA?

Mr. Moore: I can reassure the hon. Gentleman on that fair point. Provision will be included in the articles of association of the privatised BAA plc restricting the shareholding of any individual or of parties acting in concert to 15 per cent. of the total issued share capital. In addition, the Secretary of State will retain a special share that will give him the right to veto any proposed change in the articles of association.

Motorways

11. **Mr. Coombs** asked the Secretary of State for Transport how many miles of motorway have been completed since 1979.

Mr. Peter Bottomley: Two hundred and sixty-five miles of new motorway have been completed in England since April 1979.

Mr. Coombs: Will my hon. Friend tell the House what major new motorway schemes are now in preparation? In particular, will he say what progress is being made in research on the extra traffic in the M4 corridor between the M25 and London as a result of the opening of the M25 and the extra traffic now being siphoned off the M3 and M40 on to the M4 coming into west London?

Mr. Bottomley: We said that we would review the M25 a year after it was fully opened. Obviously, our major schemes will help the M40, the M20 and the Manchester outer ring road. My right hon. Friend the Secretary of State expects to open the southern turn of the junction of the M5 and M42 this Wednesday. It is important, to have not only motorways, but trunk roads and relief roads. Our increase of 30 per cent. in spending contrasts with the Labour Government, who cut new national road spending in half during their term of office.

Road Safety

12. **Mr. Janner** asked the Secretary of State for Transport whether he will set up an inquiry into the provision and funding of further road safety measures for schoolchildren.

Mr. Peter Bottomley: The Department is funding a detailed survey on the provision of road safety education in the United Kingdom. The subject has been considered in the interdepartmental review of road safety. We shall consider with the Department of Education and Science further appropriate action.

Mr. Janner: Is the Minister aware that the education of children in road safety is not enough and that much more money is needed for road safety measures outside schools? Is he further aware that the absence of such safety measures caused the death of a child in Anstey lane, Leicester recently and that there is a desperate need for money to enable the local authority to provide pedestrian crossings where they are needed and so that safety measures can be implemented effectively?

Mr. Bottomley: Yes, Sir. First, our guidelines must be right so that local authorities can put in safety measures. Secondly, it is important to have safe routes to school analysed and to have changes made. Obviously, education matters, but most important, especially for young children, is that parents and those around them chaperone them when they are below the age of seven and make sure that they are properly trained before they go out on the roads alone.

ATTORNEY-GENERAL

State Security

28. **Mr. Janner** asked the Attorney-General when he next expects to meet the Director of Public Prosecutions to discuss progress with the consideration of possible prosecutions under section 2 of the Official Secrets Act in the eight currently outstanding cases.

The Attorney-General (Sir Michael Havers): I expect to meet the Director of Public Prosecutions shortly and to discuss with him such matters as appear at that time to be appropriate.

Mr. Janner: May I say how pleased we are to welcome back the Attorney-General in good health?

Is the right hon. and learned Gentleman considering the lessons to be learnt from the catastrophic mishandling of the Wright case in Australia? As a result, will he make any further prosecutions under section 2 of the Official Secrets Act? Which of the eight are to be prosecuted and, if any, do they include Nigel West, alias Allason, who is a prospective Conservative candidate?

The Attorney-General: I am grateful to the hon. and learned Gentleman for his kind remarks, which I greatly appreciate.

I do not accept that the case in Australia was a catastrophic disaster. It concerned a principle which we are maintaining and we were right to do so. Of the eight outstanding cases, two have been convicted, two have been dropped and the rest are awaiting final consideration. I have already dealt with the decisions on the others.

Mr. Forth: Does my right hon. and learned Friend appreciate how much support there is for the principle that those who sign the Official Secrets Act and then break it, particularly for personal gain, should be pursued and prosecuted, and that anything that he and his Department do in that connection in the future will have wide support on this side of the House?

The Attorney-General: I am grateful to my hon. Friend. That in a nutshell is the principle behind the case.

Mr. Foot: If that is true, as it is alleged in some of the reports about what is in Mr. Wright's book, that people from MI5 were engaged in some sort of conspiracy against the elected Government of the United Kingdom, does the Attorney-General think that that, too, is a matter of principle? What steps has he taken to ensure that that is properly investigated?

The Attorney-General: I think I can refer the right hon. Gentleman most conveniently to the answer of the then Prime Minister when he addressed the subject.

Mr. Rippon: Most right hon. and hon. Gentlemen will welcome what my right hon. and learned Friend has just said. Does he agree that the operations of the secret service must remain secret and that they involve a lifelong duty of trust?

The Attorney-General: I agree entirely with my right hon. and learned Friend. I am surprised that so many Opposition Members seem unable to accept that principle.

Mr. John Morris: I, too, wholeheartedly welcome the Attorney-General back to his place in the House.

What is the prime consideration in relation to prosecutions? Is it damage to national security, or is it political embarrassment? Does the Attorney-General maintain consistency in his approach to Miss Tisdall and Mr. Ponting and to others such as Mr. West, Mr. Pincher, Lord Rothschild and the security men who may have leaked information to those people? Has not section 2 of the Official Secrets Act been virtually put out to grass and replaced in practical terms as a damage limitation exercise by actions for breach of confidentiality?

The Attorney-General: I thank the right hon. and learned Gentleman for his kind remarks. He used the word prosecutions, not for the first time during my questions. In fact, the proceedings in Australia are civil proceedings. There is no way in which we can prosecute under the Official Secrets Act in another country. With regard to the action in Australia, the principle has been brought out clearly today that it is the Government's determination to establish that once a man joins a service in which he promises to keep secret for the rest of his life all that he finds, that principle should be upheld.

Mr. Mates: For the benefit of the right hon. and learned Member for Aberavon (Mr. Morris), will my right hon. and learned Friend reinforce the point that whether or not a matter is politically embarrassing, the fundamental principle to be observed is that if a person breaches trust he must be pursued by any Government as far as it is legally possible to do so?

The Attorney-General: It would be impossible for the intelligence services to carry on their business and to maintain the confidence of other intelligence services if that principle was not upheld.

State Security

29. **Mr. Dalyell** asked the Attorney-General if he has yet reached any decision whether to prosecute Lord Rothschild in relation to alleged offences under the Official Secrets Act.

The Attorney-General: The police investigation to which the Solicitor-General referred on 6 February is as yet incomplete.

Mr. Dalyell: Before appealing in Australia, would it not be wise to find out what on earth induced Victor Rothschild to pay money for Peter Wright to come here and to introduce him to Chapman Pincher? As I suggested in an Adjournment debate on 6 February, is there not some selectivity in prosecution policy? Why go for Wright and not for Victor Rothschild?

The Attorney-General: I have made it clear that there is no question of any decision being taken about Lord Rothschild. The police inquiry is not complete and the Director of Public Prosecutions has no report. With regard to the case in Australia, the hon. Gentleman again fails to distinguish between insider and outsider books.

Mr. Mark Carlisle: Is not the answer to the selectivity issue raised by the right hon. and learned Member for Aberavon (Mr. Morris) the fact that neither Mr. Chapman Pincher nor Mr. Nigel West is subject to the Official Secrets Act and thus cannot be prosecuted under it?

The Attorney-General: With one reservation, my right hon. and learned Friend is right. A person who directly repeats information from someone bound by the Act could himself be liable.

Wright Court Case

30. **Mr. Winnick** asked the Attorney-General if he is now in a position to make a statement on the Wright court case in Australia.

The Attorney-General: With permission, I shall answer this at the end of Question Time.

High Court Judges

31. **Mr. Madden** asked the Attorney-General what criteria the Lord Chancellor uses in recommending the appointment of High Court judges.

The Solicitor-General (Sir Patrick Mayhew): High Court judges are appointed by the Queen on the recommendation of the Lord Chancellor. The statutory qualification is to be a barrister of 10 years' standing, but those appointed are usually of more senior standing than that. The criteria for selection are judicial potential, ability, experience, reputation and personal integrity.

Mr. Madden: Can the Solicitor-General, from his personal recollection, think of anyone who has been promoted in one go from registrar to High Court judge?

The Solicitor-General: I can think of one — or, at least, I have been prompted of one. It is unusual, but there is one. To make a general response to the question, I believe that the reputation of our judiciary is unsurpassed throughout the world. Where the constitution appears to be working well, on the whole I am averse to changing it.

Mr. Stokes: Is my right hon. and learned Friend aware that most people in this country, unlike some Opposition Members, regard our judges in the highest light? They look to them as protection against arbitrary power and they want no changes in their appointment, and certainly no political mucking about with what they do.

The Solicitor-General: As usual, my hon. Friend speaks with the good sense that characterises the opinion of the vast majority of people in Britain.

Mr. Skinner: Has the Solicitor-General seen the recent remarks of Judge Argyle, who last week addressed a meeting and said that those who are found guilty of crimes which result in sentences of more than 15 years should be hung—[HON. MEMBERS: "Hanged."]—hanged: it is the same argument. He also said that there are 5 million illegal immigrants in Britain. How did he manage to become a judge? Who was responsible for giving him the job? Why is it that the Government can cast aspersions on the Australian judge, yet this one seemingly attracts no comments from the Attorney-General and his mates?

The Solicitor-General: The advantage of having an independent judiciary is that its members are responsible for their own opinions, if they are correctly reported. The Attorney-General is not responsible for anything that is reported to have been said by any judge.

OVERSEAS DEVELOPMENT

Africa

Mr. Norris asked the Secretary of State for Foreign and Commonwealth Affairs what action he is taking to help control the devastation being caused by locusts and other pests in Africa.

The Minister for Overseas Development (Mr. Chris Patten): Last month I committed over £1·5 million for pesticides, sprayers, vehicles and spares to combat the current desert locust upsurge in eastern Africa. I have agreed to today to provide a further £567,000 for locust and grasshopper control in the Gambia, Mali and Sudan. This is in addition to the £3 million the Government provided last year to help to control locusts and other pests in Africa. We stand ready to provide more help if needed.

Mr. Norris: Does my hon. Friend agree that the locust and grasshopper devastation in central Africa, all the way from Senegal to Djibouti, wreaked untold damage on the fragile economies of those countries? Does he agree that although his news today is welcome, we must do all that we can to combat those serious attacks on the economies of central Africa?

Mr. Patten: I very much agree with my hon. Friend, whose remarks underline the importance of supporting the regional organisations working on the control of locusts. I was pleased to visit the desert locust control organisation a couple of weeks ago, which we support and will continue to support.

Mozambique

Mr. Soames asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the amount of aid her Majesty's Government will be extending to Mozambique in 1988-789.

Mr. Chris Patten: We expect to maintain a substantial aid programme to Mozambique in 1988-89. Figures will be announced in due course in the usual way. We shall also remain ready to contribute food aid and emergency relief.

Mr. Soames: Although I congratulate my hon. Friend on the imaginative programme that he has introduced for Mozambique, does he agree that Britain has some important interests in a stable Mozambique? Will he do all that he can to ensure that if any EEC food surpluses are available for that region, Mozambique has the first charge upon them?

Mr. Patten: I very much agree with my hon. Friend's first point. I hope that Mozambique will soon agree on a programme with the International Monetary Fund and the World Bank, which we shall support when it happens. As for food aid, I am pleased to be able to tell my hon. Friend that following my visit to Mozambique we immediately raised the question of food aid in Brussels. A further 60,000 tonnes of cereals was agreed by the Commission on 3 March. Much of it will be provided from Zimbabwe.

Mr. Kirkwood: Bearing in mind the fact that economic security cannot exist in the absence of military security, and having regard to the problems of Mozambique at present, do the Government have any plans to increase military aid to the front-line states and to Mozambique in particular?

Mr. Patten: Although the matter is not strictly within my terms of reference, I can confirm that we are helping with the training of the Mozambiquean armed forces, and we are also providing battalion unit training for the Zimbabwe army.

Mr. Bowen Wells: Is not a major cause of Mozambique's difficulties and need for food aid the disruptive tactics of the Republic of South Africa to the south, supporting the guerrillas within the country, who are disrupting the normal flows of supply? This happens throughout the Southern African Development Coordination Conference countries. What thoughts have my hon. Friend and his Department given to supporting those countries that are being seriously disadvantaged by the sanctions being imposed on South Africa and South Africa's retaliation?

Mr. Patten: We have continued to urge restraint on South Africa in relation to Mozambique and the other front-line states, and we have continued to urge South Africa to stick to the Nkomati accord.

Mr. Anderson: I welcome the new warmth in the relationship between our country and Mozambique and the coming visit of President Chissano, but what are the Government doing about South Africa's destabilisation policies, which are destroying the very infrastructure that the Government are seeking to assist? Are we telling the South Africans that they cannot get away with arming and financing these rebels, who are surrogates of South Africa and destroying our aid efforts?

Mr. Patten: In answer to the previous questions I have already referred to the representations that we have made to the South African Government. As I was able to make clear at the meeting of SADCC in February, we are also providing more support to help the front-line states become more independent economically of South Africa.

Development Research

38. **Mr. Stuart Holland** asked the Secretary of State for Foreign and Commonwealth Affairs what measures he is taking to ensure the viability of development studies and development related research in the United Kingdom.

Mr. Patten: The ODA currently provides £17 million a year for direct support of about 30 British institutions undertaking development-related research. Another £12 million is provided in grants for research by specific individuals or teams. Support for courses in development studies at British universities is provided by the Department of Education and Science through the University Grants Committee. The ODA also provides assistance to postgraduate students from overseas.

Mr. Holland: The Minister must be aware that the cuts undertaken by the Government have lacerated research in tropical development institutions and core funding of research institutes such as the institute of development studies at Sussex. Since December it has been clear that the whole future of the school of development studies at East Anglia is at risk. The Minister made a good start at this by expressing concern over the matter, but why has he not followed it through? Can he not get the Department of Education and Science to grant funding, and if he cannot, will he not come up with something from his own budget as a temporary measure to ensure that that school can survive?

Mr. Patten: The first part of the hon. Gentleman's question is nonsense. As to the second, I was concerned to learn about the proposals being discussed to reduce undergraduate training programmes in development studies at East Anglia. As the hon. Gentleman suggested, I made clear publicly how much value we place on the work of the school of development studies there. I have also made those views known to my hon. Friend the Under-Secretary of State for Education and Science and to the chairman of the University Grants Committee. I understand that discussions are continuing, and I hope that there will be a satisfactory outcome.

Development Process (Women's Participation)

Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the specific projects in his present programme of overseas aid that relate to women's participation in the development process.

Mr. Chris Patten: All aid affects women. Examples of projects and programmes with a direct impact on women are given in the booklet "Women in Development", copies of which are in the Library.

Mrs. Dunwoody: Is the Minister aware that in most Third world countries it is women who do all the hard physical labour, and specific targeting of projects that would help them in training and in agricultural matters would have a direct effect on the standard of living of most difficult areas, particularly those in need of some kind of economic investment?

Mr. Patten: I agree with the emphasis that the hon. Lady places on training. Too few women are on our training programme, and we are taking that point up with the Governments of aid recipient countries.

Mr. Forth: Do we not have to be careful not to impose our own standards and mores on other countries? Will my hon. Friend give me an assurance that any pontifications that we make on this matter will be kept to a minimum, as with expressions of our attitude to the internal, domestic and social affairs of other countries?

Mr. Patten: The answer to the first part of the question is yes. The answer to the second part of the question is yes.

Mr. Deakins: Is the Minister aware that one way of helping women to take part in the development process in the Third world is to ensure that they have full access to information, suppliers and advice generally on family planning so that they can choose for themselves the number of children they will have and their spacing and can preserve their health and play a full part as citizens in the development process?

Mr. Patten: There is a great deal in what the hon. Gentleman said. In 1985 we spent £15·5 million on population-related activities. I believe that there is a close relationship between the success of population programmes and literacy rates among women.

Immunisation Schemes

40. **Mr. Butterfill** asked the Secretary of State for Foreign and Commonwealth Affairs what support is being provided from the aid programme to immunisation schemes in developing countries.

Mr. Chris Patten: We support immunisation programmes through our contributions to the United Nations Children's Fund and the World Health Organisation's cold chain support unit and as part of our bilaterally funded primary health care projects.

Mr. Butterfill: Does my hon. Friend agree that in this modern age it is unacceptable that so many children throughout the world should suffer and die because of a lack of immunisation? Does he agree that Britain's contribution compares favourably with those of other countries? Will he give a comparison? What is my hon. Friend's opinion on how well UNICEF is carrying out its functions in that regard?

Mr. Patten: UNICEF is doing an extremely good job. That is why I was pleased that we were able in January to announce a £5 million grant for its immunisation programme. This financial year we shall contribute more than £13 million to UNICEF, which is the largest amount that we have ever contributed. We are making £164,000 available to the WHO's cold chain support unit. In addition, we hope to spend more than £10 million on bilateral health activities, many of which include immunisation.

Aid-Trade Projects

41. **Mr. Kirkwood** asked the Secretary of State for Foreign and Commonwealth Affairs what further projects he is considering for developing countries under the aid-trade provisions.

Mr. Chris Patten: Thirty four capital aid projects and 37 technical co-operation proposals are currently under consideration for funding from the aid and trade provision.

Mr. Kirkwood: Does the Minister accept that Britain alone within the OECD is one of the few countries whose proportion of aid as bilateral aid — as opposed to funding through multilateral sources — is increasing? Is that not regrettable?

Mr. Patten: I am not sure exactly what the hon. Gentleman is asking. I believe that the more significant figure is in the OECD's recent findings—80 per cent. of our aid budget goes to the poorest countries, as against an average for the OECD of 60 per cent.

Wright Court Case

3.32 pm

The following Question stood upon the Order Paper:

Mr. David Winnick (Walsall, North): To ask the Attorney-General if he is now in a position to make a statement on the Wright court case in Australia.

The Attorney-General (Sir Michael Havers): The principle which the Government are seeking to uphold is clear. Having considered Mr. Justice Powell's judgment and the advice of Australian counsel, the Government have decided to appeal against it. A notice of appeal will be lodged as soon as practicable.

Mr. Winnick: Is the Attorney-General aware that many people believe that it is simply a further waste of taxpayers' money to pursue the appeal in Australia? Is he aware also that the Opposition are concerned not about the tittle tattle of the memoirs—we all know that Wright is a very embittered individual—but about the need to ensure that there is adequate parliamentary scrutiny of the security services? In view of the allegations that a Labour Government were destabilised—at least at certain stages—by the Security Service, will there be a clear promise that there will be a full judicial inquiry into those allegations?

The Attorney-General: I have no power to give any such undertaking. That is not a matter for me. I remind the House of what the Prime Minister of the day said. He said that, after conducting detailed inquiries, he was satisfied that the allegations about the Security Service

"did not constitute grounds for lack of confidence in the competence and impartiality of the Security Service or for instituting a special inquiry."

Mr. Ivan Lawrence (Burton): Does my right hon. and learned Friend agree that if the Government had done nothing to try to stop those who are entrusted with the nation's secrets from betraying those secrets for money they would have been subject to the accusation of having shown the grossest irresponsibility? Do we in this country not have reason to believe that a system of justice founded upon our system will uphold the principle of confidentiality?

The Attorney-General: Those are certainly matters that the Ministers concerned took very much into consideration when reaching the decision to start the proceedings in Australia.

Mr. Merlyn Rees (Morley and Leeds, South): May I refer the Attorney-General to the answers that he has given twice today about the inquiry that took place in the summer of 1977, in which I played a part? The statement to which he referred, of which I have a copy, reads:

"The Home Secretary, as the Minister to whom the Security Service is responsible, has been closely involved in the enquiries".

We were not inquiring into the allegations that are now made by Wright and by others. We were inquiring into alleged electronic devices at No. 10, and it was on that issue that the then Prime Minister issued his statement, in which I played a part.

None of that information would be provided to the Attorney-General. None of that information would be provided to the Home Secretary of today. None of that would be provided to the Prime Minister. It is a convention—I note that the right hon. and learned Gentleman is nodding in agreement—that none of that information is provided to a later Government. I am satisfied that the information about the Wright allegations and other allegations is not referred to in the inquiry. When Ministers, including the Attorney-General, say that the Prime Minister of the day dealt with it in his statement, I can say that he did not, and neither did I. They are different allegations, and unless an inquiry is set up—this is an exercise by dissident members of MI5 and not a question of national security—I shall get at the root of it whatever happens. The Government had better remember that.

The Attorney-General: I am sure that the right hon. Gentleman would not suggest for a moment, as he has made clear, that the Government are seeking to mislead in any way.

Mr. Merlyn Rees *indicated assent*

Mr. Dennis Skinner (Bolsover): Misleading! Come clean to the House.

The Attorney-General: I am grateful to the right hon. Gentleman for his acknowledgement——

Mr. Skinner: Come clean.

Mr. Christopher Soames (Crawley): Shut up.

Mr. Speaker: Order. The hon. Member for Bolsover (Mr. Skinner) must not interrupt like that.

Mr. Skinner: Why do you not mention Bunter, Mr. Speaker? Why do you not get stuck into Bunter, Mr. Speaker?

Mr. Speaker: Order.

The Attorney-General: As the right hon. Member for Morley and Leeds, South (Mr. Rees) has said, we do not have access to any of the papers that were considered by him and the then Prime Minister. I shall, however, ensure that what he has said is drawn to the attention of my right hon. Friend the Home Secretary.

Mr. Geoffrey Rippon (Hexham): I warmly welcome the statement that the Government are to appeal in the Wright case. Many in the House believe that the Government are right so to do and that there is no alternative but to take that course. Does my right hon. and learned Friend agree that if the operations of the secret service must remain secret, the means by which it is controlled must remain the responsibility of the Government of the day and cannot be delegated to any other body?

The Attorney-General: That has been the convention for a very long time. That is why questions about security are usually not allowed by the Table Office. I agree with everything that my right hon. and learned Friend has said.

Dr. David Owen (Plymouth, Devonport): Is the Attorney-General aware that I am sure that both sides of the House agree with the principle that no one who has worked in MI5, either present or retired, should be free to publish what he wishes? The question of accountability of MI5, however, and what appear to be fairly widespread illegal practices are causing great concern. Will the Attorney-General, who is answerable on this issue to the House, explain why he was not involved in the decision not to prosecute Mr. Chapman Pincher six weeks before the book was published? Did that decision relate to the fact

[Dr. David Owen]

that the book had been stolen? Will the Attorney-General tell the House also why no action was taken against Mr. Peter Wright when he appeared on television?

Both those events occurred in Britain, and surely it is better to proceed on that basis than to go on digging a deeper hole, when one is deep enough in it already, down in Australia. Surely we should deal with the issues for which we are responsible and for which the Attorney-General is responsible, which preceded what happened in Australia by a couple of years.

The Attorney-General: I well understand the anxieties that have been expressed by the right hon. Gentleman. I was not consulted, and therefore I am unable to comment on why I was not, and that is clear.

As to the rest of the right hon. Gentleman's question, I am still bound by the obligation that was imposed on me earlier, because this morning I consulted counsel in Australia and was told that I cannot make any full or detailed statement until the appeal is over.

Mr. Jonathan Aitken (Thanet, South): As the confusion over the Wright case seems to be deepening with all these announcements, will my right hon. and learned Friend take note of the view that, by his announcement today, he may be pursuing a good principle, but by the wrong method? Instead of spending the best part of £1 million of taxpayers' money on what I fear will be a vain attempt to persuade the Australian courts to uphold Britain's narrow view of the Official Secrets Act, will my right hon. and learned Friend and his advisers concentrate on the higher priority, which is to ensure that all present and future members of the security services are given binding and enforceable contracts of employment, the breach of which makes them clearly liable to damages and loss of their pension rights if they dishonour their obligations of confidentiality?

The Attorney-General: One of the decisions of the learned judge, Mr. Justice Powell, was whether there was an enforceable contract, which almost certainly will be one of the grounds of appeal.

Is this a vain attempt? No, Sir. We do not accept that it is a vain attempt. I would not agree to any appeal unless I felt confident that there was a proper chance of success. That is why we have taken this decision.

Mr. D. N. Campbell-Savours (Workington): Why does the Attorney-General not take up the offer that was repeatedly made by Mr. Turnbull last week, that he was willing to do a deal with the Attorney-General on the content of the book and exclude any material which the Attorney-General felt breached national security, with one proviso, that the material that Wright has produced on the destabilisation of Labour be published? Surely it is in the public interest that that be made available?

Why did the Attorney-General go through his agent, on bended knee, to the judge in the Australian court, insisting that the affidavit of Mr. Wright which dealt with the destabilisation of Labour be taken in secret behind closed doors? Why was that area of his affidavit not made available in the public domain so that the whole world could learn what happened during the mid-1970s?

The Attorney-General: A great deal of the book remains, in the view of Her Majesty's Government, a matter of confidence. On those occasions there was no question of going on bended knee to the judge. On the occasions that it was clear to anybody looking at a passage that it was a matter of confidence, the proceedings were heard in camera. There was no question of having to go on bended knee. I am sorry, but I have forgotten the first point.

Mr. Campbell-Savours: The deal with Turnbull.

The Attorney-General: Again, the hon. Gentleman has failed to understand the principle, which I thought we had repeated so many times that it would be clear to anybody. The principle is that we need to uphold a promise that is made by those employed in the intelligence services that they will not, at any time, disclose anything that they have learnt in confidence. We cannot have a settlement, because if we achieve a settlement we shall be in breach of that principle.

Mr. David Ashby (Leicestershire, North-West): Has my right hon. and learned Friend considered that the reason why the Australian courts take a different view of section 2 of the Official Secrets Act is that they have a Freedom of Information Act, which effectively has replaced the Official Secrets Act? Is that not the direction that we should be taking? Should we not get rid of section 2 and replace it with a Freedom of Information Act that will say what can and cannot be published.

The Attorney-General: Section 2 of the Official Secrets Act played no part in our conduct of this case in Australia. As to the second matter, my hon. Friend will know that in 1979 we sought to improve section 2 but that that proposal did not meet with favour. Ultimately, that must be a question for my right hon. Friend the Home Secretary.

Mr. Willie W. Hamilton (Fife, Central): Is the Attorney-General aware that a large number of people inside and outside the House will regard the Government's decision to appeal as little more than a delaying mechanism to prevent any further discussion of the matter this side of the general election?

Does the right hon. and learned Gentleman recognise that taxpayers' interests are at stake? Can he tell the House the total estimated cost to the taxpayer of this farce? In the light of what has happened to the Liverpool councillors, does the right hon. and learned Gentleman agree that he and the Prime Minister should be surcharged if the appeal fails?

The Attorney-General: The councillors would have been in a much stronger position if they had acted on, instead of against, legal advice.

The hon. Gentleman talks about people outside. For the third time at Question Time I must tell the House that I have received not a single letter from any member of the British public about our taking action in Australia. Perhaps the hon. Gentleman reads something into the issue in which the British public do not believe. I think that they believe in the principle that we accept.

What the hon. Gentleman said about a delaying mechanism is nonsense. I am confident that we have a better than even chance of success. As I said to the right hon. and learned Member for Aberavon (Mr. Morris) on the last occasion when I was able to attend Question Time, I am longing for the opportunity to make that statement, and I still am.

Sir Ian Percival (Southport): Is my right hon. and learned Friend aware that the majority of people in this country understand and support his desire to uphold the principle that, in the interests of national security, secrets are secrets and should not be sold for money by those to whom they are entrusted in the course of their duties?

The Attorney-General: I do not wish to comment myself, but I believe that to be the view of the British public.

Mr. John Morris (Aberavon): Which is the weightiest principle in the Government's mind — failing to recognise inconsistency delaying other cases, or kicking the ball for touch until after the next election?

Who takes the decisions — the Law Officers or the Prime Minister? Alternatively, was it on the Attorney-General's advice that it was decided to sue in Australia as well as in relation to Miss Miller's book in Ireland? Why was the Attorney-General not consulted about the decision not to act in Pincher's case? Was it because the book's proofs were obtained illegally? Having failed to ban such books in Australia and in Ireland, has the right hon. and learned Gentleman considered that even if he were to win in Australia he would fail to ban publication in Ireland or America?

The Attorney-General: The right hon. and learned Gentleman listens too much to gossip. He talks about weighty principles and kicking the ball for touch. That is one way to put it, but I have now told the House not once, but three times, that I am satisfied that our chances of success are sufficient to justify an appeal. There is no question of taking a deliberate political decision in order to get past the next election. This is a ministerial, collective decision on which the Attorney-General advises.

European Community (Steelmaking Capacity)

3.48 pm

Mr. John Smith (Monklands, East)*(by private notice)* asked the Secretary of State for Trade and Industry if he will make a statement on European Commission proposals to reduce steelmaking capacity within the European Community.

The Minister of State, Department of Trade and Industry (Mr. Giles Shaw): The European Commission's view, which is generally shared by the member states, is that substantial excess steelmaking capacity remains in the European Community. This excess capacity is generally estimated to be in the range of 20 million to 25 million tonnes per annum of hot rolled capacity.

Against this background, the European Steel Producers Federation, Eurofer, put forward proposals to the Commission on 1 March for reducing capacity in a number of steelmaking sectors. These proposals were presented to the Commission on 1 March. No capacity reductions from the British Steel Corporation were included in the Eurofer proposals.

At a meeting of the Council of Ministers on Thursday 19 March, which I will attend, the Commission will, I understand, make an oral statement of its views of the Eurofer proposals in relation to the excess capacity in Europe. I shall, of course, be reporting to the House following that Council of Ministers in accordance with normal practice.

Mr. John Smith: Is the Minister aware of the alarm that spread rapidly throughout the British steelmaking communities when news was received of possible proposals by the European Commission to reduce steelmaking capacity, particularly in hot-rolled coil and strip production? Can the Minister give a categorical assurance that the pledge given to maintain the five integrated steel plants will be maintained absolutely until 1988 and that no proposals will be agreed to take effect thereafter or to prejudice decisions for the future?

Is the Minister aware that the United Kingdom has already borne a severe reduction in the steel industry and there is just no room for any more? Can the Minister confirm that no proposals—I believe that he said this in his statement, but it is so important that I hope he will confirm it—to reduce capacity have been made by the British Steel Corporation, through the mechanism of Eurofer, in discussions with the Commission? Will the Minister make clear at the Council of Ministers meeting on Thursday a view that I believe is fairly widespread throughout the House, that the British Government will not agree to any further reduction in steel capacity, particularly in hot-rolled coil and strip production, either now or in the future?

Mr. Shaw: I unequivocally give the right hon. and learned Gentleman the assurance that he wishes in connection with the maintenance of the five integrated plants strategy as agreed in August 1985 and to which the Government are fully committed.

In relation to the Eurofer proposals, I assure the right hon. and learned Gentleman that no step will be taken which in any way prejudices the future of that strategy

[Mr. Shaw]

after the particular date. I can give him the assurance that there is no element in the Eurofer proposals than has been submitted by the British Steel Corporation.

Thirdly, in relation to the Eurofer initiative, the right hon. and learned Gentleman will be aware, as I am aware, that initial rounds were put together in the Peat, Marwick, Mitchell and Co. report, which became public.

I can assure the right hon. and learned Gentleman that in the discussions that I have had, particularly with Vice-President Navjes, in relation to the reports that appeared in the press last weekend, there is absolutely nothing which in any way weakens or undermines the assurances that I have given the right hon. and learned Gentleman.

Sir Alex Fletcher (Edinburgh, Central): The maintenance of the five integrated steel plants is a tribute to the Government's persistence, but, to ensure that they achieve viability, the future of those steel works should not be endangered by the current talks taking place in Europe.

Mr. Shaw: That is absolutely correct. It should be borne in mind that the position in the United Kingdom today is that we have a steel corporation and a steel industry which are infinitely more competitive than they have been since the war. The British Steel Corporation is actively seeking to increase the sales of many of its steel products, to the advantage of the United Kingdom, and against European competition. That is a major sea change in steel production.

Sir Russell Johnston (Inverness, Nairn and Lochaber): We welcome the assurances that the Minister has given to the right hon. and learned Member for Monklands, East (Mr. Smith). However, the Minister must be aware from his recent visit to Scotland that many fear that the BSC might be making the European Community an excuse for advancing the closure of Ravenscraig. When the Danish Commissioner, Mr. Petersen, recently visited Strathclyde, he agreed with those who pointed out that Britain had already taken more than its share of cuts and that in the next round the brunt should be borne by the French, the Italians and the West Germans.

Mr. Shaw: I take note of what the hon. Gentleman said. He will be aware that that is all the more reason why the BSC has not offered volume reductions in relation to the Eurofer proposals. As regards the Government's view, whatever the Commission may say, it is a political decision by the Council of Ministers that will determine the issue.

Mr. Robin Maxwell-Hyslop (Tiverton): Will my hon. Friend remember that it is not sufficient to state important truths once, and that the facts of the extent to which Britain slimmed its steel industry before the other members of the European iron and steel community did so, bear repeating in public over and over again?

Mr. Shaw: I entirely agree with my hon. Friend, and I expect that that fact needs to be repeated several times.

Dr. Jeremy Bray (Motherwell, South): Did the BSC propose to Peat, Marwick, Mitchell and Co. the closure of any capacity, and were any such proposals subsequently withdrawn before the report was submitted to the Commission? Further, can the Minister give an assurance that nothing that the BSC is allowed to incorporate in its own plans will be based on the assumption of any major plant closure after 1988?

Mr. Shaw: I have already given the right hon. and learned Member for Monklands, East (Mr. Smith) the assurance that the hon. Member for Motherwell, South (Dr. Bray) would wish me to give. The BSC position in relation to Eurofer is that no volume of BSC capacity is involved therein. On the first part of the hon. Gentleman's question, I must make it clear to him that Peat, Marwick, Mitchell and Co. was free to conduct its own assessment of what would be required. The Eurofer meeting determined which proposition should be placed before the Commission. Those proposals, which are the only proposals that have been made by Eurofer, were deposited with the Commission on 1 March and they will form the basis of the Council meeting on 19 March.

Sir Peter Emery (Honiton): My hon. Friend may return to Brussels with the knowledge that he has the backing of the whole House. Is he aware that he must make it clear to the Commission that not only the BSC but the Government would find it unacceptable that there should be any cut in British steel production, and that he should continue to point out that although we have reduced production, other nations have increased their production and have not slimmed down? There can be no question of Britain making further reductions until the rest of Europe is in line.

Mr. Shaw: I very much endorse what my hon. Friend has said. He is correct to point out that the capacity exists elsewhere in the Community.

Mr. Tam Dalyell (Linlithgow): Following the question of my hon. Friend the Member for Motherwell, South (Dr. Bray), may I ask whether Peat, Marwick, Mitchell and Co. put forward proposals for shrinkage? Is it not a fact that the company could have done so only if such proposals were put forward by the BSC?

Mr. Shaw: I do not think that the hon. Member can be right. Peat, Marwick, Mitchell and Co. made propositions to Eurofer, but the British Government and the Government of all other member states did not know what those proposals would involve, because that was the basis on which Eurofer approached Peat, Marwick, Mitchell and Co. for an exchange of views. As I understand it, the only formal propositions made by Eurofer were those delivered to the Commission on 1 March.

Mr. Teddy Taylor (Southend, East): No one doubts the Government's determination to fight in the Council of Ministers for the retention of five integrated steel works, but will my hon. Friend say clearly to the House whether steel capacity is an area in which Britain has the right of veto, or whether it is likely that other members could make decisions, by a majority vote, on the steel capacities of member states, including the possible future closure of a plant?

Mr. Shaw: I think my hon. Friend will recognise that there can be no more important issue than discussion in the Council of Ministers of such an important matter. I would not wish to prejudge how that discussion will end.

Mr. Dennis Skinner (Bolsover): Why does the Minister not answer the question that he has just been asked? He has been asked a straightforward question by one of his hon. Friends about whether Britain would use the veto to stop further steel closures. Why does the Minister not have

the guts to stand up to those people in the Common Market instead of continually giving in, as the rest of the Tory Ministers have done over the past five years?

Is the Minister not aware that countless thousands of people throughout the country have been scattered around by the lethal combination of the Common Market and this Tory Government over the past eight years? It is time that we put a stop to it. Get across there and tell them that we are having no more of it.

Mr. Shaw: I understand the hon. Member's strong views on this matter. He will know that the whole of the steel regime is bound up with such matters as quotas, quota liberalisation, increases in quotas, capacity and many other issues. The United Kingdom wishes to secure the best possible solution in relation to its European capacity, and that is a matter for negotiation.

Mr. Michael Shersby (Uxbridge): Is my hon. Friend aware that the sea change in the fortunes of the British steel industry to which he has referred is a source of considerable pride to people in this country and that any robust action that he takes in relation to the European proposals will have the widest support in all parts of the House?

Mr. Shaw: I am pleased to have my hon. Friend's support. I am grateful to know that hon. Members on both sides of the House recognise the strong position of the United Kingdom steel industry.

Wright Court Case

3.59 pm

Mr. D. N. Campbell-Savours (Workington): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the appeal in the Australian courts in the case of the Attorney-General v. Heinemann Australia Pty. Ltd. and Peter Wright."

The matter is important because a great body of opinion in this country, of all political persuasions, believes that to appeal would only heap one embarrassment upon another, as the Government would inevitably lose. A wise man knows when he has been given a sound beating. Only a fool would go on in search of more punishment. The great majority of people in this country object strongly to the undignified spectacle of Britain being mauled and hauled over the coals in an Australian court action. People are unable to understand the inconsistency in the Government's prosecution policy—the green light to Pincher and West, and the red light to Wright, *The Guardian* and *The Observer*, against whom injunctions remain.

People believe that an appeal would leave Britain open to further revelations as to the identity of security officers who, despite lifetime obligations of confidentiality to the Crown, have leaked secrets and yet have not been prosecuted. There is concern about the delay that any appeal may have on the decision whether to prosecute Lord Rothschild, under section 7 of the Official Secrets Act 1920, for soliciting Mr. Peter Wright, by means of an offer of money, to pass to Mr. Pincher documents known or believed to contain official secrets relating to the security services.

What is most worrying is the grave matter of the insistence of the British Government in the Australian court that Wright's affidavit on the destabilisation of Labour should be taken in private session behind closed doors. Why have the Government so vehemently denied that any attempt was made to destabilise Labour, yet made a desperate plea to the judge to prevent Wright from making his allegations in public? We know that that happened, from reading the small print in the judgment. When I alleged this matter months ago, there were repeated denials. We have Mr. Justice Powell to thank for allowing this part of the secret evidence to be brought into the public domain. It is clear that a major cover-up of security service activity in the mid-1920s is now taking place. The Government want to keep the lid on the issue until after the general election.

The matter is urgent because we need a full debate on the accountability of the security services to Parliament and on the reform of the law. I earnestly hope that my memorandum to the Privileges Committee on the necessary reforms will be fully considered. It provides the framework that would avoid embarrassment in the future.

Finally, the matter is important to me as a Socialist. We do not want a future Labour Government, wrestling with unemployment, to be destabilised by a gang of out-of-control security officers.

Mr. Speaker: The hon. Member for Workington (Mr. Campbell-Savours) asks leave of the House to move the

[Mr. Speaker]

Adjournment of the House for the purpose of discussing a specific and important matter that he believes should have urgent consideration, namely,

"the appeal in the Australian courts in the case of the Attorney-General v. Heinemann Australia Pty. Ltd. and Peter Wright."

I listened with care to what the hon. Gentleman said, as I listened also to the exchange of questions to and answers from the Attorney-General earlier today. I regret that I do not consider that the matter the hon. Gentleman has raised is appropriate for discussion under Standing Order No. 20 and I cannot, therefore, submit his application to the House.

Register of Members' Interests

4.3 pm

Mr. Dennis Skinner (Bolsover): On a point of order, Mr. Speaker. As all hon. Members know, you are responsible for entries within the Register of Members' Interests—responsible in the sense that hon. Members must give what they honestly believe to be the truth and nothing but the truth. The Register is then compiled under your general direction. As a matter of curiosity, I wonder whether there will be an entry for the right hon. Member for Glasgow, Hillhead (Mr. Jenkins) as a result of the new moonlighting job that he obtained at Oxford on Saturday. *[Interruption.]* Hon. Members must be fair. I am asking a serious question.

I was a little puzzled about the ballot. It was not run along the lines that Conservatives regard as proper and right for trade unions. Precise figures were leaked after the first day. It was not even an exit poll. People were queuing up in kinky dresses. There was no proportional representation, yet the winner was one of those who stand by the idea of proportional representation. I should have thought that, as the right hon. Gentleman received only 40 per cent. of the ballot, he would demand a run-off. The turnout was abysmal. It was worse than the turnout for the House of Commons on a bad day. It was almost like the turnout for the House of Lords.

There are many inconsistencies with Establishment-type figures. They preach to the nation about trade unions having proper ballots, yet when it comes to their having a ballot they do not even——

Mr. Speaker: Order. What does this have to do with the Register of Members' Interests?

Mr. Skinner: It is quite simple, really, Mr. Speaker. I am asking you, as the man in charge of the Register, whether the name of the victor will be entered into the Register of Members' Interests as the new Chancellor of Oxford university, and whether it will enable him to keep away from this place any more than before. Many considerations should be taken into account. The principal point concerns what I said earlier. There are contradictions here because people want to tell the working class how to run its affairs, but when it comes to having a ballot of their own, there is the biggest cock-up of all time.

Mr. Tam Dalyell (Linlithgow): On a point of order, Mr. Speaker.

Mr. Speaker: I take it that it is a different point of order. I hope so.

I say to the hon. Member for Bolsover (Mr. Skinner) that I understand that the election took place only last week. Whether this appointment is put into the Register of Members' Interests will be for the Select Committee.

Standing Order No. 20 Applications

4.7 pm

Mr. Tam Dalyell (Linlithgow): On a point of order, Mr. Speaker. Those hon. Members who listened carefully to what you said when turning down the application by my hon. Friend the Member for Workington (Mr. Campbell-Savours) noticed that you used a form of words that was rather different from the courteous way in which you normally turn down such requests. You said that you had

taken account of what had happened during questions to the Attorney-General. Are you not on rather dangerous ground? Does that not imply some sort of value judgment from the Chair as to whether such questions were answered satisfactorily? Some of us who have been begging that Downing street should refer the case of Lord Glenamara to the Security Commission might think that they were answered most unsatisfactorily. With respect, Mr. Speaker, do you not think that you should be careful in making judgments about requests for early debates that involve questions on which there is a difference of opinion whether they were satisfactorily answered?

Mr. Speaker: The hon. Gentleman has given me some good advice. In future I shall stick strictly to the words on my brief. I was merely seeking to explain to the hon. Member for Workington (Mr. Campbell-Savours) that we had had an exchange on this matter today. I was not making a value judgment on it. I thank the hon. Member for Linlithgow (Mr. Dalyell) for his suggestion. I shall take it to heart.

Orders of the Day

Immigration (Carriers' Liability) Bill

Order for Second Reading read.

Mr. Speaker: I must announce to the House that I have selected the amendment in the name of the Leader of the Opposition.

4.7 pm

The Secretary of State for the Home Department (Mr. Douglas Hurd): I beg to move, That the Bill be now read a Second time.

The immediate spur to this proposal has been the arrival of over 800 people claiming asylum in the three months up to the end of February. So this is not a Bill about Tamils alone, or about Sri Lanka alone. It goes wider than that. Its aim is to make sure that our immigration control remains effective in the face of rapidly changing international pressures. We have to reconcile that aim with our international obligation to help the genuine victims of persecution.

We start—I hope the whole House starts—from the conviction that a firm immigration control is essential for harmony in our nation, and in particular in our cities. It has to be administered fairly, humanely, and where necessary, compassionately, and I believe that it is. But it has to be kept firmly in place, and that means from time to time strengthening it as new points of pressure on it become clear.

I say at the outset to Opposition Members—without rancour; they have not yet shown their hand on this Bill—that it is simply no use pretending that it is possible to have it both ways. They cannot proclaim in general terms that they want effective control while opposing everything that is needed to keep it effective. People will soon see through that. There is no point in agreeing that there must be a bucket, but on the sole condition that it has plenty of holes in it. Yet that is the present stance of the Labour and Liberal parties on immigration control. I was particularly irked, as he knows, by the stand taken by the hon. Member for Leeds, West (Mr. Meadowcroft) when I made my statement a fortnight ago.

This country is not alone in wanting immigration controls to work effectively, nor are we alone in facing growing pressures, particularly from the Third world. A powerful combination of pressures now arises, because for the first time large numbers of people across the world have the means, the knowledge and the will to leave their own homes in the Third world and seek greater security, comfort and prosperity elsewhere.

These pressures can affect many parts of our immigration system. That is why we decided last year to extend the visa requirement to five countries of the Indian sub-continent and west Africa. The need for this was clearly explained and fully debated in the House. Immigration control at the ports had come under sustained pressure over a period of many months. In the first eight months of last year, some 8,500 people from these five countries were refused entry at Heathrow and Gatwick. That was nearly 50 per cent. more than in the same period the year before. In the following six weeks, the pressure at the ports became more intense — indeed,

[Mr. Douglas Hurd]

becoming a rush of people who were not eligible for admission but who hoped to gain a foothold here before the visa deadline took effect.

The House will recall the angry huffing and puffing that greeted our proposal for visas. We were told that it was not necessary and that it would not work. No adjective was too severe for it. But now relative silence has fallen because the benefits of the new arrangements are plain. The great majority of people who want to come here are bona fide, and for them the new system is a considerable improvement. The arrangements in Ghana and on the Indian sub-continent have been operating now for five months, and over 90 per cent. of applications are dealt with on the day that they are received. I think that that is remarkable. The system has therefore confounded its early critics. Visa holders can travel here, confident that there are unlikely to be any difficulties when they arrive. The arrangements have reduced congestion at the ports and have done much to restore the effectiveness of our controls.

Mr. David Winnick (Walsall, North): Will the right hon. Gentleman give way?

Mr. Hurd: I shall give way to the hon. Member now, if that is what he wants.

Mr. Winnick: I am grateful to the right hon. Gentleman. He has given me due warning. Does he not recognise that the reason why there has been little criticism since the new system has been operating is precisely because of what he has just said: that in the main these applications have been dealt with very quickly indeed—as he stated, on the day itself? If that can be maintained, there will be less criticism than when the system was introduced. However, a great deal will depend upon whether there is delay, bearing in mind the very lengthy delay that arises when people apply for permanent settlement. I do not know whether the Home Secretary has touched on this point already, but will he try to avoid the completely false accusation that because the Labour party criticises the Government from time to time it is not fully committed to effective immigration control? The right hon. Gentleman knows that that is not so and that we are totally committed to such controls.

Mr. Hurd: The hon. Gentleman's first point was very fair. The effectiveness of the system obviously depends on how well it is run, but that is a very far cry from the racist accusations that were being tossed about freely last autumn when the Government introduced this system. As for the hon. Gentleman's second point, I have touched upon it. This is the bucket with the holes in it. We cannot say that we are in favour of effective immigration control if we then oppose every step that is taken, as it becomes necessary, to keep that control effective, yet that is what the Opposition parties do. I have touched on that point, and there may be occasions when I have to touch on it again.

Mr. Michael Meadowcroft (Leeds, West): Does the Home Secretary have evidence or information about those who would have been able to enter this country under the ordinary system and who would not have been refused entry but who, because of the problems connected with travelling from villages and staying overnight in Islamabad or elsewhere, have been unable to apply for a visa and therefore have been unable to obtain visas? Does the Home Secretary have evidence that there are people who fall into that category?

Mr. Hurd: I do not have any such evidence, although I rather expected that there might have been some. That is partly because visa applications can be dealt with by post and partly because people have overcome the problem to which the hon. Gentleman referred.

In recent months, however, we have been faced with a fresh loophole. It applies mainly to people who require visas but who nevertheless arrive here without them and resist immediate return to their country of origin by claiming asylum. As I have already said, from December 1986 to the end of February of this year, over 800 applications for asylum were made by people arriving at our ports—nearly twice the number for the whole of 1984. Of those 800, nearly 500 were from Sri Lanka. In December and January, some 370 Sri Lankans arrived without valid visas and claimed asylum—more than half the total number of Sri Lankans who were granted visas in Colombo in those two months.

The House will know of the circumstances of the arrival of the group of 64 Tamil asylum seekers on 13 February, most of whom were refused entry. I announced to the House on 3 March that I had decided to refer their cases to the United Kingdom Immigrants Advisory Service. Thereafter, fresh individual decisions will be reached in the light of all the relevant facts. I expect to receive representations on these cases by 18 March—the day after tomorrow—and I do not propose to make any comment on them today. Indeed, it would not be right or possible for me to do so.

We are not alone in facing such pressures. In West Germany, 100,000 people applied for asylum in 1986—a huge number compared with ours. In France, 26,000 applications were made last year, and the French Government announced last August that they would re-examine their regulations because of the problems of such an influx. In October last year Denmark passed urgent laws to refuse access to the asylum procedure for those who come from a third safe country. Sweden has followed suit. In 1986 it received 14,500 applications for asylum, of which 1,700 were refused at the frontier as manifestly unfounded.

On 20 February this year Canada introduced new measures to control asylum abuse, and most recently Belgium, which was facing 500 to 600 arrivals seeking asylum each month, has just introduced legislation to refuse access to some asylum seekers, to transfer decision taking from the United Nations high commissioner for refugees to a Belgian authority and to impose financial sanctions on carriers bringing people without the proper documents to Belgium. I understand that the Dutch are also proposing to introduce legislation soon, to the same effect.

This is not, therefore, in any way an isolated problem. I believe that we have to work with other countries to come to a more sensible international understanding of how these matters can be better arranged. Under our presidency of the European Community, a special working group on immigration, including asylum abuse, was set up. That initiative has gone forward under the Belgian presidency, and I can tell the House that last week the group agreed specific recommendations that included

reference to the liability of carriers on much the same lines as the Bill that is before the House. These recommendations will come before a ministerial meeting, which I hope to attend next month.

Mr. Sydney Bidwell (Ealing, Southall): When anybody comes to this country pleading political asylum, does the right hon. Gentleman not agree that a lengthy process is involved to test the validity of that claim and that it is very likely that anybody who arrives without papers is a political refugee? It takes a long time to establish the truth. It is difficult to convince the public that we are upholding traditional British standards if we do not give refugee status to those who legitimately ought to have it. If we do not make that clear to people as soon as they arrive, that puts our great British tradition in jeopardy.

Mr. Hurd: The hon. Gentleman has put very succinctly the case against the Bill and I intend to deal with it, but I do not accept that in all cases one can draw that conclusion. If we allowed for delay in all cases, that delay would impose the decision because at the end of the day it would be impossible to send people back to the place from which they came.

To conclude the international part of my speech, I hope that during discussion of the Bill there will be no ignorant pretence that this is the proposal of a harsh or inhumane British Government. Other countries more seriously affected than ourselves have already acted as we propose to act. We should be strongly and rightly criticised if we delayed our own action until the trickle became a flood, as more and more people began to use the loophole. That is the background against which I ask the House to give the Bill a Second Reading.

Of course it is not the whole answer and we must continue to be vigilant and ready to take further action if that turns out to be necessary. The Bill reinforces the existing responsibility of carriers for the passengers that they bring to this country. It also gives effect to the decisions already agreed by Parliament about the documents people should have when they arrive.

Carriers are already responsible under the Immigration Act 1971 to pay for detention, accommodation and maintenance costs when certain passengers are refused entry. They are required also to pay for removal if directions are given within two months of entry being refused. The present Bill works within that principle. It is intended to ensure that people who cannot show that they have a claim to entry because they do not have the basic travel document and the necessary visas are not accepted by the carrier for travel. Responsible airlines already check on those things because they know of their liability to pay detention and removal costs and because it is simply not in their interests, or in the interests of their passengers, that people should be delayed or detained when they arrive here. The Bill aims to ensure that all carriers follow the same good practice.

Clause 1 enables a charge of £1,000 to be made for each passenger who requires leave to enter the United Kingdom, and who arrives at our immigration control without a valid passport or other travel document and without a valid visa where one is required. The clause provides for that level to be varied by order subject to the negative resolution procedure of this House. The charge of £1,000 is more or less in line with what other countries are imposing but if, after experience, the figure needs changing, we shall change it.

Subsection (2) of clause 1 provides that no liability will be incurred if the carrier can show that, at the time of embarkation, the passenger produced to the carrier the necessary valid documents. In the same way as carriers' liability for detention costs is interpreted, the clause provides that any document should be regarded as genuine unless its falsity was reasonably apparent.

Clause 2 provides for the Act to cover the whole of the country and, as I announced on 3 March, provides for liability to the charge—this is important—to start from 5 March.

I hope that carriers will recognise the need for this legislation and respond positively to it. I welcome the constructive comments made by British Airways following my original announcement. It already has checking procedures for flights to other countries and will now review the checks that it makes for travel here. I hope on reflection that those who have expressed concern about the procedure will also come to see that it makes good sense. We do not expect carriers to spot clever forgeries, but it is reasonable to expect them, for example, to be able to look at a passport, check that it is current and that the passport photograph is convincing——

Mr. Nicholas Soames (Crawley): I am grateful to my right hon. Friend for giving way. He may know that British Caledonian is a constituent of mine and that it has told me that it does its best to ensure that the correct travel documents are carried. What steps will he take when a foreign airline tells the immigration authorities that it took every step to ensure that the detained person had the correct travel documents? How can my right hon. Friend check whether that was true?

Mr. Hurd: Those concerned will have to make a judgment. If they think that that is not so, they will go ahead and levy the necessary penalty and it will be for the carrier to decide whether it wishes to make representations or to have the decision reviewed in the courts. I know that British Caledonian opened with a statement containing some reservations about that. I hope that, to some extent, the later discussions that we have had will reassure it.

The immigration service is ready to give carriers any advice that they need on documentation. It has recently approached carriers to offer help on what documents are required for travel to this country, and what carriers should look for. I understand that the response to that has been good, and that the immigration service will undertake a programme of visits and discussions.

Obviously, the Bill will make it much more difficult for those who want to come to this country, but who have no valid grounds for doing so. That is its intention. It is also intended to stop abuse of asylum procedures by preventing people travelling here without valid documents and then claiming asylum before they can be returned. That also is its intention.

Mr. Jeremy Corbyn (Islington, North): On that point, if asylum seekers are fleeing from terrible oppression, by the very nature of that oppression they would be unable to get the relevant documents agreed by their own Government and would be unable to come here. Is the Home Secretary saying, in effect, that he is not prepared to entertain applications from people fleeing from such oppression?

Mr. Hurd: Before I finish I shall go on to consider the way in which genuine refugees come here at present, because that will cover the important point that the hon. Gentleman has made.

If we turn a blind eye to the abuse of asylum procedures and to unregulated and disorganised arrival in this country, we provide a ready market for the racketeer. Clearly, he is already in the market. We risk the breakdown of a properly organised asylum policy which successive Governments have maintained and developed over the past 30 years.

That policy is firmly based on the United Nations convention of 1951. That convention laid on us a clear obligation towards refugees, which it defines as follows: a person who

"'owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country'."

The second part of the definition refers to those without nationality. Where individuals qualify under that definition, the convention provides that they be accorded various special protections and benefits in their country of refuge.

The convention itself does not tell Governments how to carry out that obligation and it does not deal with machinery or rights of appeal. It states clearly a general principle which we accept, and which, incidentally, is more definite and far-reaching than anything current in the 1930s.

I recognise that there are hon. Members, those connected with agencies and people in Third-world countries who would like us to go further. They would like us to grant asylum to anyone who arrives here from a part of the world which is suffering economic or social hardship, civil commotion, famine, natural disaster or war. However, we cannot do that. That change to make that extension beyond our obligation under the convention would lead to a huge, general and open-ended commitment, inconsistent with immigration control or harmony in our nation. It would call into question the whole basis on which the notion of refugee status, to which the hon. Member for Islington, North (Mr. Corbyn) referred, has up to now been acceptable to the people of this country. We cannot put too great a weight on that tradition if we want it to survive.

The Canadian Minister of Employment and Immigration said in February:

"We want a positive immigration programme that permits the orderly entry of immigrants and refugees, but we cannot maintain such a programme if we allow abuse of our refugee programme to continue".

That is the position of this Government towards refugees. The necessary balance can be struck fairly and well only if we return to a properly ordered and regulated system for dealing with asylum.

I come to the hon. Gentleman's point and to the entirely right concern of some hon. Members about the effect that this Bill might have on genuine refugees. I understand that concern, but it is ill founded. I should like to examine the way in which genuine refugees actually get here. Until recently, over 90 per cent. of all applications for asylum were made by people who were already in this country on a genuine, legitimate and properly documented basis, but who, because of a change in the circumstances of their home country, were unwilling to return. That group will not be affected in any way by this legislation.

A small proportion of people find temporary refuge in other countries and apply at British posts abroad to come as refugees. They can be admitted if their claim to asylum is well founded and this country is the right place for them because of personal contacts and relationships. It is right that we should act carefully in these cases and satisfy ourselves that we are right to accept responsibility for them. Where we do so, they will be issued with the necessary papers to travel here. That group will not be affected in any way by the legislation.

We are also able to make special arrangements from time to time for groups of people still living in their country of origin. For example, a previous Conservative Government began a programme in the 1970s which admitted 4,000 Chileans, mostly direct from Chile. More recently we have admitted under the orderly departure programme direct from Vietnam the close relatives of Vietnamese already here. Indeed, we have a special provision for Sri Lankan Tamils who may obtain a visa in Colombo if they are suffering from severe hardship and have ties with this country. Those groups will not be affected in any way by the legislation.

Finally, there are cases of individuals coming from behind the iron curtain or elsewhere, such as Shcharansky who crossed on foot from East to West Berlin and later visited this country on an Israeli passport; and Irina Ratushinskaya who travelled here on a valid Russion passport with an exit visa.

Such individuals will not be affected in any way by the legislation. The Government will continue to honour their commitments to the convention. However, we must retain proper latitude over the means. The convention, perhaps wisely, did not prescribe machinery, perhaps foreseeing that the circumstances of 1951 might change, as indeed, they have. The convention left the discussion of such means and machinery to the member states who adhere to it.

Mr. Tony Banks (Newham, North-West): I apologise to the Home Secretary for having missed the opening part of his speech and hope that he will forgive me if he has already covered this point. If, for example, the captain of a British vessel finds a group of people, obviously without travel documents, on the high seas having escaped from their country and he takes them on board and lands them, will he be caught by the legislation? I am thinking of people such as the Vietnamese boat people.

Mr. Hurd: The captain would have time to communicate with us and to discover what the position and reaction would be. As I have already said, this is a discretionary power. It is possible to construct theoretical occasions when the legislation would bite on genuine refugees, and I do not deny that. For the past five minutes I have tried to set out how genuine refugees arrive here in practice and to show that all those methods would not be affected by the legislation. Obviously, the Vietnamese boat people, for example, did not arrive here originally; they went to other countries, then there were international discussions and we played our part in that and in receiving some of them.

Mr. Stuart Holland (Vauxhall): There are less theoretical cases which the Home Secretary has not

addressed—for example, Kurdish refugees and refugees from Iran, Tigré and Eritrea who cannot apply for documents in their home countries. The Minister of State is aware of that and has been helpful towards Kurdish refugees from Iran. The problem is that they cannot go through the procedure of applying for the relevant travel documents. They can leave the country only on false documents or by crossing frontiers without producing documents.

Mr. Hurd: My right hon. and learned Friend the Minister of State has told me that he arranged for those people to come, so they fell exactly into one of the categories that I mentioned. Many Kurds leave the country where they feel they are being oppressed. They are then in other countries and if they feel that there is a particular reason to exercise the right of aslyum in the United Kingdom, they can make representations from the safe country to which they have gone. Those cases do not fall outside the categories about which I have been speaking.

It is possible to construct hypothetical cases of genuine refugees on whom the legislation would bite; that is what I mean when I talk about balance. Are we to allow our legislation to be affected in order to meet those theoretical cases when actual cases and ways in which refugees come here are not affected by the legislation? If we allow our provisions to be as wide as that, we would leave open the loophole of which I have spoken. I should like to assure the House that that loophole presents a genuine prospect of difficulty for the United Kingdom and it is already in reality a great difficulty for many of our European and north American partners.

There have been long discussions in the United Kingdom about an independent right of appeal for those claiming asylum whose claim has been turned down. The Select Committee on Race Relations and Immigration recommended in 1985 that there should be such an independent right of appeal and my predecessors spelt out in measured terms why they could not accept that. That conclusion holds and has been much strengthened by the increased figures that I have given to the House. The nature and scale of the problem has increased enormously since those exchanges took place. I ask the House to come to grips with reality. If the appeals procedure is to make any impact, it must be thorough. If it is not thorough, it is not convincing. If it is thorough, it will take time. If it takes time, delay will often decide the issue in practice, and the House should realise that.

Whether those concerned are detained—we have little enough accommodation for this purpose—or whether they are temporarily admitted with the risk that they will evade the control—whatever happens to them while they wait—it will in practice become increasingly difficult as days pass to send them away. In effect, the delay dictates the decision. For example, recently the Indian authorities refused to accept back some 17 Tamils originating in Sri Lanka who spent some time in India and then came to the United Kingdom. Their applications for asylum were refused and India refused to take them back on the ground that they had spent longer in the United Kingdom than in India. That is an example of what I am describing.

The experience of other countries strongly suggests that a formal right of appeal before removal would lead to a substantial increase in unfounded applications. Anyone who wishes to follow that intellectual path should first have a word with the Canadian authorities. More than 28,000 people were refused at our ports last year and it would take only a small proportion of those to claim asylum—that would be an obvious move for them, if there were an independent right of appeal—to overwhelm any appeals system. Therefore, I would not favour such a system if we are seriously concerned to protect the controls.

Mr. Max Madden (Bradford, West): The Home Secretary has just referred to accommodation. Does he recall that within hours of the Zeebrugge disaster it was leaked that the Home Office was proposing to have a ferry moored off the coast of Weymouth for detention purposes? Clearly, that was a proposal to return to prison hulks. Will he take this opportunity to say that the Home Office had no intention to proceed along that path and that that proposal has been cancelled?

Mr. Hurd: No, I will not take any such opportunity. We are extremely short of suitable accommodation for detention. There is a good deal of public criticism of occasions such as the present one, when we use hotels for people under detention. That is not satisfactory. Nor is it satisfactory that such people should go to prisons because they have not been convicted of any crime. Indeed, the hon. Gentleman was one who criticised us last autumn when, during the visa problem, some people were imprisoned. We need more accommodation specifically designed for detention. Whether we can reach an agreement with Sealink about a particular vessel I do not yet know. We have not yet reached a decision. But, providing that the accommodation is of the right quality, there is no reason why that should not be a better alternative to the present position.

As the House knows, part of our response since 1983 has been a limited arrangement involving reference to UKIAS. Although, for the reason I have stated, events make it impossible to continue the arrangement in its present form, we have no intention to sweep it away without replacement. We intend that there should be discussions with UKIAS about how the present arrangements should be revised. It would be an excellent idea if those discussions also involved the United Kingdom representative of the United Nations High Commissioner for Refugees. There should be a continuing role for UKIAS, but, as I said on 3 March, I do not believe in the expectation that such referrals will be automatic.

Mr. Corbyn: Will the Home Secretary give way?

Mr. Hurd: I shall not give way again to the hon. Gentleman. I have already done so and I should draw my remarks to a close.

Whatever fresh arrangements are devised, it is unnecessary and undesirable for Heathrow to remain the main place at which large numbers of undocumented people make claims for asylum, yet in recent years the number of asylum applications at the ports has grown from about 400 in 1984 to about 1,850 in 1985, swollen by the arrival of Sri Lankans before visas were introduced. Very few have been found to be eligible as refugees under the 1951 convention. It is likely that some of that small number did not have the documents required by this legislation, but it certainly does not follow that this

[Mr. Hurd]

country was the only, or even the right, source of refuge for them or that they could not have made proper arrangements before their arrival here.

This Bill seeks to ensure that people abide by the requirements, particularly the visa requirements, which have been approved by Parliament. It puts no new requirements on any traveller. The same number of people will remain subject to immigration control, the same number will be required to produce valid documents, and the same number will require valid visas. It is surely sensible government to move in a measured and determined way quickly to repair the gap which has appeared in our control. We cannot have an orderly system of control without such action. I am sure that we should keep our system of operating orderly arrangements for asylum in the interests of all genuine refugees.

This legislation is necessary, considered and well constructed. There are ample precedents for it in other countries not normally regarded as illiberal — New Zealand, the United States, West Germany and Canada. It is already proving to be an effective deterrent here. Carriers have already started to check more carefully and responsibly the papers presented to them by their passengers who want to come here. In the first week of March, when the provisions came into operation, there were only 12 asylum applications from those arriving at the ports, compared with an average of about 60 a week in the previous three months. Most of these people would not have had valid visas. If the improvement continues, this short Bill will be doing its work.

The Bill is not ill considered or hasty. It is an essential and timely response to the new problem faced by our immigration control. We have accepted the responsibility to act when it is necessary to ensure that the control operates as Parliament intended. I believe that we have the support of the majority of the House and the overwhelming majority of people outside in that contention. What I hope will result is a better service for the ordinary passenger, greater assurance that immigration problems can be considered calmly and in advance, and a decent, humane and orderly consideration of genuine asylum applications, free from the threat of exploitation and abuse. I commend the Bill to the House.

4.42 pm

Mr. Gerald Kaufman (Manchester, Gorton): I beg to move, to leave out from "That" to the end of the Question and to add instead thereof:

"this House, while condemning racketeers out to exploit for financial gain the vulnerability of people seeking to leave their own country for another in circumstances where they regard themselves as under threat, declines to give a Second Reading to a Bill which, drafted in haste, fails to take account of the predicament of genuine refugees from dictatorial or authoritarian regimes who may not be able to acquire the necessary travel documents."

The Bill arises out of the case of the 64 Tamils who arrived at Heathrow last month, but I want to emphasise from the start that our attitude is based on much wider considerations than the merits of the Tamils' case. We believe that the Government are profoundly mistaken in seeking to enact what, despite the denial of the Home Secretary, we regard as a hasty and ill-thought-out piece of general legislation in reaction to one episode with which the Government have found it difficult to deal.

I should like to emphasise also, despite the rather snide implications of the Home Secretary, that neither the Bill nor the Labour party's attitude to it relates in any way to the general issue of immigration control. We in the Labour party repeat our commitment to firm immigration control, which should be based on neither racial nor sexual discrimination.

Seldom, however, can a Bill with such wide implications for treatment of would-be refugees seeking asylum in Britain have been based on such invalid assumptions relating to a single case or group of cases.

The background is well known. Last month, a group of 64 Tamils arrived at Heathrow from Bangladesh claiming asylum as refugees, and a speedy decision was taken to remove them. I was contacted by UKIAS and, in turn, I made contact with the Home Secretary's office to ask for a stay of removal while the cases were properly studied.

If my request had been granted, none of the Government's subsequent difficulties with the courts would have arisen. What is more, the outcome would have been exactly the same as has followed the intervention of the courts. My request was rejected, however, and the Government proceeded to take action to remove the Tamils.

When the matter was raised in the House on 17 and 18 February, the Minister of State repeatedly made unequivocal and prejudicial statements about the Tamils' claim to remain. The columns of *Hansard* are littered with outright statements that the right hon. and learned Gentleman made. I shall quote just one or two, but I could quote many:

"we are satisfied, on the basis of their own accounts given to immigration officers, that they have no claim to refugee status. We are therefore arranging for them to be returned to Bangladesh without delay . . . I have to make it quite plain that they are not refugees, that their claim to refugee status has been examined and found wanting and that the information available to the Government from the British high commission in Colombo gives no reason to suppose that people . . . will be harassed or ill treated . . . it was quite obvious, from the examination carried out by the immigration officers at the port, that the claims made by these people were manifestly bogus." — [*Official Report*, 17 February 1987; Vol. 110, c. 769-70.]

The right hon. and learned Gentleman made similar statements later in those exchanges and the following day.

Those statements were made after initial interviews which, in many cases, took no more than 20 minutes. As we know, circumstances arose and, following them, an application for judicial review was granted. The Home Secretary was then obliged, first in a letter to UKIAS and then in a statement to the House on 3 March, to disown and repudiate the prejudicial statements of the Minister of State and to agree that the cases of each of the 64 applicants should be re-examined individually. They were not any more "manifestly bogus", but cases which had to be examined individually because there was the most cursory initial examination.

The Secretary of State also said that the cases should be referred to UKIAS. After two weeks of turmoil and confusion, the Government were compelled to do what, if they had heeded my initial request, they could have done sensibly and with good grace.

The Home Secretary was then forced by the Prime Minister, who was in her usual "Somebody has got to be summoned" frame of mind, to take some action—any kind of action—and the result is the Bill that we have before us. We should be clear that the Bill imposes on all

airlines a duty to interpret and implement Britain's immigration rules, with the prospect of a £1,000 fine per passenger if they get it wrong.

One hundred and forty nine airlines fly into Britain from at least 246 ports of embarkation. It will now be necessary for officials from all those airlines and all those ports of embarkation to be experts in British immigration law and to implement it faultlessly—something which Britain's own immigration and entry clearance officers are incapable of doing themselves, to judge from the high proportion of successful appeals against their decisions in many countries of origin.

Some of the officials who will be given the role of surrogate immigration officers, or entry clearance officers, will be officials of authoritarian or dictatorial countries. Officials of the KGB involved in the working of Aeroflot will be interpreting and implementing British law, not simply in the case of their own nationals, but in the case of passengers from other countries who have stopped over in Moscow and wish to fly on to London.

Similar duties will be put on shipping officials. The General Council of British Shipping sent me and perhaps other hon. Members a memorandum today about the difficulties that our shipping lines expect to encounter. I shall read it in full because it is a case that the Government must answer and deal with if there are not to be enormous difficulties for shipping lines and their officials. The council says:

"The General Council of British Shipping is seriously concerned at the proposal to impose a penalty of £1,000 on carriers bringing passengers to the United Kingdom whose travel papers are not in order. In particular, they are concerned that this will apply to ferry passengers embarking at European Community or other near European ports.

In order to avoid the penalty, ferry operators will be required to set up a system of examination of passports and visas in a zone from which the passenger cannot depart except to join the ship, provided of course that the country of embarkation is prepared to provide such a zone. The inspectors, who will in many instances be foreign nationals, will require a detailed knowledge of UK Immigration Law and documentation, and of passports world-wide, a greater degree of expertise than can be expected from the type of personnel employed in checking tickets. It seems doubtful that this is what the Government, on consideration, would wish. Its target is much smaller but the operator can only be sure of avoiding such penalties (and indeed others, such as accusations of discrimination) if it examines the documents of day trippers and school parties with the same vigilance as it examines those of persons thought to be attempting to enter illegally.

Quite apart from expense, even if the system could be set up, annoying delays to passengers would appear inevitable. Lord Brabazon of Tara, in the recent debate in the House of Lords, acknowledged the problems of dealing with a large number of people in a short space of time; a detailed passport examination raises even more difficulties."

It continues:

"The whole process would of course be repeated, perhaps two hours later, by the Immigration Officers in the UK. Shipowners know, to their considerable cost, that these are sometimes deceived, but they are the proper persons to decide whether papers are valid. A reporting time of 45 minutes for cars is normal. To be required to examine passports and compare photographs with the physical appearance of perhaps 1,200 passengers, either in cars, coaches or trains, cannot be seen as anything other than an intolerable burden on an industry already facing intense competition. Under the proposed regime, they would have a revising function, the main burden having been placed on the ferry operator who already bears the burden of returning such passengers to the port of embarkation or, in some cases, to distant parts of the world.

In GCBS view, the Bill should not apply to intra-community travel. If the Government cannot accept this, an assurance that the penalties would not be applied in the case of such travel should be sought. This would be compatible with the Community intent to eliminate barriers to intra-community travel."

That is a very serious objection, put up not by people who wish to torpedo immigration policy but by those who will face the practical consequences of the ill-thought-out Bill that the Government are seeking to rush through the House in a few days. Overseas airline and shipping officials will have to become experts in scrutinising documents for possible forgery. Under clause 1(4) carriers are absolved from a possible fine only if the falsity of the document is "reasonably apparent". In other words, the Bill excludes those who have gone to incompetent rather than to accomplished forgers. No doubt this will have a salutary effect on the standards of excellence of forgery in certain countries, and people unable to obtain passports and visas legitimately will become prey to the higher prices commanded by those who can promise to fool airline and shipping officials.

It is not as though British immigration law is simple even for our own officials to interpret. For example, the United States is a non-visa country for visitors, but for those wishing to establish themselves in business or to join relatives in this country visas are required. The same applies to other non-visa countries. How are airlines and other carriers to decide whether a visa trip or a non-visa trip is intended? Are they expected to conduct interrogations?

Conversely, not all nationals of Commonwealth visa countries require visas for every purpose. How will their rights be protected? There are others, not claiming to be refugees, whose interests are also at stake. Last autumn, when visas were imposed for four Commonwealth countries and Pakistan, the Secretary of State in an invidious little passage at the beginning of his speech—designed, as always, to try to make some capital out of the situation—specifically agreed that there might be cases of great emergency in which a passenger might not have time to apply for, let alone obtain, a visa, for instance, on hearing of the sudden mortal illness or death of a relative in this country.

The Home Secretary specifically agreed on procedures to protect the interests of visa nationals in such circumstances. His own guidelines to protect people in such a predicament, as quoted to his hon. Friend the Member for Halifax (Mr. Galley), state:

"If the passenger was refused entry because he did not have an entry clearance required under the Immigration Rules action to remove the passenger will only be deferred if at the time of intervention the Member demonstrates that there are exceptional and compelling circumstances (eg recent bereavement or sudden grave illness here in the immediate family). In such cases and in cases of refusal where no entry clearance was required action to remove the passenger will normally be deferred for a period of 12 working days to enable the Member to submit written representations."—[*Official Report*, 6 November 1986; Vol. 103, c. 540.]

That carefully worked out guideline is now a load of rubbish because the airlines will not carry people who do not have the documents, although the Secretary of State himself admitted that they might have perfectly valid reasons for having failed to obtain them. All those assurances will go by the board because if a person with difficulties of the kind specifically recognised by the

[Mr. Gerald Kaufman]

Secretary of State in November tries to obtain a seat on an aircraft, the airline is likely to turn him down rather than risk a fine under the Bill.

There are also people from visa countries who claim to be exempt from immigration control because they are British citizens by descent and thus, whatever their travel document, do not require a visa to enter the United Kingdom. Will such passengers now have to prove to the airline that they have a British parent and, if so, how? That is why we describe the Bill as ill thought out and oppressive. People whose grounds for not obtaining a visa have been recognised as valid by the Home Secretary will be prevented from travelling because of the fines laid down in the Bill. The Bill must be amended in Committee to take account of all those potential anomalies because some are likely to cause great human hardship or distress.

Even when a person gets through the new barrier with all the documents required by the Secretary of State—either valid or well forged, as the Bill lays down—his claims will have to pass tougher tests without the protections that previously existed. Even if the person's documents are in order, his chance of being accepted as a refugee will be subject to greater hazard in the future.

In the debate on refugees on 31 March 1983, the Minister of State said:

"I believe that there is a strong case for formulating arrangements for the notification of asylum cases to an agency at an early stage when a negative decision is contemplated. The refugee unit at the Home Office will in future give formal notification to the UKIAS refugee councillors of all cases when no other agency or hon. Members has previously intervened and a negative decision has been proposed." —[*Official Report*, 31 March 1983; Vol. 40, c. 522.]

The Home Secretary has completely abandoned that commitment, made by the Minister of State at a calmer time. The Secretary of State kicked that pledge right out of the field in his announcement on 3 March and in his deplorable and misleading statement today about the Government's response to the Home Affairs Sub-Committee on Race Relations and Immigration.

Despite the statement by the Minister of State in 1983 recognising the strong case for notification and referral, the Home Secretary now says:

"Accordingly, the present arrangements under which my Department refers cases to UKIAS will be revised and I shall be inviting UKIAS to join in discussions to that end . . . and for the avoidance of doubt I must place it on record that in future there will be cases which will not be referred to UKIAS and that therefore applicants for asylum can have no expectation in future that as a result of the arrangement arrived at in 1983 or otherwise there will in their cases be such a reference. Similarly there will be instances in which early removal is necessary in the interests of immigration control and it would not be right for me to defer removal on a Member's seeking to put a stop on the case. It follows also that those who seek to challenge in the courts decisions to refuse asylum cannot expect that they will automatically be allowed to stay here until proceedings are completed." —[*Official Report*, 3 March 1987; Vol. 111, c. 733.]

The Home Secretary has withdrawn the pledge on reference to UKIAS, withdrawn the right of an hon. Member to put a stop on and withdrawn the opportunity of effective judicial review. That is the effect of his announcement on 3 March. The way in which he has tried to mislead the House is quite deplorable. In withdrawing those three protections he is withdrawing safeguards that his Department told the House and the Select Committee were the proper safeguards against wrongful decisions.

This afternoon the Home Secretary has referred in the most deliberately disingenuous terms to the Home Affairs Sub-Committee's report on refugees and asylum. He certainly acknowledged that the Sub-Committee recommended a right of appeal before removal for those who sought asylum on arrival at a port of entry in the United Kingdom. I noted the Home Secretary's words carefully. He said that his predecessor had spelt out in measured terms why he would not accept that appeal recommendation.

What were the measured terms that the Home Secretary thought he could get away with by describing them as such this afternoon? What did the Government reply to the report? They rejected the appeal proposal because they said that for this category of applicants there were other safeguards—representations by hon. Members, judicial review and the UKIAS referral procedure. The Government replied:

"The referral system is providing an effective safeguard and a satisfactory substitute for formal appeal rights . . . In practice . . . the referral procedure is providing a broader safeguard than a formal appeal to the immigration appellate authorities."

The Sub-Committee on Race Relations and Immigration proposed a right of appeal. The Home Office rejected that because it said that there was a right of reference to UKIAS, a stop right of Members of Parliament and a right of judicial review. The Home Secretary withdrew all three rights on 3 March and now has the effrontery to say that he still rejects the right of appeal even though he has taken away the safeguards that his Department said were a valid substitute for appeal. That is a shoddy way in which to try to mislead the House, and I hope that he is thoroughly ashamed of himself. I did not think that I could feel so strongly about anything that the Secretary of State said. I have considerable personal respect for him, but I was horrified to hear how he dealt with this issue this afternoon.

The Home Secretary should think again about the matter. Having relied for a period on those three safeguards and having now rejected them, the Government should introduce the right of appeal before removal as recommended by the Sub-Committee on Race Relations and Immigration.

Another problem relates to refugees who wish to claim asylum but will never get here because the airlines and other carriers will not take the risk of carrying them. On 3 March the Home Secretary told the House:

"The Government remain fully committed to their obligations under the United Nations 1951 Convention to genuine refugees as defined in that Convention. The decisions on individual cases which I make as Home Secretary will respect that obligation."—[*Official Report*, 3 March 1987; Vol. 111, c. 733.]

Of course, the Home Secretary is bound to say that because he is bound by the immigration rules. Those rules state:

"Where a person is a refugee full account is to be taken of the provisions of the convention and protocol relating to the status of refugees."

Article 31 of the United Nations convention on refugees says:

"The Contracting States shall not impose penalties, on account of their illegal entry or presence, on refugees who, coming from a territory where their life or freedom was threatened in the sense of Article 1, enter or are present in

their territory without authorisation, provided they present themselves without delay to the authorities and show good cause for their illegal entry or presence."

I acknowledge immediately that that would not apply to the current case of the Tamils because they did not come directly from Sri Lanka, but our attitude to the Bill is not governed by that case. I said that at the beginning of my speech, and it is irrefutable that the Bill violates that paragraph of the convention. The Bill breaks the Home Secretary's undertaking of 3 March, because the convention states:

"The Contracting States shall not impose penalties . . . on refugees who . . . enter or are present in their territory without authorisation, provided they present themselves without delay to the authorities and show good cause for their illegal entry or presence."

But, of course, the £1,000 fine is a penalty and the Government are consequently violating the convention.

The Minister of State, Home Office (Mr. David Waddington): No.

Mr. Kaufman: We do not know whether they are refugees until we find out. The Minister is suggesting that none of them is a refugee, but that is manifestly bogus.

Mr. Waddington: The right hon. Gentleman has not yet realised that the penalty of £1,000 is imposed on the carrier, not the person of refugee status.

Mr. Kaufman: That was a clever little interruption. The person seeking refugee status is penalised by the penalty on the carrier, of course. It was the kind of remark that the right hon. and learned Gentleman could get away with in the courts as a nice little joke to the judge, but it does not help people who are fleeing in fear of their lives.

Mr. Waddington: That is silly.

Mr. Kaufman: No, it is not silly. The right hon. and learned Gentleman made some prejudicial remarks about people who lost their lives as a result of the penalties that he championed so strongly.

Mr. Corbyn: Is it not right that of the 58 cases that the Minister of State attempted to decide in advance of the court decision, not one of the individuals concerned could have entered this country had the Bill been law at that time?

Mr. Kaufman: My hon. Friend is absolutely right. The Minister of State prejudged the cases by saying that they were manifestly bogus, whereas the court declared that they were not manifestly bogus. The Home Secretary is now having to look at every individual case himself. The Minister of State is completely wrong and my hon. Friend is right.

What is more, the Bill violates the statement of the position on refugee procedures in the Home Office memorandum of 17 December 1984, which stated:

"A valid claim for asylum overrides the normal requirements of immigration control that other immigrants must satisfy in order to enter or remain here."

Nothing can be plainer than that Home Office commitment and nothing can be plainer than the Home Secretary's breach of it in the Bill. The Bill is posited on the assumption that a would-be refugee would have no difficulty in obtaining a visa from the British post in his country of origin. The idea is laughable. Can hon. Members envisage the position? Someone is on the run from the secret police in an eastern European country or another visa country. He breaks off from his escape or emerges from his cover, strolls into the British mission, applies for and obtains a visa in a few minutes without difficulty or delay, and then resumes his escape.

Under the United Nations convention, a person seeking a visa in his own country cannot be defined as a refugee. The convention defines as refugees

"persons who fulfil the conditions of paragraph 2 of this section."

Paragraph 2 states:

"As a result of events occurring before 1 January 1951 and owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it."

On 6 March, the Minister of State summed up perfectly for us the position of Jews and others under the German Nazis, when he said:

"In 1938 the British Government imposed a visa requirement on Germans and Austrians. From that time onwards, Germans and Austrians fleeing from Nazi persecution came here with visas, having satisfied the British authorities that they had the wherewithal, or that they had people here who were prepared to look after them." — [*Official Report*, 6 March 1987; Vol. 111, c. 1209-10.]

That, he implied smugly, was that. The fact is that for many people that was that. Nine days ago in Glasgow, a Jewish woman told me how, in the 1930s, she had luckily obtained a visa and got away to Britain. Her parents were unable to obtain a visa and did not get away. They were victims of the same nice, tidy smugness as would penalise those who suffer from this Bill and from the same contemptible complacency of today's Home Office Ministers nearly half a century on.

The position could be the same even with passports. Indeed, the demand that airlines should always turn away passengers without passports conflicts with the United Nations High Commissioner for Refugees, which envisages that the absence of a passport will be the norm, not the exception, for genuine refugees.

The United Nations handbook on procedures states:

"It has sometimes been claimed that possession of a passport signified that the issuing authorities do not intend to persecute the holder, for otherwise they would not have issued a passport to him."

That is how the commission approaches the matter, as it confirmed to me only today. The trouble is that, under the Bill, such a person would not get here for his or or her case to be considered on its merits. That person would not get here because in the Bill the Home Secretary hands over his obligations on refugees under the United Nations convention to foreign airlines and foreign shipping companies, including Aeroflot, South African Airways and the rest.

The least that the Government could do would be to amend the Bill so that the carrier will be absolved from the fine in respect of any person without proper documents who is subsequently accepted as a bona fide asylum seeker. That would not solve the problem, but it would ease it.

Even countries which the Home Secretary cited in support of his measure provide safeguards. Australia does not fine airlines where the cases of passengers are referred to the independent refugee determination committee, whatever the outcome of the case, so let not the Home Secretary cite Australia without providing a similar safeguard. Denmark does not fine airlines if a passenger

[Mr. Kaufman]

faces return to a country where he or she would not be safe, so let not the Home Secretary cite Denmark in his support.

It is sometimes claimed that Britain has an outstanding record on acceptance of refugeees. There have been times when that record has been outstanding, when it has enhanced our reputation for humanity in the eyes of the world. But there have been other times, as when refugees from Hitler were excluded from this country when they could have been saved, when our reputation has been less glorious. Sadly, the Bill takes us into one of those less glorious times.

Ministers will not care. They have abandoned any standards of decency on this matter, at any rate until the general election is over. The Bill is not about keeping out a few bedraggled victims of seedy racketeers—racketeers whose trade in human flesh we all condemn. The Bill is about having a shoddy little debate in which racism can be stirred up in the hope of winning a few votes. At every general election, Tory Members cannot resist playing the race card. They are doing it again now, and it is especially lamentable that this Home Secretary, of whom people expected better, should have lent himself to this shabby manoeuvre.

Mr. Hurd: The right hon. Gentleman is coming to the end of his speech, but since he told us that he would be unable to stay until the end of the debate, perhaps he will allow me to say this. I have listened with great care to his speech, but he has not addressed what I regard as the nub of the matter, which has nothing to do with elections or the race card. It is simply that a tradition of granting political asylum, as embodied in the United Nations convention, is in danger of being overwhelmed right across Europe by the sheer scale of applicants. Denmark has gone much further than we propose, and is declining to entertain applications for asylum from people who come via a third country. That alters the entire aspect, but the right hon. Gentleman has not tackled it yet.

Mr. Kaufman: I acknowledge that there is a problem — *[Interruption.]* The way in which Conservative Members leer and giggle about these matters is one of the most nauseating aspects of their approach to the issue. This is the most despicable parliamentary Conservative party that I have encountered during the past 17 years. When I mentioned Shcharansky in a previous debate, one hon. Member was quoted in *Hansard* as saying that it would be right to keep him out of the country, which shows the ugly undercurrent among Conservative Members.

Mr. Waddington: There is no need to be so unpleasant.

Mr. Kaufman: Not as unpleasant as the right hon. and learned Gentleman is, without effort.

Mr. Waddington: Nasty.

Mr. Kaufman: However hard I may try to be nasty, I could not succeed as effortlessly as the right hon. and learned Gentleman does.

I agree with the Home Secretary that there is a problem. He acknowledged that the problem is not as great as it is for several other countries, although it is possible that, as other countries deal with their problems, it may grow in Britain. But why, instead of slamming down a little Bill overnight, did not the Home Secretary go to the UKIAS or to the United Nations High Commissioner for Refugees? Why did he not come to us and say, "Let us sit down and try to find a solution to the problem as quickly as possible."? But he did not want to do that. The reason is that Conservative Members glory in and are enjoying the Bill, because they believe that it is a way of playing the race card once again.

The Home Secretary teaches us the lesson that we should have learnt by now: that in the end Conservative Members, liberals or hard-liners, wets or drys, are all the same. Let them make the most of this electorally—I am sure that they will. If any of them still have consciences, let them live with them.

5.18 pm

Mr. Timothy Raison (Aylesbury): It is something that in his closing, intemperate remarks the right hon. Member for Manchester, Gorton (Mr. Kaufman) acknowledged that there is a problem to be faced, and of course there is a serious and very difficult problem. As my right hon. Friend the Home Secretary said, the Bill is not exclusively concerned with refugees. However, the background to the Bill is the problem of refugees, which is inescapably growing, and we must give a lot of thought to ways of tackling it.

Behind it all lies the spread of civil wars and other wars, and tyrannical regimes. There is also the problem of economic refugees—people who wish to flee from their country, not because they are being actively persecuted, but because the regime in which they live is, to put it mildly, increasingly distasteful and hostile. There is also the problem of whether we are right to go down the path of orderly departure, to which my right hon. Friend referred. I have always been a little anxious about this. I see why it was introduced for Vietnam, and for Chile before that but it has about it something of the flavour of almost sanctioning the entitlement of Governments to persecute their citizens. We must think about that hard and carefully.

It is right that we should be discussing these matters with our European partners, and it is to be welcomed that the newish United Nations High Commissioner for Refugees, Mr. Hocké, should be showing clearly that he is prepared to ask fundamental questions. As it happens, he has asked me to go to a seminar or conference that is to take place shortly to talk about these things, and we have to face some important and basic questions.

We know that the pressure of intense migration has led to the introduction of visas for India, Pakistan, Bangladesh, Nigeria and Ghana. In the case of Sri Lanka and the Tamils essentially it was the refugee problem that caused that to come about. Now we have the Bill, which is designed to strengthen the effect of the visa system to control the surge that would take place if we did not take steps to prevent it.

I do not particularly object—I never have—to the idea that carriers should bear the cost of taking back those who are refused entry, nor do I object to the visa system as a method of controlling the surge. I do not think that the principle of the Bill is necessarily unreasonable, although the practicalities of it will have to be examined carefully in Committee. However, I am deeply concerned that we should not weaken our traditional commitment to do our share in helping refugees. I hope that the Government and my right hon. Friend will be able to give

reassurances on two aspects of the policy that goes alongside the Bill. We must look at the Bill in conjunction with the general system for handling refugees when they appeal to us to take them in.

The first of these questions is about access to this country. My right hon. Friend the Home Secretary made it clear that in the past the majority of refugees accepted here have been people who have been here already—students, and others, for example, whose circumstances have changed because of what has been happening in their home countries. Some refugees will certainly try to escape here directly, and we recognise certain groups as having particular claims on us, notably through family connections. We recognise that they have a certain amount of entitlement to take refuge in this country and to come here to do so.

However, we need some assurance about how far in practice genuine potential refugees will will be able to secure visas in the countries of their origin. Will they be able to go to the British posts in their country? This point was raised by the right hon. Member for Gorton. Will that work effectively? Will the fact that they are still in their own country allow them to be considered for refugee status? After all, the 1951 convention defining refugee status talks of the refugee being

"outside the country of his nationality".

In Sri Lanka, for example, how many people are reaching our post in Colombo, or perhaps some other way of getting in touch with our authorities and applying for a visa on refugee grounds and then succeeding in getting one? We need to know the answers. I recognise that the answers can relate only to the recent period because until not long ago, Sri Lankans were able to come here to claim status when they arrived here. We want to know whether it is possible, in practice, for such people to work their way to Colombo, get in an application for refugee status, and if so how it is dealt with, particularly in the light of the point that I have just made about the definition of the status of the refugee.

Mr. Alfred Dubs (Battersea): I can answer the right hon. Gentleman's question. I have here a letter from the British high commission in Colombo, dated 10 July 1986, to an applicant. It says:

"You have applied for entry clearance with a view to admission to the United Kingdom as a refugee but there is no provision in the immigration rules for entry clearance to be granted for this purpose."

Mr. Raison: The answer may be that he has to apply for entry to the United Kingdom for consideration for refugee status. That may be the procedure. I should like to hear from my right hon. and learned Friend when he winds up the debate how the procedure works, because that is an important matter.

Today I received an answer to a parliamentary question which makes it clear that the proportion of those seeking refugee status applying outside the United Kingdom has in the past been small. In the year October 1985 to September 1986 the number of applicants outsidr the United Kingdom was 50, of whom 30 were granted refugee status, 10 were refused asylum but granted leave to remain on exceptional grounds, and 10 were refused asylum. That was a small number, but under the new system it may increase. We need to know where we are.

My second major concern is what happens to would-be refugees if they intend to get here by one means or another. This is very much the issue recently raised by the affair of the Tamils. It is true that the numbers likely to do so will, in all probability, be much reduced both by the introduction of visas and by the consequences of the Bill, but it is also true that refugees, who may be desperate, find ways to travel and get here, as do their rather more bogus counterparts, and this is the problem that we have to face. People will continue to turn up at our ports and it is important that we should think carefully about what they do when they get here. Up to now, as the parliamentary answer to which I have just referred shows, a significant number of those allowed to stay have been people who have applied at the ports rather than in their country of origin.

It is here that I am concerned about the possibility of erosion of the safeguards that we have established. The convention does not require any kind of appeal system. We are party to the consensus of the executive committee of the United Nations High Commissioner for Refugees, which called for a system of formal reconsideration of a refusal at the port of entry. We have operated that since my right hon. Friend made his announcement in 1983.

We have responded by three particular means, which were mentioned by the right hon. Member for Gorton. One is intervention by UKIAS. The second is Members' representations, and the third is judicial review. All those would happen before removal. The system put forward by my right hon. Friend was accepted by the protection division of the United Nations High Commissioner for Refugees as an adequate way to deal with the problem.

The question now is that will happen to the system. My right hon. Friend the Home Secretary, in his statement of 3 March, clearly foreshadowed changes that could be significant. The right hon. Member for Gorton has just quoted the passage to which I would have referred, so I shall not repeat it. However, it is important to consider carefully what my right hon. Friend said then, and I hope that he will think carefully, as I know he will, about the remarks made during the debate today about the system. We want to know rather more precisely what it is that my right hon. Friend has in mind. I cannot say whether my right hon. and learned Friend the Minister of State will be able to spell that out, but I should welcome such a response. I accept that there should be proper consultation with the UNHCR and UKIAS. I hope that by the time we have considered the Bill in Committee, on Report and on Third Reading we will have a clear idea of exactly what is proposed in place of the system agreed in 1983.

I recognise, as do most hon. Members if they are honest, that there is a genuine problem of abuse, but we know that it is difficult to be sure of the facts. The courts have said that entry by false means does not in itself lead to the conclusion that a person is not a refugee. A person may come here by wangling, but that does not take away from the fact that he is a genuine refugee. The High Court has made that clear and we should all accept it.

The reports about the 64 Tamils, who in a sense are at the heart of the controversy, show that a substantial number fall into either the category of people who would be expected to be granted refugee status or the category of people who are likely to be given permission to remain here under the discretionary power. Until we know the outcome of these cases it is not possible for me to know the answers, but there are signs that a number of the Tamils are people who, in normal circumstances, would be

[Mr. Raison]

allowed to stay for one reason or another. If that is so, no doubt they will be allowed to stay when the process of examination has been completed.

I ask my right hon. Friend the Home Secretary to retain some way of reconsidering refusal of entry to possibly bogus applicants before removal. I should be anxious about a system which firmly stated that immigration officers on their own, and without any reconsideration, can decide that certain people have to return home immediately. If the Bill is passed, as I expect it will be, the problem of pressure is bound to decline, but we should not get ourselves into a position that is out of line with the UNHCR executive committee's resolutions. We should find a way of adhering to them.

There is a real problem with the applicant who abuses the system. I do not press for a formal appeal system to operate within this country in cases of abuse or when people arrive here without visas, and I do not believe that we should introduce a system providing for a fully fledged formal legal appeal, but I press for the present system, as set out in 1983, essentially to remain in being for most people, with the possibility of using the three alternative approaches that I have mentioned.

There should be some way of rapidly considering the cases of those whom the immigration service feels are bogus entrants. I have in mind a system of notifying representatives of UKIAS or of the UNHCR in this country that Britain proposes immediately to send back someone because we think that he is applying on completely bogus grounds. That would at least enable some sort of discussion to take place with the representatives of the UNHCR or of UKIAS about the case and, if they accepted that the applicant was bogus, he would immediately be removed. If the UNHCR or the UKIAS wanted to contest the case, there would be a clear obligation on them to use a mechanism that would operate rapidly.

It would be wrong to set up a mechanism that would enable people to remain in this country indefinitely and to start playing the all too familiar game of operating the immigration rules when there is no genuine ground for doing so.

I would not favour accepting a system whereby Members of Parliament were able to weigh in on the process. There should be a swift, effective way of considering these cases. I hope that my right hon. Friend the Home Secretary will be willing to consider this proposal carefully.

I am glad that my hon. Friend the Member for Westminster, North (Mr. Wheeler), the Chairman of the Race Relations and Immigration Sub-Committee of the Select Committee on Home Affairs, is present. I take it that he will take part in the debate. I am not certain exactly what the Select Committee recommended in its report. Who is better placed to tell us than my hon. Friend? It is not entirely evident that the Select Committee was talking about a fully fledged system of appeal. It talked about the way in which the abuse problem could be prolonged by some kind of appeal system. In paragraph 105 the Select Committee stated:

"We recommend that the Home Office decide in principle to extend the right of appeal to all asylum applicants, and, for types of case where the applicant currently lacks a right of appeal exercisable within the UK, to establish procedures by which leave to remain is withheld in obviously bogus cases, and by which such refusals of leave can be rapidly reviewed if appealed against; and that it set up a working party to determine how such procedures would operate."

The Select Committee says that the right of appeal should be extended to all asylum applicants, but it does not specifically say that that should happen in this country before removal. I am not sure what the Committee means. The Select Committee talks also about refusals of need being "rapidly reviewed" if appealed against. I do not know whether by "rapidly reviewed" the Committee means the formal appeal process, or whether it means something much more akin to the process that I have described. I hope that my hon. Friend the Member for Westminster, North will explain what the Committee had in mind.

I hope that my right hon. Friend the Home Secretary will think carefully about the points that I have made. If he accepts my proposal that there should be a quickfire method of dealing with the bogus or the disputed cases, that might meet with the acquiescence of the UNHCR. I dare say that it would prefer something more, but I think that a system could be set up that would command sufficiently broad assent to work, and we would then be able to say that we have not back-tracked from the type of principle for dealing with refugees which I think we have generally adopted. What I have said is parallel to the Bill rather than concerned with its substance. I hope that it will be possible to find a satisfactory and honourable way of resolving this difficult problem.

5.38 pm

Mr. Michael Meadowcroft (Leeds, West): I wish to follow the civilised remarks of the right hon. Member for Aylesbury (Mr. Raison)——

Mr. Michael Morris (Northampton, South): On a point of order, Mr. Deputy Speaker. Is it not a grave discourtesy to you, Sir, and to Parliament that the right hon. Member for Manchester, Gorton (Mr. Kaufman), who opened for the Opposition, should find more pressing business outside Parliament than to listen to the debate, especially after the sort of speech that he offered us?

Mr. Meadowcroft *rose*——

Mr. Kaufman: Further to the point of order, Mr. Deputy Speaker. First, I am doing no more than the Chancellor of the Exchequer has done on a number of occasions. Secondly, I did notify the Home Secretary. Thirdly, it will be acknowledged that the Bill came up suddenly and one was not able to plan one's arrangements accordingly. Fourthly, the hon. Member for Northampton, South (Mr. Morris) knows very well that whatever my other shortcomings—of which I am sure he is fully appraised and able to describe at length—one of the things that I do not generally do is dodge fire.

Mr. Meadowcroft *rose*——

Mr. Jeremy Hanley (Richmond and Barnes): Further to the point of order, Mr. Deputy Speaker. Would it not be in order for the right hon. Member for Manchester, Gorton (Mr. Kaufman), who is now leaving the Chamber, to apologise to my right hon. Friend the Member for Aylesbury (Mr. Raison) inasmuch as everything that the right hon. Gentleman accused Conservative Members of feeling and saying was certainly not borne out by my right hon. Friend's speech.

Mr. Deputy Speaker (Mr. Harold Walker): I call Mr. Meadowcroft.

Mr. Meadowcroft: I was about to say that I was pleased to be able to take up the civilised comments of the right hon. Member for Aylesbury and to commend 90 per cent. of the speech of the right hon. Member for Manchester, Gorton (Mr. Kaufman), who, I believe, spoke in good faith. I am only sorry that his measured terms were undermined by his final comments. In dealing with these issues there is nothing to be gained by endeavouring to divine ulterior motives. Nothing annoys me more than those who try to use a crystal ball, as it were, to determine the meaning and intent behind my comments. By the same token it does no good to try to impute motives to others. Many of the comments that we make on sensitive issues such as the one before us give the appearance that something additional is meant, but to say that somebody has said something deliberately for that purpose is unfair. I believe that the right hon. Gentleman went over the top, and that was of no value to the debate.

No one on either side of the House has a monopoly of virtue or an exclusivity of compassion. The right hon. Member for Gorton, who, sadly, has had to leave the debate, should have had drawn to his attention the position of the Kenya Asians in 1968. Promises had been made and it may well have been that people were under stress in Kenya. The Kenya Asians then found that the promises that had been made to them were not kept by the then Labour Government. It seems that no one is beyond reproach.

My complaint about the Bill is that the Government are seeking to follow their Back Benchers instead of endeavouring to lead and initiate. It is serious that at this stage in the Parliament the Government are seeking to placate the opinion of Conservative Back Benchers. I have a particular moment in mind. On 5 March, during Home Office questions, I asked the Minister of State whether he believed that the United Kingdom Immigrants Advisory Service, or the British Refugee Council, would connive in the irregular entry of immigrants. The Minister of State dodged around, as it were, without saying yes or no, and during that time there were a number of cries from Conservative Back Benchers to the effect that they believed that UKIAS would behave in that way. That is a clue that explains why the Bill has been introduced.

The Home Secretary said that the Bill was sparked off by the Tamil case but that it had wider connections than that. In tacking it on to one issue, such as the Tamils, there is the problem of retrospection. There are great dangers in that course. Airlines and shipping lines can hardly be expected to know of the debates that we are to have in this place. They are certainly not to know of the debates that will take place in Committee. They will not know what is in our minds when it comes to the interpretation of what appears to be a valid passport. These are sensitive issues and it is of concern that the Bill will be retrospective.

I followed the argument of the right hon. Member for Aylesbury about the Vietnamese refugees. His concern suggested that international agreement to take refugees amounted almost to tacit assent to the repressive actions in their countries. This is not the same problem as is faced by those who seek to placate terrorism. Where entrenched and clearly ideological or racist action is taking place within a country that provokes the sort of despair that leads people to take to sea in open boats, the least that the international community can do is to come to terms with reality and to ascertain whether there is some way of persuading individual countries to accept their fair share of the refugee problem.

If the issue goes wider than the Tamils who arrived at Heathrow, one of the Government's arguments must be questioned. The Government contend that refugees can go to a neighbouring country and obtain documents, but not all countries are signatories to the United Nations convention. There may be neighbouring countries to a dispute where assent to human rights and human international conventions is far from the level and depth that we would wish in Britain. That would make it difficult for the Government to say to refugees that they should go to a neighbouring country.

If all countries took the same action as the Government are endeavouring to take by means of the Bill, how can a refugee travel? If all shipping lines and airlines found themselves facing a potential fine of £1,000 and if someone were found to be travelling without documents or with obviously forged documents, the result would be that no one would be able to travel to this country or even to a neighbouring country. If every country took the same line as ourselves, there would be no means of travelling in an emergency in the way that people are forced to do when fleeing from terror. To say that we shall take unilateral action despite what might happen elsewhere, and to excuse doing so on the ground that someone can travel easily to another country and then travel on properly with documents, seems to go against the spirit of the international attitude that we should advance. If we do not play our part in coping with the problems of the world's refugees, how can we expect others to do so?

In some instances it is unreal to expect refugees to travel in safety to a British embassy or high commission. There are places where those entering or leaving a British embassy will be watched. There are places where people will not feel safe to visit the embassy even if they are safe in doing so. In many instances the belief in terror matters rather more than the terror itself. All hon. Members are familiar with that attitude from dealing with their case work. In the light of events in the last few days in India, it seems that Tamils would not necessarily be safe in attending an embassy or high commission there or elsewhere.

There is a great need for some form of referral system. The Minister of State wanted to return 58 Tamils on 17 February. No doubt he would have wanted to return 64——

Mr. Hanley: When the 58 Tamils were stopped at Heathrow or threatened with deportation, one of them announced on the television news that he had not applied for a visa in Colombo because the British high commission was "ringed with troops". The British high commissioner has since said that there was only one policeman outside the high commission to his knowledge. Are we not in danger of accepting some slightly exaggerated statements?

Mr. Meadowcroft: I appreciate that argument. It is not my argument that all the 64 or 58 were genuine. I am saying that some of them may have been genuine. It appears now that some of them are regarded as genuine. It may be that circumstances were exaggerated for the sake of individual cases, but I hope that the hon. Gentleman will accept that there is no way of testing the genuineness

[Mr. Meadowcroft]

and the validity of a case without the possibility of referral; otherwise the issue will rest entirely on the judgment of one official.

The Minister of State has told the House that he believed that all the Tamils were involved in a racket based in Malaysia. It has transpired, however, that the United Nations High Commissioner for Refugees, through his representative in London, has said categorically that a number, perhaps a minority, are genuine refugees. If the Minister had had his way there would have been no referral. So strong was his belief in his case that he was not prepared to refer it to outside inspection. If he was so confident of his case, surely he could have referred it to an outside body such as UKIAS for inspection. If his case had been weak, he would not have dared to refer it. Now that it has transpired that a minority of the Tamils are genuine refugees, the case for ceasing to refer individuals to UKIAS in future has been fatally undermined.

The Sub-Committee on Race Relations and Immigration said that a formal appeal system was not needed because of the availability of referral and of Members' representations. That has now been called in doubt however, because various provisions have been set aside. Surely fairness and justice demands some measure of appeal. There is a belief in the rule of law that runs throughout the House and one that Conservative Members frequently talk about. Confidence in the judiciary, the courts and the legal process will not be undermined because there are appeals and because appeals occasionally overturn the original finding. No one claims that appeals are fatally flawing our system of justice. Appeals are accepted as the norm, and that is why we have appeals built into the general system. Surely we cannot accept the appeal system within our ordinary legal processes without accepting that it should be available to refugees.

Mr. Hurd: Does the hon. Gentleman accept that if we took his advice we would run a serious risk that anyone arriving at our ports for settlement or for any other purpose would soon realise that if he said, "I want to be treated as a refugee," he would be here in practice for quite a long time? That is the problem that the Germans have had to face, and it has become a serious problem for them.

Mr. Meadowcroft: I appreciate the Home Secretary's point, but my argument is that we have to resolve the problem by international rather than unilateral action. If we take unilateral action, it simply means that other countries will take the same action, and we shall be left with no way of solving the problem. Refugees may well still be refugees. Unless a process of determining that is adopted, and accepted as fair, we shall not be resolving the problem; we shall simply be hiding it.

I hope that I am not irking the Home Secretary, as he said earlier that I was. I am sorry if my rather warm remarks on 3 March irked him, but perhaps it was right for them to do so if that expressed some of the feelings of hon. Members about the treatment directed at people in the most vulnerable circumstances.

Perhaps that is the difficulty. I accept that in different circumstances, when we are not dealing precisely with the refugee problem, there may be a good reason to have a debate about the whole issue of immigration and the status of people who should be entitled to come here. However you, Mr. Deputy Speaker, would certainly soon be shouting for order if I endeavoured to set out the policy on such cases.

The problem is that every time the Government introduce new legislation or orders to deal with immigration, the parameters of the debate are changed. It then becomes impossible to discuss who should be allowed to come to the country and who should not as if that had not happened. To take it to extremes, no party in this House can debate what immigration policy should be as if nothing had happened since 1962. The difficulty is that every incoming Government must accept the rules and regulations as they are at that time and try to work backwards or forwards from them, or simply take them on board. The difficulty is that it changes all the time. Perhaps that is why no Labour Government ever repealed any of the Acts that they voted against in the first place—because the circumstances had changed. Once an artificial barrier has been erected, to take it away causes further difficulties.

If the Home Secretary is right, there may be more refugees genuinely seeking to get out of countries. The problem may be not that more people are trying to fool the system and to enter the country irregularly, but simply that there is an increase in genuine refugees. If that is so, we must have a procedure with which to determine whether they are genuine.

Mr. John Wheeler (Westminster, North): Has the hon. Gentleman reflected on what controls should be imposed, or is there to be an open-ended commitment, regardless of the number of people who may wish to enter the United Kingdom?

Mr. Meadowcroft: Of course I have reflected on that. I have had discussions with the United Nations High Commission representative in London, and with other agencies. I concluded that we must reach an international settlement that takes on board the existing position. That means that we must deal with the Tamils specifically, as we dealt with the Vietnamese and the Ugandan Asians. If that gives us some breathing space to look at the broader issue—for instance, whether UKIAS can deal with more referrals—it must be done. However, I do not believe that we should use the general issue of immigration to undermine the refugee principle. That would do despite to people in an especially vulnerable position.

I worry about the other side of the coin for Conservative Members. Whereas they may accuse the Opposition of wanting to ease immigration generally, the difficulty for Conservative Members is that if pride in colonial heritage and in the Commonwealth is uppermost in their minds, that inevitably increases the desire of those in danger, or believing themselves to be in danger, within the Commonwealth to come to this country. Because there has been immigration of people whose families are now threatened, that will increase people's desire to come to this country. It would be hiding from that fact, and extremely dangerous, to say, "Because we have taken so many people and the country is overcrowded, we cannot do so in future."

Hon. Members on both sides of the House would not be here if it had not been for provisions of refugee legislation in the past. The hon. Member for Cardiff, West (Mr. Terlezki) has a background of being in the Ukraine, and his family had to suffer tremendous repression. The

right hon. and learned Member for Richmond, Yorks (Mr. Brittan) comes from a family who entered this country as refugees, and he lost a member of his family because of Hitler. Other people in the House and outside it have come from that background.

The Home Secretary mentioned Mr. Shcharansky. People of note get out in ones and twos, but they have papers because the Soviet Government have allowed it. But that would not cover someone attending a scientific conference or a sporting or artistic event who managed to abscond and boarded an aeroplane or ship. They would not be carrying papers allowed to them by the Soviet Union. Such people cannot obtain the documents that our Government require. But Conservative Members will probably feel more sympathetic towards such cases than towards some that we are seeing now.

Mr. Waddington: My right hon. Friend's point was that those fortunate enough to have left the Soviet Union have left as a result of being granted an exit visa by the Soviet authorities and an entry visa to come into this country. It is difficult to imagine circumstances in which anyone in Russia has been lucky enough to get to an aeroplane, or anywhere near an airport. Mr. Shcharansky walked from East Germany into West Germany. In the other case quoted by my right hon. Friend, Britain had granted a visa after the Soviet authorities had granted an exit visa.

Mr. Meadowcroft: There have been cases in which people have been given asylum after absconding from other events.

Mr. Waddington: If someone has come here to attend another event, what bearing has that on this carrier legislation? That person would have an exit visa from, for instance, the Soviet Union to come here as a visitor for that event.

Mr. Meadowcroft: He might well have gone to a third country, from which he would have no exit visa. He would have only a visa for that other country, and would not be able to travel any further.

The crucial point is that such issues, whether or not they are popular, often depend on international consensus. It worries me that Conservative Members are upsetting that consensus on a very serious and delicate issue. The Home Secretary said that he believed that his proposals were supported by a majority of hon. Members, and by an overwhelming majority outside the House. That may be true, but with some issues that should by no means be an overriding concern. We should not set public opinion aside lightly, but some issues, although they are important to a relatively small number of people, are crucial to those individuals. We should try to do what is right: we should maintain the international conventions, and treat people with fairness and justice. I do not believe that this legislation goes anywhere near that.

5.59 pm

Mr. John Wheeler (Westminster, North): I assure the hon. Member for Leeds, West (Mr. Meadowcroft) that the United Kingdom has always adopted a generous and liberal policy towards those seeking asylum. That is still true today. I know from my work as Chairman of the Race Relations and Immigration Sub-Committee of the Select Committee on Home Affairs that by comparison with any other country we can be proud of our record of support for the United Nations convention. Not one Socialist East-bloc country has signed the convention, whereas we were among the first to accede to it, and since our accession in 1967 we have been scrupulous in its observance.

I know from my work in and contact with the Western democracies in Europe and North America that there is a serious and growing problem of immigration from so-called Third world countries and others. That is the nub of this issue. It is perfectly understandable that people in over-populated and impoverished countries — where often there is poor government, bad management and no economic prospects — will seek the advantages of the affluent West. No one could have more sympathy than I and, I suspect, most hon. Members, have with that ambition, but the fact remains that it is impossible for the United Kingdom — indeed, any Western country — to allow in a steady and persistent influx of persons from other countries.

In recent years, the United States, Canada and all the EEC countries have had to consider ways of containing immigration and preventing illegal immigration. As these procedures have tightened, the tactics of those who wish to enter the Western world for economic reasons have changed. This has resulted in an increasing black market for forged, altered and counterfeit passports and travel documents. Most Western countries now have stringent visa requirements. I am glad to say that the visa system that we have adopted in recent months has been outstandingly successful, due to the remarkable efforts of our overseas offices, as well as our offices at the immigration ports and airports in the United Kingdom. The visa system is working, and consequently it is reducing a great deal of the harm and hurt of the people who wish to travel from poorer countries.

The one loophole that has been exploited—in recent months in particular—is the claim to refugee status. A refugee, as I understand it, is someone who does not want to leave his home country but is forced to do so because of a genuine belief and expectation that were he to remain he would be killed or tortured. He harbours a determination to return to his home country at the earliest opportunity, and seeks to do so in the future. The wave of so-called refugees who have been seeking to enter the Western democracies do not fall into that category. The evidence is overwhelming that many of these unfortunate people are seeking to leave their own country for economic reasons and not strictly for reasons of oppression.

The 64 Sri Lankan Tamils who arrived at Heathrow from Bangladesh on 13 February had travelled first from Malaysia to Dhaka and from there to London. They had obtained sanctuary in Malaysia and, secondly, in Bangladesh. If they had been genuine refugees, as I understand the meaning of the term, fleeing from the prospect of being killed or tortured, they would have obtained the sanctuary and protection that they pretended to seek in either of those countries. Their course of action and all that is known about them demonstrates that they were not genuine refugees. The conduct of the immigration service and my right hon. and learned Friend the Minister of State seems to have been correct in the circumstances.

The 64 Sri Lankan Tamils had been organised by an agent who had travelled with them from Malaysia to Dhaka. All the Tamils travelled on forged or mutilated passports, or had no passports, having destroyed them on the journey. None of them had the required United Kingdom visas, yet they would have had the opportunity

[Mr. John Wheeler]

of obtaining those documents through the United Kingdom authorities in Malaysia or Dhaka, where we have a high commission which is skilled in the granting of such documents in proper cases. They claimed asylum on arrival in the United Kingdom and the Government, satisfied that the Tamils had no claim to refugee status, attempted to return them to Bangladesh.

The hon. Member for Leeds, West called for international understanding of the problem. I wish that there was a willingness for international understanding. The difficulty that is faced by the United Kingdom and other Western democracies is that some countries use any excuse not to accept back into their territory persons who are not genuine asylum seekers and who have no right to be in the Western country in question.

The problem that is faced by my right hon. Friend and his officials is that if he does not turn round the bogus refugees in a very short time the United Kingdom and its citizens will be left with a responsibility for those persons, which is improper and does a grave disservice to the genuine asylum seekers, to whom we traditionally give sanctuary. On this occasion the Government were prevented from doing what they believed to be their duty by a High Court order staying any action to remove them. The Home Secretary, as he said in the debate, decided to refer the 64 cases to the United Kingdom Immigrants Advisory Service and reach fresh decisions on each case.

It is a matter of regret that UKIAS did not use far more professionalism and objectivity in examining these cases. It does no good to the cause of the genuine asylum seeker if organisations that are funded by the taxpayer — as UKIAS is, to the tune of 90 per cent., with 10 per cent. coming from an official body which deals with refugee issues — do not exercise their special obligations and responsibilities in a manner that takes into account the interests of the country and the whole concept of fair immigration control, because the two go hand in hand.

I hope that the management of UKIAS will look further at that aspect of its affairs. It is only right that my right hon. Friend should invite it to consider the progress of these matters in the way that he has done.

Mr. Meadowcroft: The hon. Gentleman mentioned one or two of these matters earlier in relation to what I had said. Is he saying that UKIAS should say that there is a quota and that once a certain number is reached the national interest requires that we send the next ones back? I cannot understand what the hon. Gentleman is saying about the national interest compared with an individual's right. If UKIAS is seeking to interpret the rules as they stand it must make its own judgments on the individual. If that is not done — the hon. Gentleman spoke earlier about our splendid record — we shall find ourselves in the position of the Western powers at the end of the war when, in the national interest, they sent Slavic refugees back to Russia, to a certain death, rather than accept them.

Mr. Wheeler: I hope that the hon. Gentleman will forgive me if I do not pursue what happened after the second world war, as historically, that is so distant as not to be relevant to the situation in which we find ourselves today.

The point that the hon. Gentleman raises about how many refugees should be admitted into the United Kingdom or any other Western democracy is a serious one.

I perceive that the Western democracies — the United States, Canada or any of the EEC countries — are now saying that, in practice, there is a limit to the number of persons that they are prepred to allow into their countries as refugees. A consequence of a tightening-up of this specification is that the United Kingdom, with its more liberal policies for admission, is becoming more vulnerable to persons coming from other countries. The problem is to determine who is the genuine refugee and who is not. The 64 Tamils could have been returned to Dhaka in Bangladesh, where they could have applied for visas to the United Kingdom and safely remained there, as they were not at risk from any activity in Sri Lanka while they were resident in Dhaka. The same applies to Malaysia. The Tamils could have been processed properly within the system there and lived in safety.

Mr. Raison: I wonder how my hon. Friend is able to make that judgment on UKIAS handling of the problem. The essence is that the Tamils did not see the officials in the first instance, but they have subsequently been able to see them. I understand that the Tamils are still being interviewed and, as my right hon. Friend the Home Secretary said, representations can be made until Wednesday this week. What is the evidence for saying that UKIAS has not handled the cases correctly?

Mr. Wheeler: I understand the facts that I have presented to be correct and they have not been challenged. The 64 Tamils travelled in an organised way. They either had no documents, or the documents that they had were false, forged or mutilated. The evidence is overwhelming that the Tamils were far from genuine in that sense. They came from two Commonwealth countries where they were not at risk and where they could have obtained sanctuary from oppression, if that was their first objective. Apparently they did not seek that sanctuary in the kingdom of Malaysia or in the republic of Bangladesh. If they had done so they could have applied to come to the United Kingdom through our high commissions in the normal way and their applications would have been considered.

Mr. Raison: I am not sure that that meets my point. The question of how the Tamils got here, or whether they should have been interviewed in Malaysia of Dhaka, is not UKIAS's responsibility. UKIAS had a responsibility to interview those involved, once that was possible.

The court's view, which I do not challenge, is that the crucial question is not how the people got here — I am sure that there was racketeering — but whether they are refugees or people whose conditions are such that it would be wrong to send them back. That is at the heart of the matter. That is what UKIAS has been involved in. I do not think that UKIAS has mishandled the case. I understand that a substantial number of those involved deserve refugee status and should be considered for the right to remain here.

Mr. Wheeler: My right hon. Friend will concede that if at the end of the inquiry into the individual cases the granting of asylum is considered appropriate, the next question that will arise is to which country that will apply.

Will it be the land in which they first arrived—Malaysia—or the second country to which they travelled—Bangladesh? My right hon. Friend the Secretary of State has great experience in the management of immigration control procedures and he will apprehend my argument. It is important.

Mr. Winnick: I am grateful to the hon. Gentleman, whose speech has been interrupted on a number of occasions, for giving way. I apologise for interrupting him again. This is a matter for debate and I have my own views. I accept that the number of people whom the United Kingdom can accept must be limited. The hon. Gentleman is a fair-minded person, however much we disagree, but is he aware of any criticism by the Home Office or any other agency of the way in which UKIAS has handled the Tamil cases, or any other case that has been referred to the refugee unit in the last three years? The hon. Gentleman was the Chairman of the Sub-Committee which examined UKIAS and which came to the view that the organisation was well run and did a proper job.

Mr. Wheeler: I am grateful to the hon. Gentleman. As the House knows, he plays an important part in the management of UKIAS, as he is its honorary chairman. I cannot comment on individual cases and I have no other comments to make on UKIAS in today's debate. My point is that UKIAS has a special responsibility. It is recognised by the Home Office as the intermediary in handling appeal cases. It has to use its time and resources carefully. My point is that in the situation that I have described, involving a particular group of Tamils who could have gained safety in other countries, we must question whether time should be spent on involvement in their affairs when there might be other cases on which the asylum issue should be more genuinely explored. That must be considered carefully.

When my Select Committee considered the subject of refugees and asylum in 1984 and 1985, it reported and recommended that the Home Office should consider the extension of the right of appeal to all asylum seekers. That is the point to which my right hon. Friend referred in his excellent speech. It recommended extension for cases where the applicant currently lacks the right of appeal exercisable in the United Kingdom to establish procedures by which leave to remain is withheld in obviously bogus cases and by which refusals of leave can be reviewed rapidly if appealed against.

In their response the Government acknowledged that this is a most difficult issue and said that they understood the need for immense care in handling such cases. As it has turned out, the Government's grave concern about this aspect of the procedure is well illustrated by what has happened at our ports of entry, in particular at Heathrow airport.

The difficulty is that in 1984-85, when my Select Committee considered the matter, we were beginning to understand the strength of pressures placed upon Western countries in particular and the difficulty that we in the United Kingdom would face as other countries tightened their procedures. I recall a visit to West Germany when about 100,000 people entered through east Berlin, claiming to be refugees. The West German Government had to care for those people, although they believe that they were not genuine refugees, but economic refugees. West Germany had to look at ways of dealing with the problem and the Government were concerned because they could see no end to the numbers that would arrive. There are compelling economic reasons in many Third world countries why people should move to improve their quality of life. We in the House would not disagree with that.

The experience of the Select Committee in 1984-85 and the current events of 1987 are such that I now firmly hold the opinion that the traditions of this country and the care that we extend to asylum seekers must remain an important part of our government and culture. Indeed, the evidence since 1979 under this Government is that more than 8,000 individuals from all over the world have been granted asylum. Over 6,000 more who failed to qualify for asylum have been granted exceptional leave to remain.

The balance must be struck between protecting the genuine refugee and preventing abuse of the United Kingdom's generous and liberal immigration and refugee policy. In the light of current developments in the Western democracies, the United Kingdom has no alternative but to bring forward the measure which the House is now considering. There are similar provisions already in operation in many other Western countries, including Canada, the United States, Australia, New Zealand and West Germany. I also know that other Western countries are taking steps to exercise the tightest possible control against abuse.

I do not believe that the passing into law of the Bill will in any way operate against genuine asylum seekers as defined by the United Nations convention; nor will it prevent Jewish refugees from the Soviet Union or any other oppressive society from gaining entry into the United Kingdom. If we are to maintain a liberal asylum policy, we must have proper controls over the bogus. That is at the heart of the problem.

My right hon. Friend the Member for Aylesbury (Mr. Raison) spoke about an appeals procedure that could be almost instant and could be operated at the port of entry. I wish that I could devise a system that would hold the certainty of independence and objectivity, but would minimise the possibility of delay: a system that would operate instantly, that is within a matter of hours, but would not defeat the Government's need for effective control over immigration.

The number of people who are already referred for further inquiry is causing major difficulties over accommodation and the subsequent bureaucratic investigation of their cases. I am afraid that I can see no practical alternative, given the circumstances that face the Western world in 1987. None of us can deny the pressure of numbers wanting to come. However, it must rest with the Executive to act as the point of refusal in the first instance, and the point of review in the second instance—at the port of entry. There can be no alternative to the operation of such procedures. I can see no way in which the United Kingdom will have effective control unless we follow such procedures.

6.21 pm

Mr. Max Madden (Bradford, West): There can be no doubt that the Bill was conceived in panic, is being rushed through this House in great haste and, if enacted, is unlikely to be workable and is probably in breach of international conventions.

When the Home Secretary opened the debate he made some reference to the visa entry system, and I would like

[Mr. Max Madden]

to comment upon that system. The right hon. Gentleman seemed to portray an abundant degree of complacency about the system. It is certainly true that a large number of visa applications are being granted without personal interviews. At present a larger proportion of applications are being accepted than before the visa entry system was introduced. Certainly the figures I have been given bear that out. That leads one to the inevitable conclusion that either the quality of the decisions made by immigration officers at Heathrow and elsewhere, prior to the visa system, were as bad as successive reports suggested, or there is now a clear political direction to British posts overseas to grant a large number of visa applications.

There are many anomalies within the visa entry system. Indeed, later this week I shall be writing to the Minister of State about a constituent of mine who has been waiting since the middle of January for his 10-year-old nephew to have his visa application approved. I also think that renewed consideration should be given to establish a post in Mirpur to deal with applications from that part of Pakistan.

On the substance of the Bill, I support those speakers who have urged that this country should have a proper appeal system. That was first recommended by a committee more than 20 years ago. There is an overwhelming case for the introduction of a proper appeal system that would work quickly and effectively. The Government would not have got themselves into their present difficulties if there was such a system and it was operating satisfactorily.

There is concern about the Government's proposal to use a ferry moored off the coast at Weymouth as a floating detention centre or perhaps as a prison hulk—that is how many people described it when the proposal was first made. I have been advised by the Library that it appears that a moored passenger ship used for such a purpose falls into a legal limbo. Even the Library hinted that that may well be the reason why the Home Office has chosen to consider that proposal. Whatever the motive, I had hoped that, in his statement, the Home Secretary would have announced that the proposal was scrapped. I am sad that that is not the case.

Today it has been announced that there is a crime committed in this country every minute. Our prisons are so full that there are rumours circulating that the Government are shortly to announce an amnesty for 6,000 prisoners, convicted of minor offences. That is an appalling commentary on the Government's performance in dealing with law and order. That they should seriously propose the introduction of prison ships, moored off the coast of Weymouth, to deal with people who, for one reason or other, are refused entry to the country is appalling.

Mr. Corbyn: Hurd's hulks.

Mr. Madden: This is a nasty little Bill. It has been condemned by a number of organisations. The United Kingdom Immigrants Advisory Service states:

"UKIAS regrets the introduction of this Bill. As drafted, it will place serious obstacles in the way of bona fide asylum-seekers with a genuine fear of persecution, who seek asylum in the UK."

The Joint Council for the Welfare of Immigrants states:

"We believe that rushed legislation directed against asylum-seekers, which seeks only to secure their exclusion from the UK, is likewise no basis for a fair and just refugee policy, which must ensure that genuine refugees have the opportunity of asylum in the UK and do not face arbitrary return to countries where they may be in danger."

The Immigration Law Practitioners Association states:

"This Bill is unnecessary, unworkable and in contravention of this country's international obligations."

We are all aware that the Bill is being introduced following the Tamil case that led the Government into embarrassment, into the courts and resulted in an even more embarrassing U-turn.

The Home Secretary and the Minister of State have come to the House time and again to seek to persuade it that action is necessary to deal with rackets and racketeers. They have refused to accept that Tamils in Sri Lanka face real dangers and have true concern about their safety and that of their families.

I believe that the Home Office should consult the Foreign Office about the degree of the danger that is faced by Tamils in Sri Lanka. In *The Observer* yesterday, under the headline,

"Revealed: Briton who led Contra mercenaries,"

there was an extremely interesting article about Mr. Michael Borlace who was employed by an extremely mysterious organisation known as KMS. The article stated:

"President Jayawardene of Sri Lanka, in the strategically important Indian Ocean, also sought British help to keep him in power against minority Tamil 'terrorists.' Because India tended to support the Tamils, Britain did not send troops. Their dispatch would have been politically controversial. But KMS was allowed to send a private force, eventually numbering 100 men, to help establish and train a 'special task force' of Sri Lankan troops."

In the article the Sri Lankan Minister for national security is quoted as saying:

"We have to accept that our own forces are not as experienced in this type of operation as the British are. We heard about the KMS when it was used by the Sultan of Oman to help with his terrorist problems."

The article concludes:

"Last year—amid reports of atrocities in Sri Lanka which eventually led to unease among some KMS 'trainers'—Borlace and a team of five were pulled out of Sri Lanka and sent covertly to aid the Contras. That too was rapidly to end in recriminations and an international political scandal that engulfed the US President, although not, so far, the British Prime Minister."

No doubt it is only a matter of time before that happens, but I have every confidence that embarrassment will not shroud our Prime Minister until after the general election.

The House has heard much about rackets and racketeers in the case of the Tamils and in other instances, but the Bill is almost a charter for the racketeers. It is a bonanza for them and for the printers of bogus documents, because they will be compelled to become more sophisticated racketeers and forgers.

The crooks must have cheered when they got the first wind of the Bill. The Minister of State and the Home Secretary, who have told us so much about the racketeers and the rackets, must be told that the Bill does nothing to deal with the racketeers and their rackets.

The Minister of State has demonstrated his powerlessness in regard to rackets and racketeers in Malaysia, but why does he not do a little more to bust an immigration racket that is a little nearer home and which he could do something about? Serious allegations have been made by me and the Chinese chamber of commerce in Northern Ireland against a senior RUC officer and others in Belfast.

Why has that officer not been suspended from duty pending an outcome of inquiries into those serious allegations involving an immigration racket and five-figure sums of money? Will the Minister of State explain in his reply to the debate why that officer has not been suspended, or inform the House that he has been suspended, as he should have been in January and February when the detailed and serious allegations against that man and others were submitted?

Conservative Members often claim that they have had no correspondence on matters about which Opposition Members claim that there is considerable anxiety. I assure Judge Argyle, who seemed over the weekend to make some extremely intemperate and prejudiced remarks about my constituents, that the letter that I am about to read is from a constituent who is white and is a well-known lecturer in law. He says:

"As the recent Tamil case indicated, even the High Court does not share the Government's view that because a person has bogus travel documents he cannot, for that reason, be a genuine refugee. Such bogus documents may indicate to the contrary, that he is afraid to approach his Government to get genuine documents. I am sure you will, but I do urge you, nonetheless, to oppose the Government's attempt to frighten airlines into acting as an additional arm of the Immigration Service. Heaven knows, the IS does not do a very sensitive job, but what kind of a job will the airlines do?"

That constituent is very concerned about the Bill, as are many of my constituents. I believe that a large section of British public opinion is worried about a nasty, mean little measure which cuts across the traditional view of this country. Those who believe that they face genuine danger and seek political refuge for themselves and their families have looked to us to consider their case with sympathy and understanding and to give them refuge. I hope that the Bill will be removed, because it is a shoddy, shameful, nasty little measure which does nothing to assist the United Kingdom's reputation throughout the world and which even this Government may be ashamed of within a short time.

6.34 pm

Mr. Michael Morris (Northampton, South): I welcome the Bill, which follows similar legislation in Canada, Australia, New Zealand, Brazil, the United States and the Federal Republic of Germany.

Hon. Members are right to ask why the Bill is necessary. We know that, although it was triggered by the 64 Tamils, the problem goes much deeper. It arises because of the changing nature of refugee movements, caused by the ease of air travel, and because there is no single definition of a refugee.

I am a member of the Migration and Refugee Committee of the Council of Europe. The Committee is closely involved with the United Nations High Commissioner for Refugees and we have recently been examining the movement of refugees in South America. One of our recent reports, which has not yet been put before the Council of Europe, deals with the definition of refugees. We outline six definitions. There are the ultra-sound asylum seekers, who are de jure refugees and are recognised as such under the 1951 United Nations convention and the 1967 protocol, and are given asylum in a third country and enjoy the economic and social rights that flow from that recognition. That is the gold standard of a refugee.

Secondly, there are also the UNHCR refugees who fit in under the 1951 convention and the 1967 protocol and have the added bonus that the UNHCR feels that they should be recognised as refugees.

Thirdly, there are quota refugees. The right hon. Member for Manchester, Gorton (Mr. Kaufman) referred to direct exchanges from the Eastern bloc and there are similar procedures in Chile and Argentina. Those people are quota refugees.

Fourthly, there are de facto refugees — a category within which I suspect the Tamils fall. Such refugees do not come under the 1951 convention or the 1967 protocol, but they are unwilling to return to their country of origin, on the ground of reasonable fear.

There are two other categories. The Council of Europe committee calls one group discreet refugees. They do not fall under any of the previous four categories, but they believe that they have a special status and right to be recognised as refugees.

The final category is economic refugees, and that category is all too well known to the House.

It is clear from these categories that the problem is not straightforward, and it is not surprising that we encounter difficulties in tackling the issue.

My hon. Friend the Member for Paddington (Mr. Wheeler) referred to the 100,000 refugees who wanted to go to the Federal Republic of Germany. Clearly, there is a large-scale problem. As my hon. Friend said, the majority of those people were seeking economic gain.

In the past six years the number of people seeking asylum in the United Kingdom has tripled. Two years ago only 10 per cent. of the people granted asylum sought it at the port of entry. That percentage has changed dramatically, and I understand that the latest figures show that about 50 per cent. of those wanting asylum seek it at the port of entry. That is where the situation in Sri Lanka and the Tamils come to the fore.

By way of background, I have lived and worked in Sri Lanka and India. I have lived in Pakistan and visited most of south-east Asia. I go to Sri Lanka every year, sometimes as a guest of the Sri Lankan Government, and sometimes under my own steam. I go at least once, and usually twice a year. I have been to the United Kingdom high commission in Colombo on every visit. I went when the new visa controls came in about 18 months ago. I questioned immigration officers, our high commissioner, Tamil politicians and the Sri Lankan media, both favourable to and against the Government. A few weeks ago, in January, I checked on the situation.

Today, there are no queues of people waiting for visas. The only time there were queues was when we initially brought in the visa requirement. There are no delays. Maybe a person will arrive with not quite the right papers. He is given another appointment a few days later so that he can be speedily dealt with. He does not go through the whole rigmarole again. He is given an immediate appointment to clarify the query. I have never had a complaint from any Tamil. I know many Tamils and some Tamil politicians in Sri Lanka, but none has complained about the visa provisions.

Hon. Members who do not know Sri Lanka may look at a map, see that it is quite a way from Jaffna to Colombo, and ask how anyone can get from Jaffna to Colombo, which is several hundred miles away. The fact is that they do get there. One has only to look at an analysis of the

[Mr. Michael Morris]

applications, as I did, to know that people from Jaffna are applying and that they go to Colombo. It is not for me to ask by what means they get there.

Mr. Corbyn: Although I do not doubt the hon. Gentleman's extensive knowledge of Sri Lanka, he has said that Tamil people travel from Jaffna to Colombo. He said that he does not know how they get there. Will he comment on the number of assaults committed upon people who travel by bus or train in an attempt to get from Jaffna to Colombo, or the sheer difficulty of many Tamil people in getting through Elephant pass, off the peninsula and on to the main part of Sri Lanka?

Mr. Morris: I cannot comment on the number of assaults any more than the hon. Gentleman can. No record is kept, and there are difficulties.

Mr. Corbyn: But they happen.

Mr. Morris: They happen, particularly at night. If one is unwise enough to travel at night, when terrorists attack Government troops, one is bound to find oneself in difficulty, as any hon. Member who has done national service or been in the armed forces would know. First, I look at the facts on the ground, at the high commission in Colombo. Many people from Jaffna apply in person at the high commission. They do not apply in Jaffna.

Mr. Corbyn: A few years ago——

Mr. Morris: I have been to Jaffna. Let me make it clear that I did not go last January, but I have been to Jaffna and Trincomalee on many occasions.

Secondly—I do not wish to take it any further than this — I asked the high commissioner the specific question that another hon. Member raised. I asked what happens to the applicant who is afraid that, by entering the British high commission, he may be recognised as a political dissident, someone who is vehemently opposed to the Government of Sri Lanka, and may well be on a wanted list because he has undertaken a robbery or committed some other error. I was told—this does not surprise me, having worked in many countries — that there are means whereby, through the Tamil community, applications can be dealt with without having to go through the front door of the British high commission.

The right hon. Member for Gorton, the Opposition spokesman on immigration matters, suggested that one has to go through the front door of the British embassy to get out of eastern Europe. That is absolute rubbish. My second name is not Wolfgang for absolutely nothing. The right hon. Gentleman knows as well as I do that the people who sought to get out of eastern Europe before and between the wars did not necessarily do it through the front door of any British embassy. It has long been part of the heritage and success of our asylum policy that our contacts go deep in any country in which there are difficulties.

Mr. Bidwell: The hon. Gentleman is obviously introducing into the debate considerable knowledge about Sri Lanka and the two antagonistic communities. Has not what he said rather contradicted his observations? He alluded to the exodus of Jews and other persecuted minorities in Europe who did not go through the front door, as he put it. Is that not precisely what is occurring with Tamils coming here and claiming refugee status? Additionally, the more he shows how complicated it is to assess claims for refugee status, the more he shows why we cannot immediately return people who have come here. It is necessarily a long process to determine the pros and cons. In the cases in which I have intervened, if addresses in my constituency are given, it seems that the current Home Office policy is to allow most of those who claim refugee status a period without necessarily granting full political refugee status.

Mr. Morris: I re-emphasise the point that there are no complaints about the visa system in Colombo today. People from the north and the east get to Colombo. All I am saying is that, underneath, a safeguarding provision operates for those who may be "wanted" by the Sri Lankan Government because they have undertaken a robbery, which is not uncommon, the money from which is being used to support the Tigers. In the circumstances, I can understand why the Sri Lankan Government would want to arrest them, and equally I can understand why the persons involved may want to get out.

Why did the 64 Tamils not apply for visas, as hundreds of other Tamils have done? If they are good and genuine refugees, and they were in the north or the east, why did they not go to south India, as the majority of Tamils in their situation have done? Why did they travel to Colombo? If they travelled to Colombo, as they clearly must have done to get to Malaysia, why did they not use the system and get a visa, which they can quickly get from the high commission? These questions must be asked. It must be put on record that it is not the policy of the Sri Lankan Government to force any Tamil to leave the country.

My hon. Friend the Member for Westminster, North (Mr. Wheeler) asked why, having gone to Malaysia, which is a member of the Commonwealth and does not have visa requirements, and having got the sanctuary that they sought there, they did not stay in Malaysia. There are many Sri Lankans in Malaysia. Why did they choose not to stay there in Dhaka?

The time has come to ask one or two questions about some of the rackets that are going on and that need to be brought out into the open. I asked to see the visa stamp in our high commission. I suppose I should not have been surprised, but I was surprised that the high commission has already had to change it twice. It has had to put on the most sophisticated watermark that it can find because it is already being reproduced on a facsimile basis by highly creative Sri Lankans, mainly of Tamil origin, I believe.

It is also common knowledge in Colombo that students come to the United Kingdom to do a course but never take their finals because they know that if they took and passed them they would be asked to return to Sri Lanka to follow their particular trade or profession. That racket has been going on for years.

I have to ask my right hon. and learned Friend why a man like Viraj Mendis is able to hoodwink the authorities, year in year out, and claim that he is persecuted when my Tamil friends tell me that he had only the most junior role in the political movement in Sri Lanka and that he is by no means a leader of it, let alone worthy of lance corporal status.

I have a large immigrant community in my constituency and I have many friends among the Bangladeshi community. We have taken in for temporary asylum about

2,000 Sri Lankans and we have said that all of them can get a job, that they do not need permission to go on a Manpower Services Commission training course and that they can avail themselves of the National Health Service, of the other health services provided by local authorities and of social security benefits. Opposition Members ought to realise that my Bangladeshi constituents in Northampton are just as concerned about the taxes that they pay as the indigenous community in Northampton, and they wonder why money should be spent on bogus asylum seekers. Any hon. Member who has had to deal directly with those who are seeking asylum——

Mr. Corbyn: Will the hon. Gentleman give way?

Mr. Morris: No. I have already given way once to the hon. Gentleman.

Any hon. Member who has had to deal with those who are genuinely seeking asylum is more than happy to give them as much help as possible to make their stay in the United Kingdom normal. The Vietnamese boat people are as good an example as any. They are very welcome to stay here, but the nearly 2,000 temporary asylum seekers from Sri Lanka do not, by any yardstick, fall into that category.

When assessing the position one has to consider India's responsibility. In one sense, every Sri Lankan is an Indian; all of them came originally from India. However, today Sri Lanka is a sovereign democratic state. It is overshadowed by India, but India envies the success of Sri Lanka. Hon. Members sometimes forget that one needs to distinguish between the Indian Tamils and the Sri Lankan Tamils. The Indian Tamils are to be found in the hill states. There is no question of refugee status in their case. The vast majority of them want to stay on the tea estates and they have now been granted citizenship.

Mr. Corbyn: But they do not have political rights.

Mr. Morris: They have political rights now. That is what we are talking about today.

Mr. Corbyn: Then they were a long time coming.

Mr. Morris: Lots of things take a long time.

In the past the Tamils were discriminated against because of the language problem, and they suffered; but having worked in Bengal I know that the Bengalis also suffered when Hindi became the official language of India. However, that is in the past. The Tamils are intelligent people and they do well in any walk of life.

The terrorists are active in the north and in parts of the east of Sri Lanka. For the last three or four years India has actively connived at military camps in India as well as at refugee camps, although claiming at the same time to be a mediator. India has no control over the terrorist movement in Sri Lanka, because the avowed aim of that movement is to set up a Marxist state. Is it any wonder, in those circumstances, that the Sri Lankan Government react? At the beginning, the Sri Lankan army was pretty hopeless. The Tigers are better trained, organised and financed, but I do not know where the money comes from. Atrocities are carried out on both sides, and the atrocities of the Tigers are worse than the atrocities committed by the indigenous army. The terrorists are underwritten by India.

Peace proposals of 19 December are on the table. They are supposedly supported by India but they are still rejected by the terrorists. However, despite the strife, slowly but surely the Tamils are returning voluntarily from south India to Sri Lanka. About 4,000 Tamils have already done so. Those are not my figures, or Sri Lankan Government or press figures; they are Indian figures. They are based on information that has come from the Indian immigration authorities. Since Christmas, 4,000 Tamils have returned voluntarily to live in the north of Sri Lanka, which suggests to me that the situation must be improving. It is reported that the Swiss Government are recommending that more than 40 Tamils should be returned to Sri Lanka. Switzerland does not have a hard-headed, Right-wing Government who are determined to throw out everybody that they possibly can. The Swiss weigh up matters. If the Swiss Government are thinking of returning those Tamils to Sri Lanka, it suggests that the position is improving there.

My view on the 64 Tamils and the 2,000 temporary asylum seekers is that the British Government have been duped. I question the so-called perfect stance of the United Kingdom Immigrants Advisory Service. The other morning while driving to the House, I was listening to a radio programme during which the director of UKIAS, Mr. Michael Barnes, was interviewed by the BBC. He said that a significant number of the 64 Tamils had been tortured. It is not the role of an independent body like UKIAS to state categorically that people have been tortured. It is entirely appropriate to say that allegations of torture need to be investigated, but it is completely wrong for the director of an independent body to state in the media, when evidence has not been produced, that people have been tortured.

Mr. Tony Banks: Is it not equally wrong for the Minister of State to say without any evidence that the Tamils were bogus refugees?

Mr. Morris: The hon. Gentleman tempts me to look again at the case that I have been deploying. I do not know whether he has been in the Chamber for the whole of my speech. I think that my right hon. Friend the Home Secretary was absolutely right to say that one does not tear up passports and documents if one has nothing to hide. One does not avoid going to south India, where all one's colleagues go if they are under political pressure, but instead goes all the way down to Colombo, through all the difficulties that the hon. Member for Islington, North (Mr. Corbyn) pointed out, unless one is adopting a slightly bogus approach. Furthermore, one does not leave other colleagues in Malaysia—there are many Sri Lankans in Malaysia—and move on to Dhaka, and after that to the United Kingdom, unless one has something to hide.

Mr. Corbyn: Will the hon. Gentleman give way?

Mr. Morris: No. I have given way several times to the hon. Gentleman. He will have his chance in a minute, and I am sure that he will take it.

Mr. Corbyn: This is an important point.

Mr. Morris: Yes; this is an important subject. I rarely speak on it, and today I intend to have my full pennyworth.

The right of asylum to this country is precious. Many hon. Members have commented on Chile and Vietnam. I will go a long way to support any genuine case, but I doubt whether there are any genuine cases among the 64 Tamils. I doubt also whether there are many genuine cases in the 2,000 or more temporary asylum seekers. If Sri Lankans,

[Mr. Morris]

of their own volition, are returning to India, as hundreds have been doing so since Christmas, should not the same happen here?

As I have said—I do not often boast—no one in the House knows Sri Lanka as well as I do. Perhaps I shall need to bring the case of a genuine refugee from Sri Lanka to the attention of my right hon. Friend. There will be people who are violently opposed to the present Government and, in the future, there may well be some absolutely genuine cases. However, when I make that case to my right hon. Friend, I shall make it on good evidence and with facts. It will not be the trumped-up support of Left-wing hon. Members who get on any band wagon they can find to undermine the democratically elected Government in Sri Lanka.

As a postscript, perhaps it is time that my right hon. Friend told the Indian Government that if they are genuinely concerned about peace, it is time that they closed their camps in south India, patrolled the strait of Palk, stopped the kidnapping of young people and got the Tamils to accept the proposals on offer. That done, peace will follow. If the Indian Government do not do that, India will rue the day and Britain certainly will not pick up the pieces.

To the relief of some Opposition Members, I finish on the issue of the English language, which is at the heart of the problem. As more and more people throughout the world have English as their second language, we must ask ourselves whether we in this country, which is the home of English, will allow everyone throughout the world who has English as his or her second language to seek sanctuary here. That would be an unrealistic policy, but it is the implication behind what is happening today with the Tamils.

7.2 pm

Mr. David Winnick (Walsall, North): In accordance with the conventions of the House, I should declare an interest, although it is non-commercial. Needless to say, I am the chairman of UKIAS.

As we know, there is a long and honourable tradition, going back many centuries, of giving asylum to victims fleeing political and religious persecution. My fear, like that of my hon. Friends, is that the Bill will undermine that long tradition.

In the memorandum that was submitted by the Home Office in December 1984 to the Race Relations and Immigration Sub-Committee of the Select Committee on Home Affairs, reference was made to the tradition of asylum here. That does not mean that Britain should be in a position to accept a large number of refugees. That certainly is not, and has never been, my view. Therefore, one must accept that, at the end of the day, the number of genuine refugees that the United Kingdom will accept will always be rather small. I hope that the Western European countries, including our own, will act in concert, in trying to bring about joint co-operation to assist those in genuine fear of their lives, and not, as is happening at the moment, that one country after another in Western Europe is virtually closing its doors to refugees.

There should be no doubt that those who have a real fear of persecution or worse if returned to their own country directly, or sent back to a country which would return them to their own land, look upon the countries of democratic Western Europe as safety nets, if only as temporary ones.

I am reminded of what happened when the coup occurred in Chile in 1973. That was an army coup, or at least a coup that was carried out by the armed forces against the democratic Government. The reaction of the British embassy was to close its doors. There could have been no doubt that the people who were seeking refuge at the British embassy were genuine refugees. As we know, the army carried out killings and atrocities. It is to the great credit of my party that when we came to office in February 1974 we made it much easier for Chilean refugees to come to Britain. I shall never apologise for that.

Mr. Corbyn: Is my hon. Friend aware that many of those people whose entry to the British embassy was denied because the gates were slammed had sought asylum temporarily in the Mexican and Cuban embassies and that they were subsequently admitted to this country only after trying to get into the British embassy in the first place?

Mr. Winnick: I entirely accept my hon. Friend's point.

In the absence of an appeals system for asylum applicants who are turned down at ports of entry in the United Kingdom, surely it is all the more important that the referral system to the refugee unit of UKIAS should be maintained in full? Like my hon. Friends, my criticism tonight to the Home Secretary is that that referral system will apparently be eroded and somewhat undermined. I regret that. It is a crucial safeguard for cases in which the passenger is seeking asylum here on the grounds that his or her removal could lead to grave dangers that the referral system remains.

The question is raised also whether, under the Bill, asylum seekers will actually reach the United Kingdom in the first place. Although some applications for asylum are successfully made abroad—I do not question that—that decision would be discretionary and taken outside the formal immigration rules. In the main the application will be made only when the passenger is in the United Kingdom. It was clearly because the Sub-Committee recognised how vital the referrals system would be in such cases that it recommended that the Home Office should decide, in principle, to extend to all asylum applicants the right of appeal before they are sent back. What was the response of the Home Office——

Mr. Hanley: The hon. Gentleman will admit that the Sub-Committee said that that should include all asylum cases that were not clearly bogus and recommended a speedy departure for those that were bogus.

Mr. Winnick: I do not question that. However, I am sure that the hon. Gentleman, who is a member of that Sub-Committee, will recognise how important it is, whether an application is bogus or not, that it should be the subject of referral unless it is blatantly bogus. I do not disagree with the hon. Gentleman on that. However, where so much is at stake and, where the person is claiming that his or her life could be in grave danger, surely the hon. Gentleman would agree that a system of referral is necessary?

What was the response of the Home Office to the Sub-Committee's report? It rejected outright the need for such an appeals system in those asylum cases. It would be

wrong for me to give the impression that I do not understand or that I minimise some of the difficulties that would be involved if there was a full appeals system for asylum seekers. UKIAS, as an organisation, would recognise the need for such an appeals system. I go along with that to a large extent, but I recognise some of the difficulties that would undoubtedly arise. I also accept that such a formal appeals system would, as the Home Secretary said today, probably increase the number of people applying.

The main argument put forward by the Home Office in rejecting the Sub-Committee's recommendation of an appeal system was based on the fact that there were other adequate safeguards, namely representation by Members of Parliament, judicial review and the UKIAS referral procedure. In response to the Sub-Committee the Home Office stated:

"the referral system is providing an effective safeguard and a satisfatory substitute for formal appeal rights . . . In practice therefore the referral procedure is providing a broader safeguard than a formal appeal to the immigration appellate authorities."

Obviously, if the Home Office, rightly, places so much emphasis on the referral system as a subsitute for an appeal system one must question anything which would undermine the referral system.

As we know, this procedure did not operate for the 64 Tamils. I do not know whether I am being over-generous, but I imagine that the Home Secretary, if not the Minister of State, rather regrets the original decision that the referral system should not operate. They know of the application for judicial review and the climb down by the Home Office. Indeed, there is no other way to describe it.

Understandably, UKIAS and, I am sure, the UNHCR, take exception to the comments of the Minister of State during exchanges on 18 February. He said that UKIAS gave the impression that it did not wish to stamp out immigration rackets and that it was

"determined to bend all its efforts to allowing racketeers to succeed."—[*Official Report*, 18 February 1987; Vol. 110, c. 910.]

I regret those remarks because there is no justification for them and when the Minister replies I hope that he will apologise or, at least, withdraw them. UKIAS does not wish in any way to act as some sort of apologist for racketeers or to bend any rules. The Home Office unit that deals with refugees, and is in contact almost daily with the UKIAS refugee unit would, I am sure, agree that there is no evidence of any attempt to bend the rules.

So that there should be no misunderstanding I stress that we should have the utmost contempt for those who trade in human misery and fear. Last night I watched a television series about the second world war and it showed black marketeers in action. They always appear when there are food shortages, wars or people fleeing for their lives. Such people always have been and probably always will be prepared to use any means to gain a profit, no matter what misery may accrue. I do not suppose that even the most fervent advocate of free enterprise on the Conservative Benches would be in favour of such racketeers.

Racketeers of course are not in the least concerned about refugees, whether genuine or otherwise. A clear distinction must be made, however, between those who trade in human misery and fear and the passengers themselves. I do not know which is the case in relation to the 64 Tamils, but we know, and the Home Secretary should know, that people who are fleeing for their lives will do anything to get any sort of document because they are frightened. Have we not seen enough in 20th century Europe, let alone in other parts, to understand what happened on countless occasions before and during the second world war when people would use any means to get documents, probably completely false, in order to reach a place of safety?

I criticise the handling of the 64 Tamils because no distinction was made between the possession of false documents and their case for genuine asylum. Initially that was not recognised, but eventually the Home Secretary made a statement accepting that their cases should be referred to UKIAS.

During 1986 the Home Office referred 441 cases of asylum seekers to UKIAS. That is hardly a huge number and it would not swamp the United Kingdom. Of them, 155 came from Sri Lanka, 148 from Iran, 38 from Afghanistan, 30 from Ghana, 18 from Pakistan and the remainder from several other countries. I resent the criticisms of the hon. Members for Westminster, North (Mr. Wheeler) and for Northampton, South (Mr. Morris) about the refugee unit of UKIAS. As I tried to explain in interventions on the speech of the hon. Member for Westminster, North, it is not for UKIAS to decide national policy over how many refugees and others should be admitted. Indeed, it would be strange for such an organisation to make such decisions. Similarly, it is not the funtion of UNHCR to decide how many refugees should be allowed entry. That must be determined by Parliament. That is our function and, finally, that of the Government of the day to decide by their majority here. There is no doubt about that.

I know of no criticism of the way in which refugee counsellors at UKIAS have carried out their day-to-day duties. If there had been any criticism either before or since the case of the 64 Tamils, surely as chairman it would have come to my notice at meetings of the executive committee or by the director informing me? The work is carried out on a professional basis, as one would expect. The people concerned are interviewed in depth and reports are made to the Home Office with recommendations where appropriate. If hon. Members have a criticism of Labour Members, so be it, but it is unfair to criticise an independent organisation which has no wish to bend any rules.

Mr. Michael Morris: May I make it clear that I have not previously criticised UKIAS and that I have used the organisation on many occasions? But does the hon. Gentleman agree that the director of UKIAS should not have broadcast on radio to the nation that in a significant number of these cases people had been tortured in Sri Lanka—a statement which may or may not be true—until the evidence had been given to the Home Office for assessment? Moreover, who is to say who did the torturing in Sri Lanka? There is clear evidence that the Tamil Tigers have done far more torturing than the Government forces have ever done.

Mr. Winnick: I did not listen to that broadcast which goes out just after the morning 9 o'clock news when I am on my way to the House. Perhaps if I had known that it was to be broadcast I would have listened, but I am not fully aware of what the director said. However, the director, who is incidentally a former Member of this

[Mr. Winnick]

House, would be careful about what he said. One of the difficulties is that the hon. Gentleman is very keen to defend the Sri Lankan Government. I am not in a position to defend them or otherwise. I accept that the hon. Gentleman has a detailed knowledge of the country, which I do not have as I have not taken the closest interest in it. He may be right or wrong. Whatever may have been done in that country, I oppose terrorism as a means of changing things. There should be no doubt about my views on that score.

The right hon. Member for Aylesbury (Mr. Raison) quoted the decision of the executive committee of the UNHCR at its 34th session, to which we were a party, when it discussed matters concerning asylum. I hope that the Home Secretary will note fully what it said:

"an unsuccessful applicant should be enabled to have a negative decision reviewed before rejection at the frontier or forcible removal from the territory. Where arrangements for such a review do not exist, Governments should give favourable consideration to their establishment."

That is important, and anything which tends to undermine it should be deplored.

I agree with my right hon. and hon. Friends that, to a large extent, the Bill is a panic reaction. I trust that it was not meant to be a pre-election attempt to play the immigration and race relations card and to demonstrate that the Labour party is not in favour of effective immigration control. As I said during an intervention in the Home Secretary's speech, we all know that, whether in government or opposition, the Labour party is committed to effective immigration control. *[Interruption.]* I do not know why the Home Secretary is tut-tutting.

Perhaps the Home Secretary will give us some idea whether the Bill's Committee stage is to be taken on the Floor of the House. Irrespective of whether it is taken here or upstairs, I hope that the Government will be willing to respond to constructive amendments. If we are to have the Bill, it is vital to maintain the referral system and to overcome some of the obvious difficulties of asylum seekers reaching the United Kingdom.

For the reasons that I have given, and bearing in mind the nature of the Bill, we are perfectly right to pursue our reasoned amendment.

7.22 pm

Mr. Robert McCrindle (Brentwood and Ongar): Perhaps predictably, the debate has ranged widely over immigration policy, the status of refugees and the role of the independent service, although the Bill is a fairly narrow measure. I plan to concentrate on its contents and to seek some assurances from my right hon. and learned Friend the Minister of State.

Before doing that, however, I should like to say something about the background. Like most of my right hon. and hon. Friends, I believe that the Bill is in accord with international trends. It cannot be said that we are taking initiatives that are at variance with the approaches to this vexed problem that have recently been adopted by other countries in Western Europe and elsewhere. The Bill takes note of the need for the humanitarian treatment of genuine refugees.

There has been an understandable indication from Conservative Members that we must consider the growing tendency of what the hon. Member for Walsall, North (Mr. Winnick) rightly called the trade in human misery. We must therefore recognise the need not to give the impression that we have, or can have, an open door. A balance has to be struck between humanitarian acceptance of some people seeking asylum and the pressure of public opinion, which we are supposed to represent, to limit the number of people whom we accept.

The Bill achieves that balance. Its basic requirement is that airlines and shipping companies must accept responsibility for people who arrive without proper documents. The right hon. Member for Manchester, Gorton (Mr. Kaufman) said that 149 foreign airlines are effectively being asked to become experts in United Kingdom immigration rules. That is far from the purpose or likely outcome of the Bill. What is likely, however, is that airlines which have been prone to overlook immigration details relating to United Kingdom procedures because their commercial interests run along the lines of carrying passengers rather than concerning themselves too much whether they will be admitted at one of Britain's airports would be required to balance the commercial pressure to fill an aircraft seat against the need to recognise that, if they do not take appropriate measures, their commercial interests may be affected when a passenger arrives in Britain.

I do not see that that is other than the correct approach. It is not at all a bad thing that airlines and shipping companies which bring people to the United Kingdom should be engaged in a partnership with the Government to control the traffic that is at the heart of this brief Bill. I therefore support the Bill's purpose, but some airlines, British and foreign, are worried about one or two of the details.

Perhaps I should declare an interest, in that I advise British Caledonian Airways, to which my right hon. Friend the Home Secretary referred. The questions that I shall ask, however, are asked on behalf of all airlines, which increasingly accept the need for the Bill, but which are understandably anxious for clarification about where they stand in regard to some of the details.

What would happen to a passenger in transit through the United Kingdom, perhaps merely transferring from one London airport to another? The passenger might say, when he is boarding in a third country, that he wants to transit through the United Kingdom and therefore to be freed of the necessity for complete immigration documents which would normally be required. If he then changes his mind, perhaps because his aircraft is diverted or delayed, and says when he arrives in the United Kingdom that he wants to stay, what happens? Airlines have a right to know whether they will be liable. Perhaps my right hon. and learned Friend will give some thought to how an airline will be able to prove that the passenger indicated on boarding an aircraft in a third country that his intention was merely to transit through the United Kingdom. That is a detail, but it is of considerable importance to the operation of the measure.

Secondly, airlines are asking whether the £1,000 fine per passenger will be in addition to the detainee costs, which are already a source of considerable financial pressure to some airlines, or whether the fine will somehow be set off against those costs. Hon. Members may know the answer, but so far I have heard nothing to tell me whether that would be an acceptable way to proceed.

Thirdly, what mechanism is proposed for airlines to dispute the fine in specific cases, such as the transit cases

to which I have referred? It is important to have a mechanism that is practical in its operation. Although one appreciates the urgency with which the legislation is being introduced, it is incumbent upon the Government to let us into their thinking about the detailed operation of the Bill.

Finally, in relation to clause 1(4), how can we ensure that acceptable proof will be forthcoming as to the falsity of a document? How can one define "reasonably apparent?" Who is to judge whether the appearance of a document was such as reasonably to persuade airline personnel at the port of embarcation that it was the genuine article? What kind of evidence will be acceptable, and who will exercise judgement?

I do not know how many Members have wide experience of embarking on aircraft in certain Third-world countries, but in the period immediately preceding boarding a jumbo jet headed for this country there is, to say the least, some confusion. Airlines in those countries may also have greater difficulty training their personnel to be as vigilant in checking travel documents as their counterparts are at British airports.

For all those reasons, therefore, although the general aim of the Bill is acceptable and the detail is understandable, I believe that some points still need to be dealt with. My right hon. and learned Friend may say that they should be dealt with in Committee, but although we are today discussing the principles of the measure I believe that a deeper understanding is required of certain areas before one can accept the principles. I hope that my hon. and learned Friend will be able to give me some reassurance. I appreciate the reasons for the measure, and it is right and proper that it should be dealt with as a matter of urgency, but I hope he will accept from me that it would be wrong if, in a few months' time, we discovered that the operation of the legislation had not been given adequate attention at this stage.

7.33 pm

Mr. Jeremy Corbyn (Islington, North): Many organisations have stated their opposition to the Bill. Although the Bill was conceived in enormous haste and the Government are attempting to rush it through Parliament, there has nevertheless been a significant amount of lobbying and a considerable number of declarations of opposition. I have received such declarations from the United Kingdom Immigrants Advisory Service, the British Refugee Council, the Immigration Lawyers Association, Rights and Justice, the Iranian Community Centre and many others, including organisations in my constituency, such as the Islington Indian Association.

A common theme of all the objections is that the Government have created difficulties in the way in which they have sought to deal with the Tamil asylum seekers. They have created a racist hype in the media about the problems that Tamil asylum seekers have gone through and they have decided that the best way out is not to consider the causes of the problem or the ways in which, historically, people have sought asylum but to push through this nasty, shameful little Bill. In future, people seeking political asylum in this country will be able to get here only if they have a valid exit permit from their own country, if that is required, and a valid entry document for this country. Those conditions would certainly have excluded many of the people who have gained asylum in this country in the past century.

As my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) pointed out, many Jewish refugees fled from Russia in 1905 and from Nazi Germany in the 1930s. If the Bill had been law at that time, they could not have come here. There are also the victims of the Iran-Iraq war, the Fascist junta in Chile, and so on. The list is endless. The Minister should come clean about it. He should be honest enough to say that he is turning his back on all the asylum problems in the world. The racist connotations of not having anything to do with the problems of the Third world show that the Minister is working in concert with other European Governments to turn their backs on problems which in many cases were created by west European Governments in the first place.

The situation in Sri Lanka is given as the main reason for the Bill, but it is only part of the reason—albeit an important part. In my view, the Tamils have been used as scapegoats. For the past three years the Government have constantly told us that everything is normal and satisfactory in Sri Lanka and that it is quite all right for people to go back there. If that is so, why are so many Tamil asylum seekers leaving prosperous livings in Jaffna, Trincomalee, and other areas of Sri Lanka to come here? I know that some of those who have been granted exemptional leave to remain, although not political asylum, are living in appalling conditions. They are living in utter misery. Have they really left good jobs and careers in Jaffna because they prefer to live in a bedsit in north London, or is there some other reason?

The other reason is the political oppression in Sri Lanka. There is no doubt about that at all. The hon. Member for Northampton, South (Mr. Morris), who clearly has great knowledge of Sri Lanka, constantly maintains that there is no problem, when it is obvious that there is a serious problem. He would do well to talk to those who have sought political asylum here before he makes such sweeping statements.

Mr. Michael Morris: I have never suggested that there is no problem in the north or the east of Sri Lanka. There is fighting going on there day and night. That is common knowledge. I believe that the hon. Gentleman has been to Sri Lanka a couple of times——

Mr. Corbyn: Just once.

Mr. Morris: From even one visit he should know that two thirds of the population live perfectly quietly, Tamils side by side with Sinhalese, Moors and Moslems, and that there are a million Tamils living absolutely harmoniously with their Sinhalese neighbours.

Mr. Corbyn: There are certainly places in Sri Lanka where people live harmoniously together, and there have been times in the past when the whole country has been fairly harmonious. Nevertheless, there have been communal riots on a number of occasions. There were appalling attacks on Tamils in 1983 and there have been appalling problems ever since that time. It does no good to ignore that. It also does no good if the British Government, instead of seeking to bring peace to Sri Lanka, as they claim, are busy training Sri Lankan army officers, supplying arms to Sri Lanka and allowing KMS to recruit mercenaries to go into Sri Lanka. Far from bringing peace, is that not simply stoking up the fires of war, and is that not one reason why the British Government should look at the matter with a little more care?

[Mr. Corbyn]

The build-up to the Bill was especially disgraceful. Considerable numbers of Tamil people have been arriving in Europe to seek political asylum. Some of them are from prosperous backgrounds, while some come from great poverty, but they have one thing in common. They come to Europe with nothing, seeking political asylum. Attempts have been made to place every obstacle in their way, from the visa requirement, to the restriction on interventions by Members of Parliament, to the introduction of the Bill.

When the Home Secretary tried to bundle those asylum applicants out of the country in that disgraceful and hideous way, there was a demonstration at the airport. Fortunately, those people did not leave and the case was referred to the courts. The Home Secretary contested the matter all the way through the courts, and only when he lost did he concede that he has an obligation to examine each case in detail. But he can do nothing with grace, so he introduced the Bill as his method of backing down in the face of the court's judgment.

If only one of those applicants is shown to be a legitimate applicant for political asylum who is subsequently granted refugee status in Britain, the Home Secretary should resign. He is trying to throw out people who may have a legitimate right to be here within the terms of the 1951 convention. We have seen many handstands from the Secretary of State, and if only one of the cases is found to be just, he should resign.

Although the Government have tried to emphasise their anxiety about Tamil asylum seekers, they have failed to notice that other European countries have taken many more Tamil asylum seekers than has Britain. The number involved is extremely small, but I understand that the Government are trying to get together with other European countries to turn their backs on the Tamils altogether. The Indian Government have taken many asylum seekers. The attitude of Europe, led by the British Government, towards asylum seekers in general has been disgraceful. They were heavily censured by Mr. Poul Hartling, the former United Nations High Commissioner for Refugees. He said that the growing xenophobia of European Governments and of the European media towards asylum seekers did them no good, and he compared the number of asylum seekers which the poor countries were prepared to accept with the attitude of European Governments.

Although I hope that the Bill will be defeated, I have my doubts in that respect. The Government should think for a moment about the effect that it will have on asylum seekers from other places. Earlier, I mentioned the Iran-Iraq war. I have supported several people who have applied for political asylum, some of whom have had horrendous difficulty in escaping the horrors of that war. They have crossed from Iran to Iraq, fled to a third country and then applied for political asylum here. The Kurdish people, who seem to be persecuted throughout the middle east, would have no opportunity to apply for political asylum here, because they could not get here to do it. They would not have valid exit documents, because in Turkey, even the existence of Kurdistan is denied, never mind the Kurdish language or the use of Kurdish names. If they reached a third country and applied to travel to Britain, they would be caught by the Government's privatisation of immigration law—handing responsibility to the airline—and could not obtain tickets to travel here. What will happen to those people?

It is all very well for the Home Secretary to say repeatedly that Britain can play no part in what is happening in other parts of the world. It is just not true. The British Government play an enormous part in what happens in other countries. I have mentioned the Government's military involvement. The bombing of Kurdish villages in Iraq during the past few weeks originated from NATO bases in Turkey. Britain supplies military equipment to Turkey. Who is supplying arms to the Fascist dictatorship in Chile? The British Government are almost alone in the world in being happy to continue supplying arms to the Government of General Pinochet.

I hope that the Bill will be understood for what it is—a squalid, nasty little measure to refuse the right of political asylum to genuine seekers of asylum. Had the Bill operated from before the first world war, many Jewish people who fled from pogroms in central and eastern Europe or from the horrors of Nazism would not have got into Britain.

The Government say that they are introducing the Bill to crack down on immigration racketeers. That is not true, because the Bill encourages people to use forged documents, provided tht they are good forgeries. Bad forgeries are out, but good forgeries are acceptable.

Mr. Tony Banks: Perhaps the Government could get some advice on forging British passports from Mossad, which seems to be very good at it.

Mr. Corbyn: Absolutely. It is extraordinary that a Bill should be introduced that seeks to differentiate between the standards of forged documents.

Ministers should understand that when people are fleeing for their lives to seek political asylum abroad they will resort to forged documents. Indeed, hero films are made about people using forged documents to get out of Nazi Germany and other places. People make money explaining how these things are done. Is it surprising that they go to immigration racketeers who are prepared to fly them abroad? Films have been made about this. Films were made about events when Israel was founded in 1948.

Mr. Gerald Bermingham (St. Helens, South): Does my hon. Friend agree that the history of the smuggler goes back to the Scarlet Pimpernel?

Mr. Corbyn: Quite. My hon. Friend makes his own point on this.

Nothing is more evil than the exploitation of those who are already exploited, and asylum seekers are, by their definition, already exploited. The Bill does nothing about that evil. It simply makes the victim a victim for the second time—but this time a victim of the British Government.

Many of the organisations which oppose the Bill highlight the need for an independent appeal against decisions made by immigration officers. Until fairly recently, an asylum seeker arriving in Britain who was denied admission by an immigration officer had several courses open to him. He could ask for his case to be put to the Minister, and the Minister would have to consider it. He could ask a Member of Parliament to stop his removal. That was inadequate, but at least it was something. The asylum seeker could also ask for his case to be referred to the UKIAS. Those three safeguards have

been removed by the Bill. A member's right to intervene is now apparently a concession which the Minister can remove at any time. Are we satisfied that the Minister will have an even-handed approach to Conservative Members and Labour Members? He certainly did not in the Tamils' case. As cases will no longer be referred automatically to the UKIAS, will its role as an advisory organisation constantly diminish and be brushed aside?

The Bill does not provide ministerial control, but provides for asylum cases to be dealt with by immigration officers at the port of entry. We have debated many times the record of immigration officers at the port of entry and their rather subjective analysis of whom they believe to be trying to evade the immigration laws. It is still the case that there is a much greater likelihood of being stopped and severely questioned at any port of entry if one is coming from Bangladesh than if one is coming from South Africa, Canada or Australia.

In the 34th executive session of the UNHCR, the British Government, unless they now wish to deny it, endorsed the following:

"Recognised the substantive character of a decision that an application for refugee status is manifestly unfounded or abusive, the grave consequences of an erroneous determination for the applicant and the resulting need for such a decision to be accompanied by appropriate procedural guarantees and therefore recommend that . . . an unsuccessful applicant should be enabled to have a negative decision reviewed before rejection at the frontier or forcible removal from the territory. Where arrangements for such a review do not exist, governments should give favourable consideration to their establishment."

The British Government supported that recommendation, but the Bill is the direct opposite of it.

In the third report of the Home Affairs Committee in 1984-85 on "Refugees and Asylum, with Special Reference to the Vietnamese", appeal rights were referred to in recommendation 22, which said:

"The Home Office should decide in principle to extend the right of appeal to all asylum applicants".

The Government responded:

"The main category of asylum applicants without such a right of appeal is those refused entry at the ports. For this category of applicants there are other safeguards: representations by Members of Parliament, judicial review and the UKIAS referral procedure."

The sordid series of statements from the Secretary of State and from Ministers over the past month have taken away all those safeguards. The Secretary of State has said that he is prepared to remove people while judicial review is pending, which means that people cannot stay here. He has already curtailed, and in some cases removed, the rights of Members to make representations and he has removed the UKIAS referral procedure.

I hope that the Bill will be rejected, although I have my doubts about that. As others have said, some of the motives behind the Bill are the sheer racism of the British media, and the worst examples are in the Murdoch press in its reporting of the Tamil asylum applications. The language used was deliberately emotive. The Government have refused to recognise the world concern about the refugees and asylum seekers and the need to do something about them.

My hon. Friend the Member for Bradford, West (Mr. Madden) spoke about the proposals to bring in prison ships—Hurd's hulks as they will be called. They will be used to hold these people in detention pending investigation of their cases. What greater condemnation can there be of the Government's attitude towards the problems of divided families, or, more important in this debate, asylum seekers and refugees than that the Government should be contemplating spending money buying a ship in which to lock up these people while their cases are being considered?

The House has to look seriously at the problems of asylum seekers. It is no good turning our backs on them and closing our eyes. That will not wish the problem away. The problem is there, for all sorts of complicated political or commercial reasons. Wishing it away will not solve the problem. All that the Minister is trying to do is to appeal to the basic sense of xenophobia in the media, in the country and throughout Europe. They want to turn their backs on the problems of the rest of the world. I hope that there will be a greater sense of civilised values on this side of the House when we come to vote against the Bill than has ever been shown by the Tory party.

7.53 pm

Mr. Jeremy Hanley (Richmond and Barnes): Like a number of hon. Members, I declare a partial interest. As has already been said, one hon. Member was a refugee and there are some who are the children of refugees. I am the grandchild of two refugees. My grandfather left the Soviet Union not with papers properly prepared for him by the authorities, but with a bullet inside him.

I am a member of the Race Relations and Immigration Sub-Committee of the Home Affairs Select Committee. My most fulfilling work in Parliament has been serving on that Committee. I have enjoyed the non-political companionship of people deeply dedicated to race relations and to studying dispassionately the immigration laws and the practices that the Government adopt in carrying out those laws. We have not had the sort of histrionics that we heard earlier from the right hon. Member for Manchester, Gorton (Mr. Kaufman). We have dealt with these matters in a calm and rational atmosphere. The cries of racist bias and of pandering to the vicious majority and so on are not heard. We discuss matters based on facts. The Sub-Committee consists of three Conservative and two Labour Members of Parliament, and we hope that we carry out an honourable role for the benefit of Parliament.

Our report on refugee status and political asylum, with special reference to the Vietnamese, has already been mentioned, but it must be remembered that that report was produced with evidence from 1984 and published at the beginning of 1985. The immigration and refugee statistics that were used as the basis for that report were the figures for 1983. It must be admitted that circumstances have changed since then. Not only that, but the pattern of those asking for refugee status in the United Kingdom has also changed inasmuch as the major problem of the Vietnamese boat people was not that of direct asylum seekers in this country. Those people went to Hong Kong, so the practice today of people actually arriving here in the United Kingdom seeking asylum in large numbers has caused a different picture to be painted and a different set of problems to be faced.

Mr. Bermingham: I am a member of the Sub-Committee and was also a signatory to the report. Does the hon. Gentleman agree that when we considered the report we looked also at the question of eastern European refugees coming, for example, through Austria after

[Mr. Bermingham]

fleeing from Czechoslovakia and elsewhere, and that the principles that we enunciated about asylum have not changed in the past three years?

Mr. Hanley: The hon. Gentleman is a trusted friend and colleague on the Committee and I value his work greatly. Together we visited the Traiskirchen refugee camp where, for some time, my hon. Friend the Member for Cardiff, West (Mr. Terlezki) waited while his refugee application was being processed. I do not deny what the hon. Gentleman has said, but he may have misheard me or not quite picked up what I said. The difference has been that over the past three years, instead of dealing with refugee applications from a large number of people in Hong Kong, in the past six months many people have been arriving in the United Kingdom and claiming refugee status at ports of entry. I am sure that the hon. Gentleman will agree with that.

Mr. Bermingham: Does the hon. Gentleman agree that those who fled here from eastern Europe or Germany in the 1930s, or from South America in the 1970s, came direct to the United Kingdom, made their applications here, and did not use an intermediate stage, as the Vietnamese did?

Mr. Hanley: Yes, I agree with the hon. Gentleman. I am talking about the main point of pressure compared with 1984. Then it was the Vietnamese boat people; now it is the Tamils. If the hon. Gentleman casts his mind back a few years, he will recall that the Ugandan Asians were direct applicants to the United Kingdom and were dealt with specially because of that. I am not trying to make any grandiose claims or statements. I am merely setting out the fact that the report, to which the hon. Gentleman is a co-signatory, did not contain any reference to the Sri Lankan situation because that was not then a major problem.

The number of people who applied for refugee status from Sri Lanka in 1983 was 226, more than ten times the previous year. In 1979 there was one applicant from Sri Lanka for refugee status, so the Government are confronted with a very different problem now. The recommendations of the Sub-Committee on Race Relations and Immigration must be seen in the light of the circumstances in the spring of 1985, based on research in 1984. I very much regret the fact that the Liaison Committee cannot find sufficient funds to allow the Sub-Committee to go to Sri Lanka to investigate the matter directly.

While the Sub-Committee was studying these matters, its members spoke to people in a number of European countries—in the Netherlands, where the treatment of refugees and of immigrants of all sorts is second to none, in Belgium, France, Switzerland and Austria. In Switzerland we discovered that 1,800 Tamils had been admitted within the previous four months. I am sure that all hon. Members agree that Switzerland is hardly regarded as particularly racist. It is a welcoming, peace-loving country. We found that the number of Tamils who had gone to Switzerland was so large that the country could not provide for them and was considering expulsion.

One reason why the Tamils were coming so quickly was that they had apparently learnt in West Germany that they were entitled to a daily financial allowance, immediate housing and other rights while their cases were being considered. It is therefore important to consider the countries through which those Tamils had passed. Many had bought tickets through Aeroflot and had then been passed from Sri Lanka to the centre of the Soviet Union, where they changed planes and were taken to Moscow.

Many of the Tamils were then taken from Moscow to East Germany where, in a wicked exploitation of the border position between east and west Berlin, they were passed from east to west Berlin since there are no border controls on those entering west Berlin from the east. Once they were in west Berlin, the numbers were mounting up so greatly that they were passed to West Germany and from there, because the numbers were so vast that there was fear of possible outbreaks of violence in the area where they had been housed, they were passed to Switzerland and to other countries bordering West Germany, including Austria.

Many Tamils coming from Sri Lanka have not been able to prove their refugee status. Many may be able in time to prove that they are genuine refugees, as I am sure will some of the people who have recently arrived in Britain. It is not necessarily true that a person who claims refugee status is entitled to do so. It seems that many Opposition Members do not want to admit that many of the Tamils are jumping on to the bandwagon which, as we can see from the Bill, could hurt genuine refugees. I hope that the Opposition realise that that will be on the consciences of the bogus refugees for the rest of their lives.

The Bill has been introduced because of suspected abuse by many hundreds of people. One important point in the current problem of the 64 Tamils who were to be deported from Heathrow is that they passed through Malaysia and Bangladesh on their way to the United Kingdom. There is no doubt that they would have been safe in Malaysia or in Bangladesh, but there is little doubt that their economic position would be better in the United Kingdom.

Mr. Corbyn: Is the hon. Gentleman aware that Malaysia is not a signatory to the United Nations convention and that the Tamils were only in the transit lounge at Dhaka airport and never entered Bangladesh?

Mr. Hanley: The hon. Gentleman is aware, of course, that both are Commonwealth countries. I should have thought that most reasonable people would recognise that a person who feared for his life in a country such as Sri Lanka would, as soon as he reached Malaysia, welcome the fact that he was not under threat. Is the hon. Gentlaman saying that Malaysia, because it is not a signatory to the United Nations convention, would therefore have persecuted these people? Is he saying that they would have been expelled from Bangladesh?

Mr. Corbyn: Is the hon. Gentleman aware that there are cases of people being sent back to Sri Lanka from Malaysia and that, if they had come directly to the United Kingdom, they would have been sent back?

Mr. Hanley: Is the hon. Gentleman aware that bogus applicants are sent back, wherever they are discovered?

The benefits that can be claimed by a person with refugee status — some can be claimed even when a person is under investigation — are immense. One can understand the pressure on a person to claim refugee status in a country which he feels will be most generous to him.

It is sad that the right hon. Member for Gorton said that the Government are racist in introducing this

legislation for base motives. He should recognise that, in 1984, 50,000 immigrants were allowed settlement in the United Kingdom, 50,000 in 1985 and, provisionally, 47,000 in 1986. Admittedly, that is not as generous as the 70,000 and 80,000 under the Labour Government, but it is certainly not fair to say that the Government are racist when almost 50 per cent. of all those who have been granted settlement in the United Kingdom are immigrants from the Indian sub-continent and from the New Commonwealth. It is certainly not fair to say that the Conservative party is a racist party when last year alone there were 29,000 Sri Lankan visitors.

Mr. Madden: Does the hon. Gentleman accept that the figures he has mentioned for 1986 represent the lowest figures in 24 years for those granted settlement in Britain?

Mr. Hanley: I certainly accept that the figures are the lowest for many years, but that is not evidence that the Government are racist. If no people from the sub-continent were allowed permanent settlement, I could understand that accusation. But when I was in India with the Sub-Committee, I asked how many British citizens had been granted nationality in India since 1947. One official told me that there were fewer than 10. Another said that not a single person from the United Kingdom had been granted Indian citizenship. This country's record stands up very well.

This country's record on refugees stands up well also. Some Opposition Members have said that it does not. But since 1979 more than 8,000 individuals from all over the world have been granted asylum in Britain. Perhaps it would be a harsh Government who would say, "If you are granted asylum, stay. If you are not, go." But this Government do not do that. They allow exceptional leave to remain. That is a way of dealing with cases where there is no proven merit for refugee status. Nevertheless, the Government's compassion has allowed people in difficult circumstances to stay, usually in the long term, not temporarily.

In 1985, 907 Sri Lankan Tamils were granted exceptional leave to remain on an annual basis. In 1986, 1,600 Sri Lankans were granted exceptional leave to remain. The Conservative party is not, therefore, a racist party. The Government are not deliberately trying to expel all Tamils who come here. Those figures are in addition to the 20,000 Vietnamese who have come here. Many Opposition Members have said that some of the Sri Lankans want to come here because Britain is a Commonwealth country. I remind them that we have had no connection over the years with Vietnam. The Government's action towards the Vietnamese is purely humanitarian.

I have some assurances to seek from my right hon. and learned Friend the Minister of State. First, I hope that he will not fine airlines that bring in asylum seekers who are found to be genuine. The powers set out in the Bill are discretionary, not mandatory. Therefore, I hope that my right hon. and learned Friend will judge each case on its merits. I hope also that he will not fine an airline where it is shown that it has been a party to bringing a person into the United Kingdom who otherwise would have faced death, torture or persecution. I am sure that in judging each case on its merits my right hon. and learned Friend will meet some of the fears and reservations that have been expressed by hon. Members on both sides of the House.

Secondly, I hope that my right hon. and learned Friend will advise airlines that, should they be fined for carrying people who should not be allowed into the United Kingdom, the costs should be passed on as a form of contractual term to the agents who organised the parties. Some Labour Members have said that the traffickers in human flesh are not to be punished by the Bill; they have contended that the wrong people will be punished. It is only right that the airlines should pass on their charges to those who have organised such parties. That would be easy to do if the organisers ever tried to arrange a further trip for such passengers. The Sub-Committee has visited Bangladesh and it knows of so-called agents who provide a full package, including forged documents, for their willing customers.

Thirdly, I ask my right hon. and learned Friend for an assurance that asylum seekers will be able to apply for asylum in the United Kingdom at posts abroad. If the 64 Tamils had arrived in Malaysia and had been able to stay locally and have their cases dealt with by the British high commission, that would have been a sensible way of attempting to prove their asylum status. It would have been a sensible way for us to recognise our international obligations under the United Nations convention. I hope that my right hon. and learned Friend will guarantee that asylum seekers will be able to apply for asylum from third countries. I agree very much with what has been said about the difficulties of applying for valid documents in the country of departure, but I do not believe that in many cases applicants have bothered to ascertain whether they can obtain a visa in Colombo or not.

Fourthly, I ask for an assurance that my right hon. and learned Friend will brief airlines properly on what constitutes a bogus passport or travel document. Members of the Sub-Committee have been privileged and honoured to be able to investigate the department of the Home Office that looks into forged passports. We have been shown films and scientific techniques, many of which are extremely high-tech while some are not. I think that most members of the Sub-Committee, including the hon. Member for St. Helens, South (Mr. Bermingham), would agree with me that there are fairly easy ways of being able to spot a bogus passport. When we were at terminals 2 and 3 at Heathrow only two weeks ago we were able to find during one hour—this was agreed with the officials—five bogus passports. A quick eye had spotted one of them, but with a little training one could understand how the bogus passport could also be spotted by an intelligent airline official.

It is important that the airlines are briefed properly without breaching national security. To brief an airline on all the bogus elements that could be introduced to a passport would be to instruct on how to forge more successfully. There is a level of briefing, however—it is a level to which I believe the Bill relates—that is possible and proper. I hope that special video cassettes and training sessions will be introduced at Heathrow so that those involved can be informed properly of the more obvious types of forgery.

Mr. Tony Banks: I am following the hon. Gentleman's arguments closely and waiting to hear whether he believes that it is right in principle that an airline should be put in the position of having to decide whether someone should

[Mr. Tony Banks]

come to the United Kingdom, with or without documentation. In principle, does the hon. Gentleman think that such a provision is good?

Mr. Hanley: I believe that airlines should be responsible for their passengers. British Airways has to check the validity of the visas of all those who are travelling to the United States. It is a normal procedure. It is remarkable that in the past airlines have not made such cursory checks of passengers on certain routes. Such a checking procedure would be perfectly acceptable and not in breach of any human rights. It would be unfair, however, if airlines and shipping companies were not trained properly to discover certain of the more obvious forgeries. The equipment that can reveal whether the paper of a passport has been altered is extremely cheap. Airlines and shipping companies should have the opportunity of being trained to a level that does not damage our national security.

Fifthly, I ask for an assurance that my right hon. and learned Friend will ask, through his colleagues in the Foreign and Commonwealth Office, for proper research to be carried out into the areas from where the refugees come and where they claim to be in danger. My right hon. and learned Friend might remember that I asked him about a week ago whether he had received a report from the high commission in Colombo on the problems in the areas from which the 64 Tamils had originated. He said that he had not at that time. It is vital that we use our Foreign and Commonwealth Office staff with experience of the locality to investigate the problems in the areas from which Tamils and others come. If persons are claiming that their lives are in danger—64 is a large number, and they come from the same area—surely we can use the Foreign and Commonwealth Office staff without endangering anyone very much. If it is held that asylum seekers come from an area where there is no great danger, surely there will be no harm to our own staff carrying out closer investigations in the area.

Much greater use could be made of staff in our posts abroad in trying to find out the genuineness of otherwise of the claimed activities in the areas from which asylum seekers originate.

Sixthly, when the Sub-Committee asked for an appeal procedure, it recommended that it should apply to all serious asylum seekers. It mentioned that bogus applications should be processed as speedily as possible and that research should be carried out into ways of dealing with them. The secondary interview section at Heathrow—the staff of which work extremely hard in difficult circumstances — should be able to conduct speedy investigations into asylum seekers.

I take this opportunity of paying tribute to the staff at our ports of entry, especially in the secondary immigration sections. They have to obtain files from Lunar house, or wherever, at short notice and absorb a tremendous amount of information. They have to use their intelligence and knowledge, which has been accumulated over many years in some instances, along with their experience. We are well served by those people. We are particularly well served by the people who work at Lunar house, who do an extremely difficult job, often reviewing documents and literature from a number of different countries in different languages and from countries where the backgrounds, habits, family ties and so on are so different.

Our system should be praised, not criticised. If, on balance, after a secondary interview, one of our Home Office immigration officers—or if abroad, a Foreign Office entry clearance officer—comes to the conclusion that a person is bogus and that there seems to be no good reason for an appeal to be granted, then speedy departure should be executed. However, that should not be to the country from which the person is claiming asylum because of torture or persecution. The non-refoulement clause, with which we and other nations agree, means that asylum seekers, whether they are bogus or not, should not be sent back to their country of origin. They should at least be given another chance to try again.

The three fail-safe clauses that my right hon. Friend the Home Secretary mentioned as the reason why a full appeal procedure should not be upheld were persuasive at the time. The fact that the UKIAS would be able to interview cases where there was genuine doubt, that hon. Members' representations were part of the system, and that judicial review was provided caused the Sub-Committee therefore to accept the Government's conclusions.

In genuine cases where, after secondary interview, we believe that there is merit, there should be an appeal procedure. Those who hear a refugee appeal should be appointed by the Lord Chancellor's Department, not by the Home Office. I am grateful that my right hon. Friend has allowed immigration appeal cases to go to hearings with appointees from the Lord Chancellor's Department.

I still believe that the Bill is necessary, but only as long as it is discretionary and the Government exercise their discretion. I do not believe that the Bill could be justified if it were mandatory. There is not one hint or suggestion from the Government that they intend to do other than exercise their discretion wisely and to consider each case on its merits.

I shall remember tonight's debate for one reason—the speech of the right hon. Member for Gorton. It was a bitter, vicious, twisted and dishonest contribution. It concluded with some of the most disgraceful descriptions of Members of the Government and Conservative Members. The contribution that followed the right hon. Gentleman's was that of my right hon. Friend the Member for Aylesbury (Mr. Raison) who, in a calm and dispassionate manner, explained the problems in a way that we would expect of right hon. and hon. Members. This problem involves human beings; it is not a matter where cheap political stabs should be made by a cheap political individual.

Mr. Deputy Speaker: Order. I am sure that on reflection the hon. Gentleman might choose to withdraw that allegation.

Mr. Hanley: I shall withdraw it, but I wish that you had been here to hear his contribution——

Mr. Deputy Speaker: Order. I was present, but whatever the right hon. Gentleman said at that time does not justify the remark that the hon. Gentleman has just made. I hope that he will withdraw it in an unqualified manner.

Mr. Hanley: I withdraw in an unqualified manner. What remains for the public to read are the words that the right hon. Gentleman used earlier, and I know that they will be as disgusted as I was by his final contribution. He insulted many millions of people in this country who

understand that to get better race relations—which we all want—we need an honest and strong immigration policy. It is sad that many Opposition Members seem to believe in an open-door immigration policy, yet they also criticise the Government for unemployment, the lack of health care, the lack of education, and the lack of housing, and they fail to realise the pressures upon all those matters that unrestricted immigration causes.

Mr. Tony Banks *rose*——

Mr. Hanley: We are dealing with a human problem in a humane way. We shall meet each problem as it arises, but we shall not be guilty of trying to pander to base motives, which the right hon. Member for Gorton was doing.

Several hon. Members *rose*——

Mr. Deputy Speaker: Order. I can see that four hon. Members are trying to catch my eye. I understand that the Front Benches are hoping to start winding up the debate at 9 o'clock. With a little elementary arithmetic, all four hon. Members might get in.

8.26 pm

Mr. Gerald Bermingham (St. Helens, South): The speech of the hon. Member for Richmond and Barnes (Mr. Hanley) started with a review of the history of asylum, with which I could not disagree to any great extent, because I was a member of that Sub-Committee. It was with great regret that it degenerated into cant and political ideology and a meandering attack with little or no purpose.

The Bill, once again, is the Government's instant reaction rather than a thought-out solution to a problem. One asks, "What on earth has prompted all of this?" Legislation that is a reaction instead of being thought through is often bad legislation. This legislation says, "If you do not have the right documents the carrier is liable." That does not go to the heart of the refugee or political asylum seeker's problem.

History has shown that those who flee for their lives rarely, if ever, either take enough money or have the right documents. It is difficult in an east European country, a dictatorial state in south America or a dictatorial state in the far east to pop into the British embassy and get the necessary visa. The minute that one pops into the British embassy one tends to get arrested when coming out, because countries of that ilk do not wish to see their citizens flee from their territories. They have no wish to allow them to go. The political refugee is rarely, if ever, a man or woman with money and rarely a man or woman with documentation. How does the airline or ship check the documentation of the political refugee?

This country was once called the cradle of modern democracy. It was the hub of a civilised society that catered for the revolutionary who had fled his native state. It catered for the person who was at ideological war with his native state. Whether that ideological war was from the Left or Right mattered not to this nation. That is how we have had in our time extreme Right-wing and Left-wing dissidents. The House should remember that Karl Marx was once a refugee in this country.

Why is it, in the 1980s, that this country has begun to turn its back on an honourable history of catering for refugees and for those who seek political asylum? I am beginning to wonder—I say this with great sadness—whether this measure has been prompted by the colour of the political refugee. In pandering to that publicity campaign which is engendered by the second-rate media that we have, I wonder whether we do great harm to the true concept of the refugee. What is the ship's captain to do when he comes across a rowing boat which contains people who are fleeing, perhaps, from a far eastern country, a south American country, or from the Eastern bloc? Is he to say, "I say chaps, do you have the documents because if you don't I can't take you on board because that will cost me £1,000 a head."?

Mr. Tony Banks: Perhaps my hon. Friend was not here when I asked the Home Secretary precisely that question. He said that there would be time on a boat for the captain to radio ahead and find out. But what would happen if the captain were told over the radio, "I am sorry, we are not prepared to accept them, so if you bring them in you will be fined £1,000."?

Mr. Bermingham: I would hope that the captain would carry on regardless, but I fear that some ships' captains would not.

I intend to be brief. It is a brief Bill, but it is a sad Bill. It flies in the face of the Geneva convention. It flies in the face of what was said by the Select Committee of which I had the privilege of being a member. Three years ago that all-party Committee of the House recognised that even in the 1980s there was a need to protect political refugees. It seems that because of pressure, a mere three years later there is a pandering to a baying clamouring call at the Home Office door, "Exclude, exclude." In seeking to exclude a small minority of people who are subject to oppression this sledgehammer of a measure will fall upon refugees from the four corners of the earth.

We were once a nation proud of our determination to protect minorities and their rights, and to accept onto our shores those who are oppressed. It is a sad day in 1987 when we seek to exclude all the oppressed.

8.32 pm

Mr. Geoff Lawler (Bradford, North): The crux of the Bill, and the point that Opposition Members, including the hon. Member for St. Helens, South (Mr. Bermingham) have missed, is the balance that must be achieved between the right of the genuine asylum seeker and the right of our citizens to be protected from people trying to enter who have no right to come to our country and who are not, in any sense genuine-asylum seekers. It is important to get the balance right. That is what the Bill is about.

Most Opposition Members fail to see the difference between genuine asylum seekers and those who try to abuse the system. During the debate on the introduction of visas they made no discrimination and offered no recognition of the fact that people try to abuse the system in an attempt to come to the United Kingdom. Opposition Members are falling into the same trap tonight.

The Bill arises primarily because of the asylum seekers from Sri Lanka, but we are also talking about people from the Indian sub-continent, for example, who have sought to come here since the introduction of visas. Some have come here without valid visas in their passports. The numbers involved are large. A total of 502 people from India, 255 from Pakistan, 295 from Bangladesh have attempted to come here, but only a tiny proportion of them had valid visas. The majority did not have the required stamp.

[Mr. Geoff Lawler]

There is no political reason why people from those countries should seek to come here, evade immigration controls and abuse the visa system, but they have done that. The Bill tackles that problem, as it does the problem of those who claim falsely that they are asylum seekers.

It is no coincidence that the rapid increase in asylum seekers over the last few months coincides with economic pressure to emigrate from certain countries. The economic pressure is brought about by specific demographic factors and the large increase in the numbers of young men who seek a better economic life elsewhere. The potential for abuse has also increased and it affects the whole Western world.

The abuse is occurring in all countries which are attractive to potential refugees. For example, in Switzerland, whereas in 1980, 80 per cent. of asylum seekers were accepted, by the beginning of 1986 the figure had fallen to 8 per cent. In France the figure was 95 per cent. in 1976, but last year only 43 per cent. were accepted. Denmark, which had a record for never turning away anybody who turned up on its borders claiming to be an asylum seeker, has introduced visas. Belgium, which had 7,500 applicants in 1985-86 and which uses the UNHCR to determine who is genuine — the most unbiased determining body in the world — accepted only 52 of 7,500 as genuine asylum seekers. What more proof could one want that this is a serious problem which affects the whole of the Western world?

Mr. Meadowcroft: By demonstrating the small percentage of acceptances, does the hon. Gentleman not make the point that the system is working? The system is obviously able to discern between genuine and non-genuine cases. If the Home Secretary had had his way, all the Tamils would have been sent back, but when they were examined only a minority were considered to be in danger or to be genuine refugees. The system, if it is allowed to operate, obviously works. It is the Home Secretary who is not discriminating between the two types of case.

Mr. Lawler: The hon. Gentleman misses the point. Although a small number of cases are genuine, many people have gone to great expense not only for their fares but for forged documents. They may have been put in detention so the large majority who are not genuine suffer human misery and expense. Surely it is better to stop that misery occurring and to save that money.

The 64 Tamils who arrived were interviewed and it was deemed that they were not genuine refugees and were to be returned. As other avenues are blocked and tougher immigration controls are introduced it is natural that other means will be found to try to enter a country for economic betterment. There will always be people who are willing to gain entry to a country which they are not entitled to enter, and, unfortunately, there will always be agents who are ready to exploit them and to make the necessary arrangements—for a handsome fee.

Unfortunately, some airlines are ready to transport such people. Surely it is now time to stop these official stowaways and to stop trade in human cargoes. People are being taken round the world when the airlines know that they do not have the required documentation to enter the country to which they take them. It is time to put a stop to that irresponsible attitude.

Some of the Opposition speeches, including those from the Opposition Front Bench, show that in their opinion the airlines are totally incompetent and incapable of inspecting visas. When I go to America my visa is examined at the British Airways desk, or Virgin Atlantic or the desk of whichever airline I am using. I have no reason to doubt that other airlines are capable of assessing whether a person has a visa which at least looks like the genuine article. It is a slur on airlines throughout the world to suggest that they cannot examine documents. Some irresponsible airlines do not check, but responsible airlines have proved that it is possible.

Mr. Tony Banks: What happens when a person has no valid visa and claims, when he—or she—arrives at the airline desk in the country of embarkation, that he is in danger of his life and so wants to escape as a refugee? One is asking the airline to decide whether that person is a refugee. That is different from asking it to examine a person's credentials.

Mr. Lawler: The Home Secretary spelt out the ways in which a genuine refugee can seek to leave his country—he may turn up at the British embassy or consulate in that country. My hon. Friend the Member for Richmond and Barnes (Mr. Hanley) has reminded us that this is a discretionary measure, not an obligatory one.

In supporting the Bill, I am not concerned about the bogus asylum seeker or visitor, nor the middle man who unfortunately profits too much from this trade in human misery. I am concerned about the genuine asylum seeker. Unfortunately as with visas, those who observe the rules are not the ones who cause extra controls to be imposed. However, it is to their benefit in the long run that this measure—as with visas—is introduced.

Opposition Members ignore the fact that if some action is not taken to prevent the abuse it is the genuine asylum seeker who suffers. Let us consider the Tamils. We were given graphic evidence of the racket that was perpetrated to enable those people to enter the country. What is the climate of opinion about other Tamils or any other refugees who may have genuine cause? Unfortunately, great resentment is built up among the home community —of whatever colour. One may talk to Indians, Asians or West Indians of various ethnic origins and discover resentment against people who try to come to the country and evade controls. That feeling must be borne in mind with regard to good race relations in this country, but the Opposition persistently refuse to acknowledge it. They are in great danger of seeking to damage race relations in Britain.

At the next meeting of UKIAS, I hope to be co-opted to the council. I am concerned about the credibility of this organisation and other organisations that have jumped in, feet first, and appear not to practise any discrimination or to recognise that certain people who seek asylum and seek to come here as visitors make bogus claims. I am concerned that those organisations and the Opposition always seek to oppose anything done to protect the genuine visitor or asylum seeker—they seek to oppose every form of control that we impose.

The right hon. Member for Manchester, Gorton (Mr. Kaufman) said that he was in favour of firm immigration control—that claim was repeated by other Opposition Members. If they are in favour of such control, it is about time that they spelt out exactly how they would implement

that control. Everything that we have done to try to tighten the loopholes has been consistently opposed. The Opposition cannot oppose everything and still claim to be in favour of immigration control without spelling out what alternatives they would implement. How would the Opposition stop bogus asylum seekers or bogus visitors who come here to the detriment of the rest of our community and to the detriment of genuine refugees? If they do not impose any control, they will open the way for racketeers to profit.

The Opposition Front Bench has argued that we are encouraging racketeers because we are asking for better forgeries. The logic of that argument is that we do not need passports—if we have no passports the racketeers are out of a job. That is an absolutely nonsensical argument. We will make life much more difficult for racketeers because some of them will be unable to produce the required goods because their phoney, amateurish work will, I hope, be quickly discovered by airline officials.

In Committee, I hope that we shall have the opportunity to discuss what would happen to someone who requires a visa in an emergency. For example, one of my Muslim constituents may suffer a death in the family. A phone call may be made to Pakistan on a Friday or a Saturday because a visa is urgently required, but the embassy is closed. As a result of this necessary legislation, perhaps some hot line could be set up or access given to the British embassy on a Friday or a Saturday. The same practice could be introduced in other countries from which visas are required. In that way, we could deal with a potential problem in line with assurances given by the Home Secretary at the time when visas were introduced.

In the past financial year, the cost to the British taxpayer of removing those refused entry to the United Kingdom and returned home was £1 million. That figure is not insignificant in itself, but no value can placed on the cost of human misery and the damage done to the rights of genuine asylum seekers by those who try to evade controls and enter the country on bogus claims. If this Bill succeeds in some small way towards making airlines meet their part of the responsibility, it will significantly reduce those costs.

Many speakers have pointed out that the country has had a long history of accepting genuine political asylum seekers. I hope that that tradition will continue. It will continue as long as the threat of abuse is minimised and prevented. For that reason I give the Bill my strong support.

8.46 pm

Mr. John Fraser (Norwood): The hon. Member for Bradford, North (Mr. Lawlor) has accused us of not protecting the genuine asylum seeker. I contribute to the debate purely on the basis of protecting the genuine claimant.

I am interested in the principle of imposing a penalty of £1,000. That figure does not represent damages, compensation or a criminal penalty. Airlines already pay compensation to the Government for detention, and that is a considerable disincentive to carry the wrong people. The figure in this legislation does not represent compensation or a criminal penalty. In British law, it is extremely unusual to have a penalty of this nature.

If I came to the House and said that there ought to be a penalty of £1,000 for anyone causing a death at work through a breach of the Factories Acts, building regulations or the use of construction regulations, it would be opposed by the Conservative Front Bench. If we were to say that those who pollute our rivers and cause untold damage to wildlife as well as to human beings should suffer a penalty, that would be resisted. If we insisted there should be a minimum penalty of £1,000 on those who cause death by dangerous driving, or some other form of extreme anti-social behaviour, it would meet resistance. However, in the context of those who seek political asylum in this country the Government see fit to introduce a mandatory penalty that is unrelated to criminal law.

I am also concerned about the obligation on an airline to be liable to pay a penalty when a person arrives without a visa when he is required to have one under immigration rules. A great many people arrive without being clear, in their own minds, about entry requirements. They arrive as visitors from non-visa countries, but if one questions them closely and their true intentions are discovered, they will probably require a visa.

Let me give the House an example that I dealt with fairly recently. A young girl arrived from an African country and sought entry as a visitor. Her true intention was to stay as long as she could. If she had formed her views, it would have been clear that it was her intention to settle here. Therefore, under immigration rules she was a person who arrived without a visa but who required one because it was her intention to settle here. She was allowed to enter on a visitor's admission. She sought to remain permanently because of the conditions in her home country. Like many people, she told a story that was not as close to the truth as it ought to have been. Like the Cabinet Secretary, she was economical with the truth.

While looking accidentally at some Foreign Office papers, I discovered that the Foreign Office had evidence that the girl's father had been murdered by the African regime that ruled her country and that her foster father was missing and was also believed to have been murdered by the regime. When those facts were made apparent, the Home Office—to its credit—noted them and admitted the girl under the exceptional circumstances provision.

That is an example of someone who had a case for remaining here permanently, but who had not clearly formed the right intention in her mind. If she had been closely questioned in the African country, an airline official might have elicited what I found out when I spoke to her and, therefore, would have denied her entry because she would have required an entry certificate under the immigration rules.

Similar circumstances apply to many people who come as visitors, but intend to stay as students, business men or people of independent means. It would be wrong to introduce penalties where a judgment is involved and clear lines cannot be drawn. No great harm is done by admitting people as visitors and looking at their cases calmly and dispassionately.

If a duty is imposed on an airline, it will sometimes fall on a person who is unqualified to make the required judgment. Sometimes the duty will be exercised by an airline official who is cautious by nature. We have all come across public officials, civil servants and others who are excessively cautious and with whom we get very frustrated.

Some airlines have corrupt officials. I do not want to stigmatise individual countries, but there are some parts of the world where getting on an airline is an exercise in corruption. There are raffles for boarding passes and corruption is rampant. The Minister knows the countries

[Mr. John Fraser]

to which I am referring and he ought to understand that the Bill will be another reason for corruption, not among those who, according to Ministers, want to cheat our system, but among those who operate the screening system. Should the screening system be at the door of the concentration camp or prison, or should it operate in the United Kingdom, where cases can be dealt with more calmly?

I talk with some feeling about refugees because the British Refugee Council has a residential hostel in my constituency and I have to deal with refugee cases, week in and week out. I have thought back over the cases that I have dealt with for the British Refugee Council and as a constituency Member and asked myself whether people who seek political asylum here should have to go through a trial by ordeal. Along with the penalty, we are almost reintroducing a medieval process.

People will have to go to British posts in the country that they are seeking to leave or take the risk of putting their case before an airline and getting it to take a chance. I remember a woman who was eventually admitted to the United Kingdom, after I had had a long argument with the Home Office. She was seeking refuge from the Soviet Union. Should she have gone to the British embassy in Moscow or taken a chance with Aeroflot? In many cases the airline is controlled by the Government from whom a person is seeking to escape. The right way was the humane way adopted by the Government. They considered the case carefully in this country.

We are told that people should make applications for visas and explain their case in the country from which they are attempting to escape. However, only this morning we heard on the news that some East Germans have been sent to prison for making inquiries at the West German embassy about emigration to West Germany. That is a good example of what may happen to people who have to run such a gauntlet. Not only were those people denied entry to West Germany, but they were imprisoned.

I have dealt with several applications for political asylum from people from Afghanistan. Are they really expected to present their case to the British post in Kabul or to take their chance with an airline coming out of Afghanisatan? It is a preposterous idea.

In some countries there is no British post. Some years ago the British Government and many others closed facilities in Haiti when Duvalier was in control, because they had so many applicants for political asylum. Ambadassors were stationed round Haiti and merely sent in on visits. It is cruel to suggest that people should make application in the country from which they wish to escape.

Ministers fail to understand the communications problems in many countries. We have two or three posts in Nigeria and a couple of posts in Ghana, but anyone who has tried to travel by road in Ghana will know that it is extremely difficult to get from one end of the country to the other. A person could exhaust all his savings and resources in making a journey to an embassy which, as far as I remember, does not even operate an appointments system.

The right way to handle the matter is to allow people to come to this country to present their case for political asylum and for us to examine it dispassionately. When people present a case for political asylum, it should be dealt with as quickly as possible. If a person comes here and presents a case for remaining and the case is dealt with slowly—it can take a year or two—the person becomes accustomed to living here and finds it extremely difficult to leave if the application is turned down for genuine reasons. In addition, the longer that a person coming from a country ruled by a dictator stays in this country, the greater becomes the risk of persecution if he has to go back. The finger of suspicion is pointed at people who spend a long time in another country and are known to have made an application for political asylum.

Another reason why the idea of making an application in the country from which a person hopes to escape is unsatisfactory is that ambassadors and diplomatic officials are loth to disturb cordial, if not friendly, relations between the British Government and the country from which political asylum is sought. It is natural that an ambassador will not want his staff to give political asylum visas to people from the country to which he is accredited. It will make his job much more difficult.

I can quite understand diplomatic officials refusing entry in those circumstances. That is why it is necessary to allow these matters to take place here. Even then, it is well understood that the British Government are often loth to give political asylum even to people from Russia, East Germany, Poland, Hungary and so on because they do not want to queer the pitch with a country with which they may have trade agreements or with which they are trying to establish a more cordial relationship. The Foreign Office and the Home Office often say, "We shall not give you political asylum, but we shall grant you leave to remain here under exceptional circumstances." That is political asylum by a nod and a wink, which does not queer relations between this country and other countries.

Mr. Bidwell *rose*——

Mr. Fraser: I shall not give way. I am bound to try to finish my speech by 9 o'clock.

If the problem of those who, rightly or wrongly, seek political asylum in this country were one of Californian film directors arriving at Heathrow, or of nabob Indian princes, or the modern equivalent of the Phanarian princes of the Ottoman empire, we would not be faced with the Bill at short notice. The inescapable conclusion is that we have such a Bill because people come from the poorer parts of the world.

Why the necessity for speed? Time and again, in our constituencies, as political parties, as the House, we face injustice. When we ask for time, we do not get it, and no rapid Bills are introduced. If we must make a choice, why put the person who seeks asylum at risk? There are adequate penalties already. A quick, objective, dispassionate examination of cases here is the answer. The Bill is wholly unnecessary and will be gravely understood in many parts of the world, to the disadvantage of the reputation of this country.

9 pm

Mr. Alfred Dubs (Battersea): To clear up any misunderstanding I make it clear at the outset—otherwise, Conservative Members will claim not to be clear on the point—that Labour Members believe in firm immigration control, but not immigration control that is racially or sexually discriminatory. I further make it clear that, of course, we are against racketeers who make money out of unfortunate people who wish to claim

political asylum. I accept that the refugee problem is growing. Indeed, we have only to look at Vietnamese refugees in Hong Kong—a territory, which, after all, is our responsibility—to realise how difficult the problem can be. I do not believe that we have addressed ourselves as firmly to the problem of Vietnamese refugees in Hong Kong as we should have. I was interested in the speech made by the right hon. Member for Aylesbury (Mr. Raison). I shall read it again carefully tomorrow. It casts at least some doubts on the Government's approach to the difficulties that have been described.

I have three concerns about the Bill. First, it is unsound in principle. Secondly, it will not work sensibly in practice. Thirdly, it has not been properly thought out. The press release issued by the Home Office, and indeed most hon. Members' speeches, suggest that the Bill is concerned only with refugees. However, on examination, one can see that it goes wider than that. I contend that some of the respects in which it has not been properly thought out relate to its impact on groups other than refugees.

If the Bill is given a Second Reading, what will be the arrangements for its further stages? Will it be debated in Committee on the Floor of the House or in Standing Committee? If on the Floor of the House, how soon and for how long will it be debated? Some hon. Members are concerned about the details, and want to be sure that there is adequate time in Committee to go properly into the details and not just rush through them.

The Bill has been reprinted. The second version of the Bill states:

"To be substituted for Bill previously delivered."

"Note: This Bill is being re-issued because Clause 1(5) was not printed in italics."

That is fair enough, but there is another difference between the two versions of the Bill to which the Minister did not refer. The latest version of the Bill states "A.D. 1987." The first version of the Bill stated "A.D. 1985." I wonder whether the Bill has been lying in the Home Office for a couple of years and has just now been trotted out. If so, has the misprint been hidden by an attempt to justify the second printing of the Bill? Perhaps I have an unduly suspicious mind. *[Interruption.]* The Ministers may laugh, but I think that they have been caught out.

There are other issues. I wonder whether the reason for the swift introduction of the Bill was the arrival of the 58 Tamils. I share the suspicion of my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) that questions of electoral advantage underlie the hasty introduction of the Bill. I have before me a letter from the Home Secretary. It begins, "Dear Colleague." I hasten to say that I was not one of the colleagues to whom the letter was sent—nor, I am sure, were any of my hon. Friends. I believe that it was sent only to Conservative Members. It refers to the Home Secretary's justification for the Bill and to his view that increasing numbers of people from the Third world have become footloose.

The letter then refers to the five countries for which visa restrictions were imposed and refers to

"the five countries from which the bulk of the mischief was coming."

The letter continues in a similar vein on a later page. It says:

"Sri Lanka just happens to be the main sore point at the moment."

It is a revealing letter that was sent to the Home Secretary's own hon. Friend's about the basis of the Bill. The Home Secretary looks at me in some astonishment. I have the letter here, if he wants to see it.

What is the real need for this measure? The Government already have the power to impose on airlines the cost of detention and the return fares. If the Government are certain that the Bill will achieve what they say they want it to achieve, I cannot understand why the Home Secretary is also anxious to acquire a ship to provide more detention accommodation. That point was clearly highlighted in the speech of my hon. Friend the Member for Bradford, West (Mr. Madden). At the very least, it seems to be a belt and braces exercise by a Government who are not entirely certain that this measure will have the intended effect. Or is it simply, as the Minister of State said in a speech in the House in October of last year,

"The problem facing immigration control over the past year could not have been solved by extra staffing. There is insufficient detention accommodation."—[*Official Report*, 27 October 1986; Vol. 103, c. 132.]

This country has traditionally been a haven for refugees. I refer to those who may have feared persecution for their religious or political beliefs, or for other reasons. However, in recent years we have taken very few asylum seekers, compared with other countries. In fact, 95 per cent. of refugees in recent years have gone to Third world countries. That helps to put the problem into perspective. My information is that in recent years Pakistan has taken over 3 million refugees and that the Sudan has taken over 1 million refugees. Compared with that, the number of refugees that Britain has taken is very small. According to the Government, we have taken 2,500 Tamils, compared with over 8,000 refugees who have gone to Holland and 20,000 to both France and Germany.

According to the figures that have been published by the United Nations High Commissioner for Refugees, Britain is very low down the league table in the number of asylum seekers that we have accepted, compared with other European countries. According to these figures, in the first six months of 1986 we took just over 1,000, out of over 80,000 for the whole of Western Europe. That figure is very much below the figues for countries such as Denmark, which took three times that number, Germany, which took 42,000, and most other countries which took more refugees than we did.

We must keep the problem in proportion and not become quite so hysterical as some people are at the thought that a few hundred people have applied for admission to this country. Of course we have to separate those who are genuine from those who are bogus, but we should not be quite so outraged when we remember that we have taken only a few refugees, whereas most other west European countries have taken far more.

As for the precise effect of the Bill on refugees, when the Minister of State referred in his speech to the 58 or 64 Tamils, he made a great deal of the fact that some of them had come with inadequate or forged documents. However, in a recent hearing before an adjudicator concerning an appeal against an asylum refusal by someone from an African country, the Home Office presenting officer said:

"How can you be a genuine refugee? You state on your own evidence that you acquired a passport validly obtained; how can you be a refugee?"

The Government cannot have it both ways. They cannot allow their officials to cast doubt on whether an applicant

[Mr. Alfred Dubs]

for asylum status can be such if he happens to have a passport, and, at the same time, claim that the Tamils who arrived cannot be genuine because they did not have proper passports. The Government are trying to have it both ways and they should not be able to do so. A happy footnote to that problem is that the appellant in the case that I quoted was successful and was allowed to remain in this country.

Turning to the more specific issue of the 58 Tamils, the Minister has said in the House on several occasions that none of them had a claim to stay as a refugee. Indeed, he was so certain of that that he deliberately short-circuited all the safeguards that the Government had claimed for people coming here as refugees. Other hon. Members have already referred to the report of the Home Affairs Sub-Committee and to the fact that there were three safeguards: the representation that could be made by Members of Parliament; judicial review; and UKIAS referrals. The Government have sought to prevent all three coming into force for those people.

However, to my mind there is now pretty clear evidence that at least some of those 58 Tamils had been beaten or tortured in Sri Lanka before they left. Some Conservative Members have cast doubt on that, but I have before me a statement from a doctor in Sheffield who examined six patients at Foston Hall in Derbyshire on 26 February. I believe that that is where many of those Tamils are currently being held. Although I do not want to detain the House to the extent of reading through all those reports, there seems enough evidence in that doctor's statement to suggest that several of the Tamils had been beaten in detention in Sri Lanka and that some had been tortured. Therefore, they appear to have a genuine claim for asylum status in this country. Indeed, the UNHCR in London is prepared to say that at least some are mandatory refugees; that is to say, they should have an undisputed right to claim asylum under the United Nations convention.

Mr. Wheeler: I am grateful to the hon. Gentleman for giving way. Can he explain why those people did not exercise their right to become refugees in the land that they arrived in first? I believe that, in the first instance, that was Malaysia and, in the second, Bangladesh, where presumably they would have been perfectly safe. Why did they move from two countries of safety to a third?

Mr. Dubs: I cannot answer that in detail—it is one of the issues that UKIAS is considering at the moment—except to say that I understand that neither Malaysia nor Bangladesh is a signatory to the United Nations convention on refugees. Therefore, those people would not have had an assurance that they would not be returned to Sri Lanka from those countries. Indeed, that is why their removal to Bangladesh at this stage has been opposed by people who say that that would be a short step to their being returned directly to Sri Lanka. That is part of what the argument has been about.

Therefore, I do not think that the fact that, in this instance, they went to one or two countries on their way is evidence that they could have sought asylum there. In contrast, when people come to this country from India and return there, they normally would be safe in India. That is why their security in India is not called into question, whereas the security of such people in those other two countries is called into question from time to time, and has been in this instance.

Mr. Michael Morris: Is it not a fact that Malaysia, as a member of the Commonwealth with Sri Lanka, does not require a visa for entry and that, like so many others, these Sri Lankans could have stayed in Malaysia?

Mr. Dubs: I am not aware that they could have stayed in Malaysia. I repeat that my understanding is that Malaysia is not a signatory to the United Nations convention. Therefore, there is not the safeguard that there might be in some other countries that those people would be safe if retured there. All that is the basis of an investigation into their particular claims and will no doubt come to light in due course.

In contrast to what some Conservative Members suggested earlier, there is evidence that some of those people were tortured and beaten up in custody in Sri Lanka and that the UNHCR believes that some are mandatory refugees. If they were returned to Bangladesh it is likely that they would be sent directly back to Sri Lanka, and Home Office Ministers do not deny the accuracy of that.

It is of particular regret that for the future the Home Secretary has said:

"there will be cases which will not be referred to UKIAS . . . therefore applicants for asylum can have no expectation in future that as a result of the arrangement arrived at in 1983 or otherwise there will in their cases be such a reference."—[*Official Report*, 3 March 1987; Vol. 111, c. 733.]

One consequence is, presumably, to prevent applications for judicial review in future. The reason why a judicial review was embarked on and why the courts upheld the rights of the Tamils was, perhaps, the Home Secretary had not adhered to his procedure. Now he has changed the procedure so that in future he will not be as embarrased as he was over the Tamils.

We do not condone bogus refugees or racketeers who exploit refugees for financial gain, but people applying for asylum have the right to have their cases considered fairly. Surely that is what the argument is about, because the Minister tried to prevent the cases of the Tamils from being considered. He will admit that they all had a brief interview—some people say not more than 20 minutes and others only 10 minutes—and much of the background in the case of each Tamil did not come out in the interview. Yet the Home Secretary decided to remove them without having the sort of information that he should have had.

We have a right to ask the Government several important questions and, indeed, some have already been asked. First, how can a genuine refugee gain entry to the United Kingdom? In his speech the Home Secretary suggested several possible ways, but most of them would not apply to the Tamils. In reply to a question from the right hon. Member for Aylesbury (Mr. Raison) I quoted a letter from the British high commission in Colombo to an applicant. It states:

"You have applied for entry clearance with a view to admision to the United Kingdom as a refugee but there is no provision in the immigration rules for entry clearance to be granted for this purpose."

That makes it clear why people, such as the Tamils, could not be considered for visas, had they applied to the British high commission in Colombo.

The Minister may reply, "There is a limited provision for hardship cases." How many people have been granted a visa to enter the United Kingdom under the hardship category? We know the numbers of people from Sri Lanka who have been granted visas to come here on holiday, but how many have been granted entry under the hardship category? I doubt whether the Minister can find more than one or two. No doubt he will tell us when the time comes. By telling people that they must have the right documentation before they can step on a plane, many people who would like to prove that they are genuine asylum seekers will not have that chance. Therefore, we shall be slamming our doors on those who are entitled to be considered as genuine refugees.

Secondly, even if a traveller on arrival in the United Kingdom eventually proved that he or she is a genuine refugee, what is to stop the airline nevertheless being fined? Many hon. Members have said that the fines procedures is discretionary, but it is a curious law that says, "Don't worry too much, if they are hardship cases, we shall not apply the law." That is not how it will work. The fact that there is a threat of a fine on airlines will mean that, if they are in doubt, they will say no. People will therefore be kept out. I should still like the minor assurance that if somebody comes here and proves to be a genuine refugee, the airlines will not be fined.

What instructions and guidance will the Home Office or the Foreign and Commonwealth Office give airline staff all over the world? Our immigration procedures are pretty complicated. I doubt whether any hon. Member, including Ministers, understands them fully, but we are asking airline staff to make quite difficult judgments at counters overseas about how our immigration procedures work. It is therefore no wonder that the hon. Member for Brentwood and Ongar (Mr. McCrindle) asked a few quite sensible questions about how the Bill will affect airlines. I hope that the Minister of State will answer them.

Will the Home Office give airline staff guidance? Will British Airways and British Caledonian be given a little do-it-yourself guide to immigration rules and procedures? How are they to administer these new provisions?

It seems that the Bill is even more muddled than I have so far demonstrated, as its scope goes beyond refugees. We have already discussed the fact that it will apply to anybody who comes with an obviously forged passport, but what about non-visa countries? It is not clear to me after close examination of the Bill whether it is intended to apply simply to visa countries as defined in the appendix to the immigration rules, or whether it will apply to other countries, the citizens of which require a visa to enter the United Kingdom for certain purposes.

I have looked pretty carefully at the Bill and at the legislation to which it refers. Clause 2(2) says:

"In this Act any expression which is also used in the Immigration Act 1971 has the same meaning as in that Act."

Section 33(1) of the Immigration Act 1971 provides:

"'entry clearance' means a visa, entry certificate or other document".

The Bill refers only to visas. I presume, therefore, that it deliberately does not mention entry certificates. If I am wrong, the Minister of State will say so.

There are circumstances, however, such as are laid out in paragraph 27 of the immigration rules, in which people coming to the United Kingdom to seek employment have to have a visa. The possession of a work permit does not absolve the holder from complying with visa requirements. People can in theory get work permits for the United Kingdom from any country and people coming for work must have a visa.

It is therefore likely that airline staff would have to establish the purpose of a journey to discover whether the intending traveller ought to have a visa. A visitor from the United States, for example, could be coming on holiday, in which case he or she would not require a visa, and would therefore just buy a ticket. If, however, an American wants to work here, my understanding of the immigration rules is that he or she requires a visa.

This is a pretty complicated predicament to put before airline staff. They will have to elicit the purpose of the visit before deciding whether a person can travel. I hope that it is not as absurd as that. I simply put the question because it is the only interpretation that I can reach.

The danger is that airline staff will play safe and say, "This is a nightmare for us. It is far too complicated, so let's say no." Home Office Ministers have talked about other countries with systems of fines. I think that they will find, however, that those countries have a more or less universal visa regime. I do not advocate such a system, but it is certainly clearer for airline staff because there is then only one question—whether the passenger has a visa—and the dilemma remains only for refugees. We do not have a universal visa regime, so the burden on airline staff will be greater. The Minister said that there was nothing exceptional about fines and listed other countries with such a system, but I believe that several have special safeguards for refugees. The United States and Canada have a different approach, as do Denmark and Australia. Our system will be far more rigid. That is another reason why the Opposition are so concerned about the effects of the Bill.

The United Kingdom Immigrants Advisory Service has been harshly criticised, although it was well defended by my hon. Friend the Member for Walsall, North (Mr. Winnick). All the information that I have shows that under the existing procedures UKIAS does not make representations if a claim is obviously not genuine. Moreover, it has traditionally not made representations regarding asylum seekers coming via India because there was no reason for people to fear persecution if they were returned there. In other countries, however, such safeguards do not apply. Of the latest 50 cases in which UKIAS was involved, it made no representations in 22 cases. Of the remaining 28 cases, 13 were granted leave to remain, four were refused and 11 are still pending. I believe that UKIAS has behaved extremely responsibly in this matter. I hope that the Minister will confirm that and not allow a slur on its reputation to remain.

I believe that there is great merit in the Sub-Committee's suggestion that there should be an appeals system in this country. The Government rejected that recommendation when it was made, but I believe that they should have examined it again in detail before introducing this legislation. If, as they claim, refugee pressure is increasing throughout the world we should devise a fair and decent system. I believe that the best course would be an appeals system here. The procedure could be speeded up to filter out people with no prima facie case so that the system does not become clogged. I believe that that would be a sensible and proper path. We should be devising a method of identifying genuine asylum seekers, which is at the heart of the problem.

[Mr. Dubs]

If the Government will not accept that solution, I hope that they will consider more sympathetically the role played by UKIAS in the past and allow it to continue in the future. The worse possible option is simply to slam the door on people who may be in danger for their lives and say that they cannot come here unless they can find some convoluted way of getting the necessary documentation together. In practice, the Government's action will fly in the face of the long established tradition whereby this country has provided a haven for people in genuine fear for their lives. The Government are slamming the door on that tradition. That is why many of us will vote against the Government and in favour of the Opposition's reasoned amendment.

9.29 pm

The Minister of State, Home Office (Mr. David Waddington): We should be grateful to the hon. Member for Battersea (Mr. Dubs) for the helpful, restrained and sensible way in which he summed up the debate—so very different from the thoroughly unbecoming way in which the right hon. Member for Manchester, Gorton (Mr. Kaufman) opened our proceedings, when he imputed evil motives to all and sundry and then skulked away without having the grace to stay to hear what Members of this House think of right hon. Members who behave as disgracefully as he did.

Mr. Dubs: I defend what my right hon. Friend said and the fact that he informed the Home Secretary in advance as to why he had to go away. When such an apology is given, the Minister of State should not be so churlish as to refuse to accept it.

Mr. Waddington: When a right hon. Gentleman telephones and says that he will be absent from the latter stages of the debate, one does not imagine from that message that he will spend his time in the debate making personal attacks on right hon. and hon. Members.

The Government are taking action to meet a serious threat to immigration control. We are taking action as other countries have been forced to take action. Today, more and more people can travel, and more and more people realise that, by travelling, they have a chance to improve their lot abroad. They or the agents to whom they go for advice have not been slow to realise that the willingness of Western countries to grant asylum to vicitms of persecution can be exploited to the advantage of people who are not refugees, but economic migrants. That point was made forcefully by my hon. Friend the Member for Northampton, South (Mr. Morris).

As my hon. Friend the Member for Bradford, North (Mr. Lawler) said, the British people are rightly proud of our treatment of refugees. When we think of the Hungarians who came here in 1956, the Chileans who came here after 1973, the Vietnamese and the Iranians, we can be proud of our record. But nothing could be more damaging to the interests of genuine refugees and nothing more damaging to community relations than for the idea to get about that our hospitality was being exploited and nothing was being done about it. We owe it to genuine refugees to ensure that, while their interests are secured, those who try to abuse the system do not get away with it.

We observe the convention meticulously and will continue to do so. But there are some misconceptions as to what we are obliged to do and what we are not. First, we are obliged to give asylum to someone outside his own country who does not wish to return there because he has a well-founded fear of persecution. The United Nations High Commissioner for Refugees wants us to go very much further; he says that we should also give sanctuary to those who are "of concern". For instance, the UNHCR says that no one should be returned to Sri Lanka, whether a refugee or not. That should be borne in mind during our deliberations.

In *The Times* the other day, a Mr. Plender said that the argument between the Government and the UNHCR was not about numbers but about fair procedures. He was entirely wrong, because for a long time the UNHCR has been urging us to go much further than the convention and grant refuge to people who clearly are not covered by the terms of the convention. The House knows that we have recongised that there may be people who, although not convention refugees, should not be returned to the place from which they have come, and we have given many such people exceptional leave to remain. I am grateful to my hon. Friend the Member for Richmond and Barnes (Mr. Hanley) for emphasising that.

We do not and could not accept that anyone who turns up here from a troubled part of the world, such as Sri Lanka, can stay; yet that is what the hon. Member for Bradford, West (Mr. Madden) suggested. How that is reconcilable with the cry that has come from Labour Member after Labour Member that they believe in firm immigration control, I do not understand. The absurdity of the proposition was emphasised by my hon. Friend the Member for Northampton, South.

Mr. Bidwell: The right hon. and learned Gentleman alludes to those who have been allowed to stay, but is it not the case that the time is limited? In other words, it is not permanent leave to say stay, but limited leave to remain for 12 months. That shows that the Home Office has not made up its mind. The way in which the Minister referred to this exceptional leave suggests that it is not that way. The fact that the Home Office engages in such activity shows how difficult it is to determine whether one has refugee status. It was to this that I referred when I intervened in the speech of the Home Secretary.

Mr. Waddington: The hon. Gentleman is under a misapprehension because a refugee does not have indefinite leave to remain but leave to remain for a definite period. Somebody who gets exceptional leave to remain gets his stay extended on an annual basis and eventually, if conditions in his country have not improved, he is allowed to stay permanently.

Mr. Madden: As the Minister chose to refer to me, I would be pleased if he would refer accurately to what I said. At no stage did I say that all refugees who seek to come here should be allowed to enter. I argued, I thought clearly, that there should be a speedy and effective appeal system to which applicants for asylum would be referred and through which their applications would be dealt. If applications are found to be justified then they should be allowed to enter, and if found to be bogus they should not be allowed to enter. I would have thought that that would be clear to anybody who listened carefully to my speech.

Mr. Waddington: I understood the hon. Gentleman also to say the first thing.

We are obliged to examine claims for asylum. We are not obliged to give someone refused asylum on arrival here a right to appeal to an independent authority before removal. I shall try to explain why successive Governments have not gone down that road of giving a right of appeal to someone who is refused recognition as a refugee at a port of entry.

There were 28,000 port refusals in 1986. If there had been a right of appeal against refusal, each one of those 28,000 could have put up his hand and said, "If you refuse me entry, I shall utter the magic word 'asylum'." Each would then have had the right of appeal. That is the critical reason why successive Governments have shied away from giving a right of appeal to unsuccessful claimants for asylum.

Experience abroad shows what happens when one gives that formal right of appeal. In Canada, as the result of such a right of appeal, recently, even after the Canadian authorities had worked out what they called "a fast track system" to deal with what was thought to be abusive claims to asylum, so great was the pressure of the system that eventually they had to introduce other measures.

There is a very good reason why, over the years, successive Governments have shied away from giving a right of appeal in this country. It is not apparent to me yet how such a system could work in practice. Where it has operated abroad, it has usually resulted in the most appalling problems.

My hon. Friend the Member for Richmond and Barnes was entirely right when he referred to the report in 1985 by the Sub-Committee on Race Relations and Immigration, mentioned that it was based on evidence taken in 1984 and talked of how much the position had changed since then.

Mr. Tony Banks: Surely the Minister cannot be seriously suggesting that a significant number of the 28,000 people refused entry in this country would then have said that they were going to claim refugee status. The overwhelming majority were people coming here as visitors, who were then refused entry. I have a file in my constituency — I have put many of these cases to the Minister — showing that people, having been refused entry, make a voluntary departure. The Minister cannot seriously claim that a significant number of those 28,000 claimed refugee status.

Mr. Waddington: I am afraid that the hon. Gentleman is not being honest with himself. There is an argument, which is going on even now, that we should give a right of appeal in this country to people who are refused entry as visitors. I ask hon. Members to face this question. If we continue to resist the plea to give a right of appeal in this country to people who are refused entry as visitors, how on earth can we give a right of appeal in this country to those who are refused entry as asylum seekers? It is plain as a pikestaff that those whom the Opposition are always saying should have a right of appeal in this country as visitors would procure for themselves that right of appeal as visitors as a result of uttering that magic word "asylum", which would then give them access to the appeals procedure.

Mr. Corbyn *rose*——

Mr. Waddington: I should like to continue for a little while.

We are obliged to give asylum to those with a well-founded fear of persecution. We are not obliged to give refuge to those who come from troubled parts of the world. Under the convention, we are obliged to examine claims to asylum. We are not obliged to give someone refused asylum the right of appeal before removal, and I do not believe that we could do so. We are certainly not obliged — I may be coming closer to the point about which the hon. Member of Islington, North (Mr. Corbyn) wished to ask me — to refer cases to the United Kingdom Immigrants Advisory Service. In fact, the present system of referral to UKIAS started in only 1983. No one says that we were in breach of the convention before then. Indeed, in 1981, long before the system of reference to UKIAS was set up, the UNHCR accepted that our procedures then conformed with its recommendations.

Mr. Corbyn: The Minister will recall that his Government supported the executive committee of the UNHCR recommendations that there should be consideration of an appeal against refusal of asylum in each country and that, in defence of the report on Vietnamese refugees by the Home Affairs Select Committee, the Government pointed out that there existed the right to go to UKIAS, the right to go through a Member of Parliament to the Minister concerned and the right for the case to go to judicial review? Since all those avenues have been removed by the Bill, does the right hon. and learned Gentleman concede that the only defence for an asylum application would be if there was a right of appeal?

Mr. Waddington: The hon. Gentleman knows as well as every other hon. Member that things have moved on apace since 1985. I do not believe that anyone thought in 1985 that all the countries of Western Europe would be faced with the sort of problems that now beset them.

I am sure that we are all grateful to my right hon. Friend the Member for Aylesbury (Mr. Raison) for his contribution to the debate. We know that he speaks with authority. He had to bear the responsibilities that now are mine, but he did not have to do so for quite so long, which means, no doubt, that he is more mentally alert now than I am. He did not suffer quite the same hardship. We listened with great attention to what he had to say. I can tell him that we shall not abolish the referral system. We feel, however, that it must be examined. I am going to meet UKIAS before very long. I cannot tell my right hon. Friend what progress the Bill will have made by the time that we reach conclusions. We shall not let the grass grow under our feet, however, and I shall be more than happy to talk to my right hon. Friend as matters proceed.

I see difficulties in my right hon. Friend's suggestion that however abusive an application appears to be, UKIAS should be consulted. As my hon. Friend the Member for Westminster, North (Mr. Wheeler) said, time is of the essence. That is the answer to the hon. Member for Leeds, West (Mr. Meadowcroft) who asked "If a case for refusal is stong, why not refer it to UKIAS?" He wanted to know what would be lost by not doing so. The hon. Member for Norwood (Mr. Fraser) could not have been more wrong when he said that no harm would be done by somebody being admitted as a visitor and all these matters being resolved later. It is the experience of all

[Mr. Waddington]

Western countries that once someone establishes a foothold, he is difficult to dislodge. Those who have no genuine claim to asylum manage eventually to stay in the country to which they have gone merely as a result of the effluxion of time. That is a real difficulty that we must all face.

Mr. Meadowcroft: How does the Minister protect himself from the charges that, by not referring to UKIAS, he is excluding the possibility of it making a judgment that is different from his own? Surely there is protection for the Minister as well as for the person who is seeking asylum. It is the arrival of the Tamils which has sparked off the introduction of the Bill, and although the right hon. and learned Gentleman has suggested that the UNHCR is changing the definition, a minority of them have been adjudged by the UNHCR to be refugees within the terms of the 1951 convention. That would not have been the position if the Minister had had his way and not referred them. How does he protect himself against that charge?

Mr. Waddington: My right hon. Friend the Member for Aylesbury found it possible to protect himself when he was performing the duties that I now carry out. That was before there was any system of reference to UKIAS. Before it was possible to make that reference, there was confidence in the integrity of the refugee unit within the Home Office. There was confidence that its conclusion would be right. That is how things operated in the early days. I do not understand the hon. Gentleman's arguments.

Hon. Members have been rightly concerned about the possible effect of the Bill on genuine asylum seekers, which has been the main issue during the debate. The Bill will make it more difficult for people to travel without proper documents and then use our generous procedures to establish a foothold. Until recently, the vast majority of asylum seekers were not those who just turned up at ports, and a moment's thought tells us why. Since the second world war, our neighbours in western Europe have not, thank God, been creating refugees. We have not been the nearest safe country to a refugee-granting state, and those genuinely fleeing from persecution normally seek refuge in the nearest safe country. Indeed, it is the nearest safe country that has the duty to protect them.

I agree entirely with my hon. Friends the Member for Westminser, North and Northampton, South on this issue. There is nothing mysterious about millions of refugees arriving in Pakistan. Why are there millions of refugees in Pakistan? Because they have escaped from Soviet aggression in Afghanistan.

Mr. Tony Banks: Millions?

Mr. Waddington: The nearest safe country of refuge is Pakistan. There is no mystery in the flow of Tamils to south India from Sri Lanka. Indeed, one might expect that if a Tamil living in north Sri Lanka was unsuited to the life he was facing, the place to which he would go would be southern India.

We do not gain much by trying to draw parallels with the situation, for instance, in Germany before the war. The situation with which we are faced could not be more different. We are not faced with a flow of people claiming refugee status from countries close to us; we are faced with a flow of people claiming refugee status who — sometimes for almost inexplicable reasons — have travelled halfway around the world to choose Britain as a place to go.

Mr. Andrew Rowe (Mid-Kent): It would be of great help if my right hon. and learned Friend could assure me that if a refugee from Soviet Russia arrives with forged papers—often, that is the only way that a refugee can arrive—those papers will not be an automatic reason for refusal of asylum.

Mr. Waddington: I can give my hon. Friend that undertaking.

Asylum seekers have almost entirely come from three categories. The first is people who have been here for a while—for instance, students who have been here since before the fall of the Shah who are now coming to the end of their studies and who have decided that their country has changed out of all recognition. The next category is those who have applied to come here at one of our posts abroad on the basis of a close connection with this country, and I shall return to that in a moment. Then there are people who have come here as part of a carefully worked-out programme which was engaged in by the Government of the day, the sort of programme whih resulted in Hungarians, Chileans and Vietnamese coming here.

I shall deal with the question of applications to our posts abroad. I assure my right hon. Friend the Member for Aylesbury that there is no difficulty in getting to our high commission in Colombo. Indeed, far from it being ringed by soldiers, there is normally one policeman outside. It is obvious that there is free access to our high commission in Colombo, because in the first seven months of 1986 1,070 Tamils were granted entry clearance. They are not the hardship cases; I am now talking about ease of access to the high commission.

A person cannot claim refugee status in our high commission in Colombo if he is a Sri Lankan because, by definition, a refugee is somebody who is outside the country to which he fears to return. The basis on which anybody would claim entry to this country would be on the basis not of entitlement to asylum, but of hardship. As my right hon. and learned Friend the Member for Richmond, Yorks (Mr. Brittan), the former Home Secretary, said in mid-1985, we have always been willing to hear applications in Colombo from Sri Lankans on the basis of hardship. Since then, 51 people have applied for severe hardship visas, five have been issued, 32 refused and 14 are pending.

Mr. Tony Banks: Very generous.

Mr. Waddington: The hon. Gentleman says that that is not generous, but the point that is being made is that people cannot apply to our high commission in Colombo. The opposite is the truth. People do apply to our high commission. However, a Sri Lankan cannot apply for refugee status in Sri Lanka and hope to succeed. What he can do is apply at one of our posts outside Sri Lanka. That right is still available to Sri Lankans. They can apply at posts in Madras, Delhi, Bombay, Kuala Lumpur and Dhaka.

Only in 1985 did we begin to see a change in the pattern of asylem seekers at the ports. As a percentage of all applications, they went up from less than 10 per cent. in

1984 to 34 per cent. in 1985. I can confirm what my hon. Friend the Member for Northampton, South said—in December 1986 and January 1987 there were more applications at the ports than inside the country. That means that there has been a complete change in a matter of 12 months or so. There is no apparent reason for such a change, unless it is that people are making asylum applications as a device to beat our immigration controls. That conclusion is shared by our European partners and is borne out by the figures. Precisely the same criteria are applied to assessing a person's entitlement to asylem now as in the past. The success rate for port asylum cases plummeted from 23 per cent. in 1983 to 2·3 per cent. in 1985.

The same problem has had to be faced by country after country. The most startling figures come from Denmark and Belgium. In Denmark, 3,000 asylum applications were made in one month—August 1986—which forced the Government to threaten legislative action against carriers and to refuse access to asylum procedures to people coming from third countries. In Belgium, where until recently the UNHCR ruled on asylum applications, there were in 1986 only 52 grants of refugee status out of 7,500 applicants for asylum. The moral must be that we must stop asylum abuse before it gets too strong a hold or it will overwhelm us as it has threatened to overwhelm others.

In the face of that threat it is absurd to say that the Bill is unnecessary. It is even more absurd to say that it is unworkable. It is one of those rare beasts—a Bill which has begun to work before it has achieved its Second Reading. That is the answer to the point about retrospection made at the opening of our debate. Already there has been a drop in the number of people arriving at our ports, mostly without documents, claiming asylum. In the week ending 14 February, 95 such people arrived. The next week 41 arrived, the week after that 48, and in the week ending 7 March only 12 arrived. In the week ending 14 March only 18 arrived, and only four of them had forged documents. The House can assume from that that, indeed, the Bill's provisions have been made known to carriers and have already had a salutary effect.

The right hon. Member for Gorton said that carriers would be obliged to be experts in British immigration law. What utter nonsense. All that they will have to do is ensure that a person has a valid passport and a visa. The Bill applies only to visas, not to other forms of entry clearance required by non-visa nationals to come here, for instance, for settlement.

In reply to my hon. Friend the Member for Brentwood and Ongar (Mr. McCrindle), we will help airlines as much as we can so that they will know how to carry out these new duties which are already carried out by a number of responsible airlines. If someone disputes a penalty, he will be able to challenge our demand for payment and take us to court. He will be able to judge whether a document is false. If he disagrees with the conclusions reached by the Home Office, he can challenge our determination in court. I commend the Bill to the House.

Question put, That the amendment be made:—

The House divided: Ayes 138, Noes 217.

Division No. 120] **[10 pm**

AYES

Adams, Allen *(Paisley N)*
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnes, Mrs Rosemary
Beckett, Mrs Margaret
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Boyes, Roland
Brown, Gordon *(D'f'rmline E)*
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Cleiland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Corbett, Robin
Corbyn, Jeremy
Crowther, Stan
Cunningham, Dr John
Davies, Ronald *(Caerphilly)*
Deakins, Eric
Dewar, Donald
Dormand, Jack
Dubs, Alfred
Duffy, A. E. P.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Fatchett, Derek
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freud, Clement
Garrett, W. E.
George, Bruce
Godman, Dr Norman
Golding, Mrs Llin
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hancock, Michael
Hardy, Peter
Hattersley, Rt Hon Roy
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howarth, George *(Knowsley, N)*
Howells, Geraint
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
Jenkins, Rt Hon Roy *(Hillh'd)*
John, Brynmor
Kinnock, Rt Hon Neil
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
MacKenzie, Rt Hon Gregor
Madden, Max
Marek, Dr John
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
O'Brien, William
O'Neill, Martin
Park, George
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter
Prescott, John
Radice, Giles
Raynsford, Nick
Redmond, Martin
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Rogers, Allan
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Strang, Gavin
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
White, James
Wigley, Dafydd
Williams, Rt Hon A.
Winnick, David
Woodall, Alec
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Don Dixon and
Mr. Ray Powell.

NOES

Amess, David
Arnold, Tom
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Baldry, Tony
Beaumont-Dark, Anthony
Bendall, Vivian
Benyon, William
Biggs-Davison, Sir John
Body, Sir Richard
Boscawen, Hon Robert
Braine, Rt Hon Sir Bernard
Bright, Graham
Brown, M. *(Brigg & Cl'thpes)*
Buck, Sir Antony
Burt, Alistair
Butler, Rt Hon Sir Adam
Carlisle, Kenneth *(Lincoln)*
Carttiss, Michael
Clark, Sir W. *(Croydon S)*
Cockeram, Eric
Cope, John

Dorrell, Stephen
Dover, Den
Durant, Tony
Eggar, Tim
Fallon, Michael
Favell, Anthony
Fenner, Dame Peggy
Finsberg, Sir Geoffrey
Fletcher, Sir Alexander
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Franks, Cecil
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodhart, Sir Philip
Gow, Ian
Gower, Sir Raymond
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayhoe, Rt Hon Sir Barney
Heathcoat-Amory, David
Heddle, John
Hicks, Robert
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howarth, Alan *(Straf'd-on-A)*
Howell, Ralph *(Norfolk, N)*
Hubbard-Miles, Peter
Hunt, David *(Wirral W)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irving, Charles
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
King, Roger *(B'ham N'field)*
Knight, Greg *(Derby N)*
Knowles, Michael
Knox, David
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lord, Michael
Luce, Rt Hon Richard
Lyell, Nicholas
McCrindle, Robert
Macfarlane, Neil
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
Maclean, David John
McNair-Wilson, M. *(N'bury)*
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marshall, Michael *(Arundel)*
Mather, Sir Carol
Maude, Hon Francis
Maxwell-Hyslop, Robin
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(Hants NW)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Morris, M. *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Neale, Gerrard
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Oppenheim, Phillip
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Pawsey, James
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Renton, Tim
Rhodes James, Robert
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rowe, Andrew
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stradling Thomas, Sir John
Sumberg, David
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Terlezki, Stefan
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Townsend, Cyril D. *(B'heath)*
Trippier, David
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Waller, Gary
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Yeo, Tim
Younger, Rt Hon George

Tellers for the Noes:
Mr. Mark Lennox-Boyd and
Mr. Peter Lloyd.

Question accordingly negatived.

Main Question put forthwith pursuant to Standing Order No. 60 (Amendment on Second or Third Reading), and agreed to.

Bill accordingly read a Second time.

Bill committed to a Committee of the Whole House.—[Mr. Neubert.]

Committee tomorrow.

ESTIMATES

It being after Ten o'clock, Mr. Speaker proceeded to put forthwith the Questions which he was directed by paragraph (1) of Standing Order No. 53 (Questions on voting of estimates, &c.) to put at that hour.

ESTIMATES, 1987-88 (NAVY), VOTE A

Resolved,

That during the year ending on 31st March 1988 a number not exceeding 69,950 all ranks be maintained for Naval Service.

ESTIMATES, 1987-88 (ARMY), VOTE A

Resolved,

That during the year ending on 31st March 1988 a number not exceeding 178,400 all ranks be maintained for Army Service, a number not exceeding 5,000 for the Home Service Force, a number not exceeding 96,000 for the Individual Reserves, a number not exceeding 87,350 for the Territorial Army and a number not exceeding 7,800 for the Ulster Defence Regiment.

ESTIMATES, 1987-88 (AIR), VOTE A

Resolved,

That during the year ending on 31st March 1988 a number not exceeding 96,700 all ranks be maintained for Air Force Service, a number not exceeding 5,650 for the Royal Air Force Reserve and a number not exceeding 2,370 for the Royal Auxilliary Air Force.

SUPPLEMENTARY ESTIMATES, 1986-87

Resolved,

That a further supplementary sum, not exceeding £1,111,464,000, be granted to Her Majesty out of the Consolidated Fund to defray charges for the Defence and Civil Services which will come in the course of payment during the year ending on 31st March 1987, as set out in House of Commons Papers Nos. 159, 160 and 226.

ESTIMATES, EXCESSES, 1985-86

Resolved,

That a sum, not exceeding £392,730,629-84, be granted to Her Majesty out of the Consolidated Fund to make good

excesses on certain grants for Defence and Civil Services for the year ended 31st March 1986, as set out in House of Commons Paper No. 158.

Bill ordered to be brought in upon the two foregoing Resolutions and upon the Resolution [11th March] relating to Supplementary Estimates, 1986-87 by the Chairman of Ways and Means, Mr. Chancellor of the Exchequer, Mr. John MacGregor, Mr. Norman Lamont, Mr. Ian Stewart and Mr. Peter Brooke.

Consolidated Fund (No. 2) Bill

Mr. Norman Lamont accordingly presented a Bill to apply certain sums out of the Consolidated Fund to the service of the years ending on 31 March 1986 and 1987: And the same was read the first time; and ordered to be read a second time tomorrow and to be printed [Bill 104].

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, the Ways and Means Motion may be proceeded with, though opposed, until any hour.—*[Mr. Neubert.]*

IMMIGRATION (CARRIERS' LIABILITY) BILL (WAYS AND MEANS)

Resolved,

That, for the purposes of any Act resulting from the Immigration (Carriers' Liability) Bill, it is expedient to authorise payments into the Consolidated Fund. — *[Mr. Neubert.]*

ACCESS TO PERSONAL FILES BILL [MONEY]

Queen's recommendation having been signified.

Resolved,

That, for the purposes of any Act resulting from the Access to Personal Files Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(a) any expenses incurred by a Minister of the Crown or a government department in consequence of the provisions of that Act, and

(b) any increase attributable to that Act in the sums payable out of money so provided under any other enactment.—*[Mr. Neubert.]*

STATUTORY INSTRUMENTS, &c.

Consumer Safety

Motion made, and Question put forthwith pursuant to Standing Order No. 101 (Standing Committee on Statutory Instruments, &c.).

That the draft Plugs and Sockets etc. (Safety) Regulations 1987, which were laid before this House on 25th February, be approved.—*[Mr. Neubert.]*

Question agreed to.

PRIVATE BILL PROCEDURE

Ordered,

That Mr. Albert McQuarrie be discharged from the Joint Committee on Private Bill Procedure and Mr. Bill Walker be added to the Committee.—*[Mr. Neubert.]*

STATUTORY INSTRUMENTS (JOINT COMMITTEE)

Ordered,

That Mr. Michael Hancock be discharged from the Joint Committee on Statutory Instruments and Mrs. Rosie Barnes be added to the Committee.—*[Mr. Neubert.]*

East Anglian Gangmasters

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Neubert.]*

10.15 pm

Mr. Clement Freud (Cambridgeshire, North-East): I am pleased to have this opportunity to raise on the Adjournment of the House the subject of the registration of gangmasters in East Anglia. On the whole, gangmasters are excellent people. They are essential to the rural economy of East Anglia, where there is little public transport and intensive cropping. The registration of gangmasters is supported by the Transport and General Workers Union, by the honourable people of Lincolnshire, Norfolk and Cambridgeshire and by my honourable neighbour the Member for Holland with Boston (Sir R. Body); whose Bill is about to come before the House for its Second Reading.

Mr. Tony Banks (Newham, North-West): What are they?

Mr. Freud: The gangmaster is an agricultural subcontractor.

Mr. Banks: I thank the hon. Gentleman. We do not have many gangmasters in Newham. That is why I asked that question.

Mr. Freud: In 1867, a Bill passed by this House said:

"Whereas in certain Counties in England certain Persons known as Gangmasters hire Children, Young Persons and Women with a view to contracting with Farmers and others for the Execution on their Lands of various Kinds of Agricultural Work".

The 1867 Act was called the Agricultural Gangs Act, and it stipulated that a

"'Child' shall mean a Child under the Age of Thirteen years; 'Young Person' shall mean a Person of the Age of Thirteen years, . . . No Child under the Age of Eight Years shall be employed in any Agricultural Gang; No Female shall be employed in any Gang".

There was more, but the important point was that no person should act as a gangmaster unless he had obtained a licence to act as such under that Act.

Most hon. Members have said from time to time that every time a new Act reaches the statute book one ought to look around with care for some old Act that needs to be scrapped, and 99 years after the 1867 Act Mr. Richard Crossman's Local Government Bill of 1966 scrapped the Gangmaster's Act. On 14 June 1966, Mr. Crossman said:

"But I found, for example, that county councils are still required by the Agricultural Gangs Act, 1867, to issue licences to persons of good character fit to be entrusted with the duties of gangmaster. Those duties still include preventing females from being in the same gang as males, or from being under the control of a male gangmaster. Since the fee is only 1s. for six months, I felt it was hardly worth keeping, and we have therefore decided to repeal the licensing requirements. — [*Official Report*, 14 June 1966; Vol. 729, c. 1268.]

It was an easy and obvious option to take, but the sad part of it is that unscrupulous people have come into the gangmaster business. They are undercutting honourable gangmasters and persuading the farmers who lack a civic conscience to hire personnel from them at a rate in contravention of the agricultural wages board minimum wage.

The hon. Member for Sheffield, Brightside (Miss Maynard), who is also on the side of the angels, had an Adjournment debate on this four years ago, when she stated that

[Mr. Freud]

"because of the unemployment in the areas concerned, the gangmasters are able to exploit the workers, who have no right to holidays or sick pay, and no insurance is paid by the farmer . . . Anyone who is known to be a member of the union is never again given a job by certain gangmasters . . . As there is no system of licensing, any unscrupulous person can set up as a gangmaster. With the high unemployment, he is able to intimidate the members of the work force, who desperately need to bring some form of income into the home . . . the farmers are doing very nicely out of the arrangement . . . There are other implications . . . These people are not the employees of the farmer. He does not have to insure them . . . If a gangworker is involved in an accident on a farm . . . presumably, he is not covered for industrial injury benefit and so on . . ."—[*Official Report*, 18 February 1983; Vol. 37, c. 640-41.]

In surgeries over the years, I have found that the odd, dishonest gangmaster has failed to insure the workers, neglected to pass on to the DHSS the national health insurance, or provide holiday pay and other benefits deducted from the payments made to his staff. Having discussed the matter with the Paymaster General, we corresponded, and in January of this year I received a letter from him, stating:

"The problem of these activities is insidious in two main respects. Firstly, if they rely on benefit payments for their work force, these employers have a source of labour which may feel itself trapped into a situation where low wage levels are subsidised (illegally, of course) by unemployment benefit. Claimants in this situation may believe that they cannot afford to sign off. Secondly, honest employers who are deducting tax and paying contributions find themselves facing unfair competition in the market. It can also have repercussions for individual workers, who may at a later stage wish to apply for sickness, maternity or any other benefits and then find their contributions records deficient because of the employers' practices."

There are only a small number of dishonest gangmasters, but the great danger is that this small number undercuts the honourable gangmasters and is allowed to flourish. Obviously cheap labour is an attraction to farmers and to packing stations which, more and more in East Anglia, are now in the hands of multinational companies and put out to a management which is on commission.

The hon. Member for Holland with Boston has a Bill before the House that requires gangmasters to be licensed by justices. The important parts of the Bill are, first:

"No person shall act as a gangmaster unless he has obtained a licence".

secondly:

"Any person acting as a gangmaster without licence . . . commits an offence of summary jurisdiction";

thirdly:

"In deciding to grant a licence to act as a gangmaster the court shall have regard to the applicant's character and the terms of employment which he intends to offer."

I am not gravely worried about the duration of the licence. I am sure it is right to have an appeals procedure, and obviously it is important to have an interpretation. I should simply like to see the Minister enabling the hon. Gentleman's Bill to become an Act on the statute book.

I am well aware that the Government have a strange feeling that they should not interfere and that the more legislation they pass the less Conservative the Administration becomes. This is a minor Bill which prevents a major evil. If it is not enacted, unscrupulous farmers will be able to jump on the bandwagon of exploitation.

The Agricultural Wages Board has two forms of agricultural wage: one for the worker who works for more —or just less—than 30 hours in regular employment which is £2·30 or £2·36; the other for seasonal workers at 40p an hour less. It is the practice of unscrupulous gangmasters to misinterpret the status of a worker, to translate a regular worker into a seasonal one and reap the benefit.

Recently, I spoke on Anglia television about gangmasters, and the reporter said, "Surely if the Bill goes through, if gangmasters must register and no more cheap labour is provided for less scrupulous farmers, the price of food will go up?" I had to reply that this will not increase the price of food; it would decrease the profits made by middlemen. Sadly, where people can produce food cheaply, that cheapness is not passed on to consumers; just more people line their pockets.

Registration is a simple solution and would be welcomed by all but the unscrupulous farmer, producer, and packing station. I hope that the Minister will consider the evil which is at present being perpetrated in parts of east Anglia and lend his support to the Bill.

10.26 pm

Sir Richard Body (Holland with Boston): I endorse everything that the hon. Member for Cambridgeshire, North-East (Mr. Freud) has said. Unfortunately, the problem has arisen in recent years because of high unemployment and the way in which the social security system works. The hon. Gentleman spoke of reputable gangmasters, who completely support a system of licensing, being undercut. The undercutting is done by cheating the social security system and by goading people who are desperate for work to go on social security for part of the time and to work for a derisory wage, being treated disgracefully by gangmasters, for the rest of the time.

I support what the hon. Gentleman said and I know that my hon. Friend the Minister is looking into the matter most sympathetically. I know that he will carry out an investigation and I hope that it will be done speedily so that we can correct this injustice as soon as possible.

10.28 pm

Sir Paul Hawkins (Norfolk, South-West): I shall not keep my hon. Friend the Minister for more than one minute. At first I did not believe in the Bill, but I have made some inquiries, and although I do not believe that there are any dishonest gangmasters and farmers in Norfolk, I can believe that there may be some on the boundaries. The Bill may be a good way of putting the matter right for those who work for dishonest gangmasters and farmers. In that respect, I support the Bill.

10.29 pm

The Parliamentary Under-Secretary of State for Employment (Mr. John Lee): I acknowledge the genuine concern felt by the hon. Member for Cambridgeshire, North-East (Mr. Freud) in this area of gangmaster abuse and also his support for the private Member's Bill recently presented by my hon. Friend the Member for Holland with Boston (Sir R. Body), who spoke with conviction, albeit briefly, to require gangmasters to be licensed by justices. It is clear that the problem of gangmasters is a longstanding one. It goes back more than a century, when provision was made in the Agricultural Gangs Act 1867 for gangmasters to be licensed. The Act was passed to curb cruelty and immorality that existed in gangs at that time.

It was repealed by the then Labour Government in the Local Government Act 1966 as the abuses had long since disappeared and were considered unlikely to return. The agricultural trade unions were consulted at the time and did not object to the repeal.

The House returned to the matter in 1983 when the subject was raised on the Adjournment by the hon. Member for Sheffield, Brightside (Miss Maynard) on 18 February. It was then contended that, because rural life had changed out of all recognition in recent years, and because there had been a large rise in unemployment, abuses had returned to the gangmaster system. It was urged that licensing of gangmasters should be reintroduced. The Government's position at that time was that the evidence before them, including the evidence put forward in the debate, did not lead them to believe that the exploitation was such that it required Government interference.

Now the subject is before us again. I make no complaint about that, as it is clear that there are still strong feelings that something ought to be done to curb the abuses which are said to exist. I see that my hon. Friend's Bill has all-party support and I hope therefore that we can tonight have a frank and sensible, if small, debate about this problem on a non-party basis. Certainly that is how I intend to approach the matter, which I take very seriously.

What is suggested in the Bill, and what has been proposed by the hon. Member tonight, is the reintroduction of a system of licensing along the lines of that which existed between 1867 and 1966. In a sense, therefore we are asked to turn the clock back—and at a time when we believed firmly that less, rather than more, regulation of business is needed. Turning the clock back is not necessarily a bad thing if it is the only way in which to check real abuses, but obviously we must look very carefully at this proposal, and indeed any other proposals for dealing with the problem, before we finally decide what to do.

I have to say straight away that I remain to be convinced that the reintroduction of a system of licensing or registration of gangmasters would serve any useful purpose today. It could be illogical to require one small group of persons supplying subcontracted labour to be licensed and not all the others in industries such as, say, building or fish processing. Licensing a gangmaster, or requiring him to be registered, would not necessarily improve the terms and conditions of the workers he eventually hired, even if the licensing body was obliged to take into account the terms of employment which he intended to offer before granting him a licence.

Mr. Freud: Does the Minister accept that, by licensing gangmasters, the Government and their agencies would have access to gangmasters' books, which is currently not the case? At the moment, gangmasters are being allowed, unlicensed and unchecked, to pay less than the minimum agricultural wage, and not necessarily to pass on the deduction to the Government. The Minister is doing a great disservice by opposing licensing.

Mr. Lee: I accept what the hon. Gentleman says and that there may be pluses in that approach, but we have to consider the problem in the round. We shall consider the pros and cons.

Licensing gangmasters would mean almost inevitably that a Government agency would have to be allocated the additional tasks involved in enforcing the new arrangements. That would not necessarily be desirable. As I have already said, the proposal that gangmasters should be registered would run counter to the thrust of the Government's deregulation policy. At the time I want the House to understand that we are determined that abuses should be eradicated.

I am aware that some gangmasters provide labour to do work that falls outside the formal definition of agriculture—for example, sorting and grading vegetables in a packing shed, or processing food in a factory.

There is some doubt as to who works for the gangmaster. A hundred years ago, they were the local villagers who could not obtain regular employment with a farmer, but I understand that the position is different today. Many, if not most, of the workers are married women and students, who are glad of the opportunity for some seasonal work. They are casual workers in the true sense of the phrase and, as with other casual workers, it is not always easy to ensure that they are working within the rules of the tax and benefit systems.

I know of claims that serious problems are caused by some dishonest gangmasters and that reputable gangmasters are concerned about this, but we do not have evidence to suggest that abuses have been increasing in the past few years. There may well be individual cases of gangmasters whose activities are contrary to the law. As the hon. Gentleman said, we are referring to a minority. It is our duty to ensure that they are prosecuted, where that is appropriate, and that their future affairs are carefully monitored to ensure that there is no extension of abuses. The present evidence before us does not lead us to believe that the scale of abuses is such that they require further legislation, but I am looking into the whole area again and would welcome hard evidence. That would make it a lot easier to consider the whole matter and decide what, if anything, needs to be done.

The hon. Member will know that gangmasters already have clear responsibilities under existing legislation. When acting as contractors, they are responsible for meeting the requirements of the Agricultural Wages Act 1948 and the relevant Department of Health and Social Security and Inland Revenue regulations. Information received about alleged abuse is pursued systematically, and suitable cases are taken to court. Gangmasters are treated no differently from other labour subcontractors, but it is not easy to get hard evidence of abuse of the system, as I am sure the hon. Gentleman will acknowledge. There is plenty of rumour, but little hard fact, and I am not clear how the registration of gangmasters would significantly improve the situation.

I hope that the hon. Member understands that the Government treat the matter seriously. He is already aware that my Department is willing to investigate suspect gangmasters. He also knows, because he has been in correspondence with my right hon. Friend the Paymaster General about a particular case, that during recent months the DHSS has mounted a number of investigations into the gangmasters' operations. He also knows that my Department has been pursuing an inquiry into one particular case and that the investigators have made considerable progress. If similar cases are brought to my attention, I and colleagues in the other Departments involved will make sure that they are followed up swiftly and energetically. However, as a result of recent investigations, my Department now proposes to mount a saturation survey of East Anglia in the summer. Likewise,

[Mr. Lee]

as a result of representations made to my hon. Friend the Minister for Social Security and the Disabled about abuse in the fish curing and processing industries, my Department is to investigate the employers and workers who are subcontracted in the north-east of Scotland. Ultimately, however, any prosecution depends for its success on the willingness of people to come forward and report abuses.

Another aspect of the gangmaster system is the level of payments to workers. The agricultural wages boards, which are composed of representatives of employers and workers and independent members, have a statutory obligation to fix minimum rates of pay below which the pay of those covered by the orders must not fall. Hon. Members will be aware that on 10 March a settlement was reached with the full agreement of both sides of industry which will mean a 5 per cent. increase on minimum rates. The parties to a contract can, of course, agree to higher levels of pay. The provisions of the orders cover people who are employed in agriculture and under a contract of service—that is, those who are employees. Workers in the gangs who satisfied this condition would have the full protection of the agricultural wages legislation and would be able to seek the advice and help of the local agricultural wages inspector if they felt that they were being underpaid or otherwise exploited. I understand, however, that in practice the inspectors receive very few complaints. In addition, those workers who are employees are entitled to various rights under the employment protection legislation, provided that they have worked for a minimum qualifying period, which varies according to the right concerned. Those employment rights can be enforced by the industrial tribunals.

The difficulties that arise mainly involve those who are not within the scope of the agricultural wages orders or the employment protection legislation, because they are self-employed, with the gangmaster acting as agent in finding work. For workers not covered by the orders, pay and other terms and conditions are matters to be agreed between the parties to the contract, without Government involvement. All workers, including those in agricultural gangs, whether employees or self-employed, can seek to enforce their contractual rights through the civil courts. Although it would in theory be possible to make the agricultural wages board minimum rates apply to the self-employed, I do not think that this is a workable solution for the gang members in this category who may or may not be paid lower rates.

Much of the work done by agricultural gangs is of a short-term seasonal nature. It is unlikely that farmers would wish to employ full-time workers to satisfy these needs, especially in view of the extra work that this would entail at the busiest time of the year for the farmer. It seems sensible that the parties concerned should be able to negotiate contractual arrangements which suit the nature of the work. The gang system is a convenient arrangement which provides the necessary flexibility for farmers to meet their short-term needs and for the workers to choose hours of work that fit their personal commitments. The advantages of the system for all concerned outweigh the cases of abuse which may arise.

Mr. Freud: If the Minister accepts that there is occasional abuse, does he accept that the strength of the 1867 Act was that, if such an abuse was discovered, the gangmaster was disqualified from working as a gangmaster? He was no longer able to hire people. What happens now is that, if a gangmaster is flushed, he moves a few miles away and starts up again, possibly under another name, using the same people without registering them. That is why we want them to be licensed.

Mr. Lee: I fully appreciate the advantages that the hon. Gentleman sees in licensing, but I repeat that other factors and aspects must be taken into account. That is why we shall be considering the whole area after this debate. I have given that asssurance repeatedly.

Nevertheless, and even though the gangmaster system serves a very useful purpose. I am in no doubt that there is great concern, in the area where the system operates, that individuals are suffering and that the Government are not receiving revenue and insurance contributions that are their due. I have already said that I view these concerns with seriousness and that I shall ensure that cases brought to my attention are properly and quickly investigated. The difficulty, as I have said, is to get to the bottom of those rumours, although the investigating officers from the Departments affected are doing their best.

I have already had discussions with my hon. Friend the Member for Holland with Boston about his Bill, as he has acknowledged these discussions are continuing. I will obviously take the comments made in this debate by the hon. Member for Cambridgeshire, North-East into account before deciding what more, if aything, needs to be done. I also intend to consult my colleagues in the Ministry of Agriculture, Fisheries and Food, who clearly have an important interest. I sympathise with the views of hon. Members that something must be done to bring gangmasters' operations within the law—and in such a way that they are seen to be clean and above board.

We have had a most useful debate, but I have to say that nevertheless I have yet to be convinced that licensing or registration, in themselves, will prove to be effective. There are too many potential loopholes. However, I very much hope that, during our resumed discussions, we shall be able to bring about improvements and a more effective combating of abuse.

Question put and agreed to.

Adjourned accordingly at nineteen minutes to Eleven o'clock.

House of Commons

Tuesday 17 March 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

EDUCATION AND SCIENCE

Secondary Schools

1. **Mr. Knox** asked the Secretary of State for Education and Science how much was spent per pupil in secondary schools *(a)* in England as a whole and *(b)* in Staffordshire in the most recent year for which figures are available; and what were the comparable figures in 1978-79, at constant prices.

The Parliamentary Under-Secretary of State for Education and Science (Mr. Bob Dunn): In 1984-85 prices, local education authorities in England spent an average of £945 per secondary pupil in 1978-79 and £1,085 in 1984-85. The comparable figures for Staffordshire are £945 and £1,025.

Mr. Knox: Does my hon. Friend agree that those figures show an impressive increase in expenditure per pupil at secondary schools in Staffordshire and in the country as a whole since the Government came to office? How does he think the Labour party can justify claims that there have been cuts in education budgets since this Government came to office?

Mr. Dunn: The direct answer to that question is that the Labour party cannot justify such claims. All principal measures show steady improvements in education provision since the Government came to office. Not only is spending per pupil at record levels, but the overall pupil teacher-ratio is at its best level ever and class sizes are smaller than in 1979.

Mr. Hardy: Does the Minister accept that the Government have placed a substantial additional burden on secondary schools, not least in respect of the new GCSE? Is he aware that there are real unresolved needs with respect to the GCSE, that provision is grossly inadequate and that there is extreme anxiety in our schools about that provision? What good news, if any, can he give to schools about immediate decisions on that matter?

Mr. Dunn: The hon. Gentleman must accept that our expenditure plans for the forthcoming year show an increase in cash terms of 18·8 per cent. That will enable substantial improvements to continue, and we have, of course, provided extra money for the funding of GCSE and its introduction.

Mr. Alan Howarth: Will my hon. Friend say whether it is still the case in England—as we were told it was last summer—that for every five teachers and lecturers there are more than three non-teachers employed full time in the education system? Does he feel that there may be scope for further streamlining of administrative structures to ensure that a higher proportion of spending comes through to schools and education?

Mr. Dunn: The responsibility for that rests with local education authorities. However, I am bound to say that my hon. Friend is quite right. In many authorities that claim a high expenditure per pupil a high ratio seems to follow once examination is made of the non-teaching staff. Many local authorities can do more to take out unnecessary non-teaching staff from their payrolls. *[Interruption.]*

Mr. Speaker: Order. It is good to see that there is such an interest in Education questions. I ask hon. Members to listen to the questions and the answers.

City Technology Colleges

2. **Mr. Alex Carlile** asked the Secretary of State for Education and Science when he expects to make an announcement about the establishment of further city technology colleges in addition to the first at Solihull.

5. **Mr. Evennett** asked the Secretary of State for Education and Science what further progress has been made towards establishing city technology colleges.

The Secretary of State for Education and Science (Mr. Kenneth Baker): I am making good progress in discussion with a number of prospective sponsors and will announce details of further city technology colleges soon.

Mr. Carlile: Will the Secretary of State come clean and tell us how much money has been committed in non-governmental sponsorship for those colleges? Will he confirm that the level of sponsorship so far committed is so low as to show his plans to be a complete white elephant?

Mr. Baker: The hon. and learned Gentleman cannot have heard that the first college was announced in Solihull only four months after I had announced the concept of city technology colleges. That college was sponsored by two companies, Lucas Industries and Hanson Trust. I can assure the hon. and learned Gentleman that there are several more in the pipestream and I will be announcing them fairly soon [HON. MEMBERS: "Pipestream?"] I am sorry, I should have said "pipeline". But it will be such a flow that it will turn into a stream. I am surprised that the Liberal party opposes these ideas, because city technology colleges increase choice. I would have thought that liberalism stands for more choice.

Mr. Evennett: I congratulate my right hon. Friend on his city technology college initiative, and I am sure that most people outside the House in the inner city areas will be grateful for them. However, who will be responsible for the curriculum for these new colleges and who will monitor standards?

Mr. Baker: The curriculum will be determined as laid out in the booklet on the city technology colleges, and it will depend upon a contract between my Department and the charitable trust that will run the colleges. The colleges will be monitored by Her Majesty's inspectors.

Mr. Flannery: Is the Secretary of State not whistling in the dark? It may be that only four months have passed, but

these colleges are a failure, and has not the Minister of State almost admitted that in public statements? Will not such colleges cream off more students from the local schools? When the employers refuse to give the money, as they most surely will, will not the ordinary people have to pay for this white elephant?

Mr. Baker: The hon. Gentleman knows that the amount of money being provided to the state maintained sector is not being reduced. The money provided for the city technology colleges is extra money, and I expect shortly to announce several more colleges. I was told that one could not be started, but four months after my announcement of the scheme one has been started.

Mr. Pawsey: Is my right hon. Friend aware that the announcement on CTCs will be widely welcomed? For the past 20 years industry has been bemoaning the fact that people leave school without knowledge of technical subjects. Will my right hon. Friend dismiss the carping from Opposition Members as pure ignorance about both industrial and educational matters?

Mr. Baker: Many firms in Britain want to support these colleges, some with substantial sums of money, others with more modest sums. They see these colleges as fulfilling a real need in the inner cities, where the educational needs are greatest.

Mrs. Renée Short: Is the Secretary of State aware that many people regard city technology colleges as a rather ridiculous gimmick, and certainly as an attack on the local education authorities, as my hon. Friend the Member for Sheffield, Hillsborough (Mr. Flannery) said? If the Secretary of State has the additional resources that he says he has, why has he not invested them in polytechnics and universities to improve and build on the scientific base there?

Mr. Baker: I assure the hon. Lady that we are providing a substantial amount for technological education. This year we are extending TVEI nationwide at a cost of £90 million each year for the next 10 years—that is £900 million going straight to the state maintained sector. The hon. Lady says that the CTCs are a gimmick, but I remind her that many families in the inner cities will welcome the choice that these colleges will provide.

Mr. John Mark Taylor: Is my right hon. Friend aware that his initiative is welcome in Solihull, in the south of the borough, in my constituency, and in the north, in the constituency of my hon. Friend the Member for Meriden (Mr. Mills), where it will usefully serve the people? Is he further aware that it will also be welcome as a facility for Birmingham, being on the boundaries of that city, although he did not get the same co-operation from that city as he did from Solihull?

Mr. Baker: I thank the Solihull education authority for being willing to sell a redundant secondary comprehensive school. I am sure that the educational provision in Solihull will be improved significantly, and, in particular, the staying on rate of 16-year-olds.

Mr. Radice: Will the Secretary of State confirm that of the 1,800 companies that he has approached to fund CTCs, only eight have replied favourably? Has not British industry, so far from welcoming the idea, given the Secretary of State's plan a decisive thumbs down?

Mr. Baker: That is simply not true. I do not know where the hon. Gentleman gets his figures from. If he looks at the *Financial Times* today, he will see that the Davy Corporation has announced, on its own initiative, that it wants to support a CTC in Teesside. What I would like to know from the hon. Gentleman——

Mr. Radice: How many?

Mr. Baker: The hon. Gentleman must wait and see. Fairly soon he will have an answer. Why is he denying parents and children in the inner city areas the opportunity to benefit from this sort of education?

National Academic Qualifications

3. **Mr. Dubs** asked the Secretary of State for Education and Science what plans he has to create an integrated national academic qualifications and courses system for those over the age of 16 years.

The Minister of State, Department of Education and Science (Mrs. Angela Rumbold): The structure of qualifications post-16 is a responsibility shared by the Secondary Examinations Council and the National Council for Vocational Qualifications. The Government look to these bodies to work closely together to develop greater coherence in qualifications.

Mr. Dubs: Does the Minister agree that the best way forward for those over the age of 16 is to have, first, an integrated qualification which covers both academic and vocational aspects, and, secondly, that that should be done in the context of tertiary colleges? Will she give her sympathetic approval to any plans put forward to establish tertiary education by the many education authorities that are now considering it? I should point out to her that in Wandsworth there is overwhelming support for that idea.

Mrs. Rumbold: The Government are anxious to ensure that the two bodies that I have spoken about, the Secondary Examinations Council and the National Council for Vocational Qualifications, should work together to ensure that post-16 qualifications can be meshed together at some time in the future. The organisation of schools post-16 is a matter for determination by the local education authorities, and we leave it to their good sense and discretion how best secondary education post-16 can be provided.

Mr. McLoughlin: Does my hon. Friend accept that with some education authorities one does not get good sense and that they try to destroy proven schools with excellent records in their sixth forms? Can she assure us that before any such plans are passed the Department will consider them carefully so that we do not destroy good proven sixth forms for the sake of some Socialist dogma?

Mrs. Rumbold: I can assure my hon. Friend that my right hon. Friend the Secretary of State, when considering reorganisation proposals from local authorities, looks carefully at the merits of each case and is in no sense committed to destroying schools of proven worth.

Mr. Sheerman: Have the Government not missed a great opportunity by imposing such narrow terms of reference on the A-level review? Was this not a real opportunity to integrate vocational and academic qualifications post-16? Is not the fact of the matter that

with the city technology colleges and this sort of review the Government want to keep a divide between the sheep and the goats at 16, and have an effective 16-plus?

Mrs. Rumbold: No. I am afraid that the hon. Gentleman has entirely missed the point. The National Council for Vocational Qualifications is a recent body, which is busy looking at the different vocational qualifications on offer at present. It is working closely with the Secondary Examinations Council. Ultimately, one hopes for a certain amount of mutual agreement about the types of qualifications for entry into higher education and the post-16 framework.

Education Standards

4. **Mr. Thurnham** asked the Secretary of State for Education and Science what recent representations he has received about the raising of education standards; and if he will make a statement.

Mrs. Rumbold: My right hon. Friend regularly receives letters from members of the public and others concerned to improve educational standards. In recent months a large majority of these letters have supported the introduction of a national curriculum as a means of achieving that objective in schools.

Mr. Thurnham: In raising standards, will my hon. Friend take note of the pressing need for more highly skilled people to enter the engineering industry? Will she encourage more school leavers to take advantage of the places for technology and science in higher education?

Mrs. Rumbold: I note my hon. Friend's remarks about engineering and technology job opportunities. The Government have frequently emphasised the need for better and more systematic careers education. We hope to take measures shortly to encourage local education authorities to bring a new coherence to careers provision for young people.

Mr. Weetch: Is the Minister aware that there has been a great deal of talk from the Department about standardised tests of attainment and about a core curriculum, which suggests a centralised approach? On the other hand, is she aware that the Education (No. 2) Act 1986 devolved the responsibility for those matters to local schools and headmasters? Are not those policies going in opposite directions?

Mrs. Rumbold: No, they are not. I hasten to assure the hon. Gentleman that we are considering, not a core curriculum, but the possibility of introducing a national curriculum during the course—[HON. MEMBERS: "What is the difference?"] If Opposition Member do not know the difference, they will have to learn and decide what it is for themselves.

To return to the hon. Gentleman's question, we hope that after consideration and consultation with all those within the education world about the national curriculum, we will come up with a responsible decision about how it should proceed. Benchmarks are important to establish pupils' achievements on the course.

Mr. Onslow: Does my hon. Friend think that the leaders of the teachers' unions have a part to play in raising education standards? Also, does she think that they are playing it?

Mrs. Rumbold: All teachers have a part to play in raising education standards. For the most part the professional quality of our teachers is excellent. They work hard towards the goal of improving standards and achievements in our schools.

Mr. Ashdown: Will not the next real marker for standards be the GCSE to be taken this year? Does the Minister realise that the resources and advice provided by her Department for that examination are wholly inadequate to meet the task and that as a result for 600,000 14-year-olds this year the GCSE will be at best a raw deal and at worst a blight on their future chances?

Mrs. Rumbold: I advise the hon. Gentleman to study a little longer those matters of education for which he is now spokesman. The GCSE will first be taken in 1988. We have made very good provision — *[Interruption.]* Will hon. Gentlemen listen?—*[Interruption.]*

Mr. Speaker: Order.

Mrs. Rumbold: We have made very good provision for in-service training for teachers and for books and equipment for the GCSE. In the current year substantial sums will be available for both those matters in order to enable teachers to deliver the GCSE.

Local Education Authorities (Resources)

6. **Mr. Favell** asked the Secretary of State for Education and Science if he has any plans to ensure that local education authorities make more efficient use of their resources.

Mr. Kenneth Baker: The Government's expenditure plans include a number of measures designed to promote efficiency among local education authorities. These include targets for the removal of surplus places from the schools and for tighter staffing ratios in further education.

Mr. Favell: I thank my right hon. Friend for that answer, but what is to be done about the hangers-on? Do not recent figures show that some local education authorities employ twice as many support staff as necessary and then bleat that they have insufficient sums to pay the teachers, provide equipment or maintain the schools?

Mr. Baker: My hon. Friend is on to a good point and, indeed, he tabled a written question about it last week. The point is that there is a large administrative tail in many local education authorities. Much of the money would be better spent on supporting teaching with more books, services and equipment.

Mr. Eastham: If the Secretary of State is sincere about using education resources efficiently, may I draw to his attention the fact that since the secondary reorganisation in 1982 eight secondary schools in Manchester have been on split sites awaiting permission from the Department to spend money on putting the schools on one site, which would bring greater efficiency? When will he do something about that?

Mr. Baker: This year current spending on education is planned to increase by 19 per cent., or £2 billion. *[Interruption.]* As a result of the conduct of the economy over the past seven years the Government have been able both to increase expenditure on social priority areas and to cut taxation.

Mrs. Kellett-Bowman: Will my right hon. Friend ensure that nothing in this drive will harm highly efficient, small, rural schools, which turn out such exceptionally good results?

Mr. Baker: I can reassure my hon. Friend and the whole House that rural schools, principally rural primary schools, provide a necessary and valuable contribution to education and to society. I can assure her that any proposals for closure are examined most carefully before they are approved, if they are approved.

Mr. Andrew F. Bennett: Does the Secretary of State accept that one of the measures of a local education authority's efficiency is the number of nursery places that it can provide? Does he further accept that some of the best provide nursery places for two thirds of their children and some of the worst provide none? Is it pure coincidence that the best 10 providers are Labour-controlled authorities and the worst 10 are Conservative or alliance-controlled authorities?

Mr. Baker: A higher proportion of rising fives and children below four years of age are now going to some form of nursery education than ever before. That is the record of this Government.

As regards the spending differences between Labour and Conservative authorities, some Labour authorities spend a little more than Conservative authorities, but Conservative authorities get as good, and in some cases better, examination results at a lower cost.

Student Grants

7. **Mr. Allan Stewart** asked the Secretary of State for Education and Science what recent representations have been received by his review group on student grants; and if he will make a statement.

The Parliamentary Under-Secretary of State for Education and Science (Mr. George Walden): The review group has received written evidence from over 100 organisations, nine of which have been invited to give oral evidence. Some 1,688 letters have been received about the review.

Mr. Stewart: I thank my hon. Friend for that information, but will he tell us about the evidence and representations that he has received concerning systems of financial support for students in other countries? Is it not instructive that in America the student loan system has been associated with better rates of access to higher education then we have had in this country?

Mr. Walden: I share my hon. Friend's view. I should only add that a lot of nonsense has been put about by the National Union of Students and others to the effect that it is the Government's policy to replace all grants by loans. That is not the Government's policy. There would be serious disadvantages in going down that road in this country's circumstances. We recognise that an absolutist approach could act as a disincentive to the children of lower income families, women, mature students, the disabled and others. Among other things, my review is looking at a system of top-up loans to supplement grants. The purpose of the review is to improve the overall prospects of students, not to make things worse.

Mr. D. E. Thomas: Will the Minister explain to the House how access and age participation in higher education can possibly be increased through a loan scheme as contrasted with an open-grant scheme?

Mr. Walden: The hon. Gentleman must first explain to the House how an admitted decrease in the value of the grant over the last few years, and during the 1970s, has coincided — particularly in the last few years — with a massive increase in access?

Mr. Dorrell: Has my hon. Friend seen reports that the right hon. Member for Plymouth, Devonport (Dr. Owen) supports the total replacement of student grants with a system of student loans? Does he know what the Liberal party thinks about that proposal, and will he accept my word that his announcement today, that the Government have no such proposals, will be welcomed in every British university?

Mr. Walden: Everyone knows that the question of student grants is complicated, but the alliance has confused things beyond reason. I have heard the hon. Member for Yeovil (Mr. Ashdown) say that he is against loans, but I have here a copy of a speech by the right hon. Member for Plymouth, Devonport, in which he says:

"Students would be able to take out loans for part of their costs . . . Students would also be able to take out loans for topping up basic social security levels of support".

The alliance has a duty to clarify to the House and to the country its position on student loans.

Mr. Meadowcroft: Why does the Minister believe that students can survive in real terms on less grant than he had? What is the difference between loans and the overdrafts, into which the Government have forced students?

Mr. Walden: I am disappointed that the reply of the hon. Gentleman did not direct itself to the perfectly reasonable question that I put to him. I am glad to see that the right hon. Member for Devonport has now joined us, and I hope that he will give us a reply.

Mr. Peter Bruinvels: Does my hon. Friend accept that it is a privilege to go to university and that our grant system is the fairest and most generous in Western Europe? Should we not, as a matter of urgency, be looking at a partial loan, at least, and encouraging our students to look to a career prospect at the end of their time at university? In other words, they go to university with a career aim at the end of it.

Mr. Walden: I share my hon. Friend's view. I would add only that it is clear now that the Conservative party is the party of social equity. That is why we are considering the possibility of sharing the cost of student maintenance between taxpayers, parents and students.

Mr. Strang: Is it not the Government's policy that it is desirable to increase the proportion, if not the absolute number, of working-class students attending our universities? Will he accept that even a top-up loan in this context would not be helpful?

Mr. Walden: The hon. Gentleman is inadvertently perpetuating the myth that access to higher education for those from low-income backgrounds is pre-determined by the current level of the grant. That is not the position. Access is pre-determined to a large extent by the quality of the schools which students attended, and the Opposition have much to answer for on that score.

Mr. Powley: Is my hon. Friend aware of the demonstrations that are taking place at the University of East Anglia in my constituency about the level of student grants? Is he further aware that in the latest incident a Mr. Osborne, a worker at the university, was physically injured? Will my hon. Friend accept that such demonstrations are counter-productive to the cause of the student fraternity?

Mr. Walden: In recent months I have often found myself wandering in what are called loan-free zones. I agree with my hon. Friend that it is deplorable that students should behave in the way to which he has referred. In my experience — I have been to many education institutions—the extremists are a minority. I have met many reasonable students who understand perfectly well what we are about in our review. They understand also that any Government will be faced with spending priorities. They know that student grants come from the same budget as the aid budget, the National Health Service budget and everything else.

Mr. Andrew F. Bennett: Will the review be available in time for the debate during the general election, or will it be smuggled out afterwards? If the Chancellor of the Exchequer has so much money in his pocket, why cannot a little of it be used to increase student grants this year so that a start can be made to counter the erosion that has occurred, or are the Government insisting on penalising students to make it easier to introduce loans in due course?

Mr. Walden: The hon. Gentleman has involved himself in a double hypothesis. He does not know when the next general election will be and nor do I. I do not know when I shall complete the work on my review. I know, however, that I plan to do a thorough job. Likewise, the hon. Gentleman does not know when I shall complete that work. That being so, how can I possibly answer his supplementary question?

Secondly, the hon. Gentleman referred to my right hon. Friend the Chancellor of the Exchequer, who will be giving us some news later. I have read the suggestion in the press that there may be several billion pounds to be given away. I know nothing about that. I know only that the National Union of Students has made an advance demand for £2 billion from the taxpayer.

School Buildings

8. **Mr. Livsey** asked the Secretary of State for Education and Science what number and proportion of unpublished reports of recent school inspections by Her Majesty's inspectors contain adverse comment about the state of school buildings; and if he will make a statement.

Mr. Dunn: My right hon. Friend publishes all formal reports to him by Her Majesty's inspectors following their inspections of schools in England. All the reports refer to the state of school buildings and accommodation. I cannot comment on reports which are still in preparation.

Mr. Livsey: Does the Minister accept that in the unpublished reports there are descriptions of school buildings that are in an unsatisfactory state and that the education of 1 million children is affected by this? Is it not a disgrace that 168 of these reports have not yet been published?

Mr. Dunn: I find it difficult to comment on reports that have not yet come before us following their publication. I should like to have the hon. Gentleman's source of information.

Mr. Patrick Thompson: Is my hon. Friend aware that too many head teachers have to spend too much time telephoning various departments of their county hall when dealing with school repairs? Would it not be a good idea if head teachers had more authority in dealing with these matters and local authorities had less?

Mr. Dunn: That is precisely what our plans will bring about.

Mr. Litherland: Is the Minister aware that the district auditor in Manchester has drawn attention to the insufficient funding of preventive maintenance and has concluded that that will lead to irreparable decay and higher maintenance costs. Does the Minister not believe that he is following a short-sighted policy?

Mr. Dunn: I do not, and the facts speak for themselves. Our plans for local authority current expenditure in 1987-88 provide for a 14 per cent. increase, in real terms, in spending on the repair and maintenance of school buildings compared with what local authorities spent in 1984-85.

Dr. Hampson: Does my hon. Friend agree that some of the accusations about school buildings are not what they seem? Did my hon. Friend notice that last week the *Daily Mirror* devoted its front page to the story of the demolition of a school in Leeds, Brownhill school? That report was grossly misleading because that Victorian school—a fine school—was demolished by the Labour council only because it was suffering as a result of mining subsidence. Far from there being a shortage of money, that school is being replaced by two new schools.

Mr. Dunn: I understand precisely the point that my hon. Friend is making. I believe that we would have a far better debate in the House and in the country on the future school stock if Opposition Members accepted their share of the responsibility for the state of some of our schools.

City Technology Colleges

9. **Mr. Wainwright** asked the Secretary of State for Education and Science what is the number of pupils now expected to be achieved by the first city technology college in each of the first four years of operation; and if he will make a statement.

Mrs. Rumbold: The build-up of pupils in the first city technology college will depend on decisions yet to be taken about the preparation of the accommodation and the admission of pupils. In our discussions with sponsors we have emphasised that where possible we would like more than one year group to be admitted to a CTC from year one, and that we expect to see them move to full capacity as quickly as possible.

Mr. Wainwright: As to the initial stages of this first technology college to be established, about what proportion of the total cost will be covered by the sponsorships that have so far been obtained?

Mrs. Rumbold: The proportion of the cost for which we have sponsorship relates to the capital, that is the cost of the buildings. My right hon. Friend will be supplying the

costs for the revenue expenditure and that will depend on the number of students who enter the college at the first stage.

Mr. Holt: May I thank my hon. Friend on behalf of my constituents in Saltburn and Langbaurgh for the wise decision to keep the Huntcliff school open. I hope that my hon. Friend does not seek to rest on her laurels or those of her colleagues, because in Langbaurgh planning application is already at an advanced stage for a CTC. The public notices are up and the money is coming in, led by Davy International. Please do not listen to Alistair Graham, listen to the people of Teesside. They want the CTC.

Mrs. Rumbold: I am extremely grateful to my hon. Friend. I know that the initiative for the CTCs is widely welcomed, not only by people and parents, but by industrialists.

Mr. Skinner: The truth of the matter is that industrial chiefs are not sending money for those colleges for two principal reasons. First, they are fed up to the back teeth with the Tory party chairman sending begging letters asking for money to fight the general election. One of them was alleged to have said, "They have a damned cheek asking us for money to fight the election and asking us for money to look after these colleges at the same time." That is the real truth of the matter and that is why the Government are unable to get the money they thought they would get in the first place.

Mrs. Rumbold: Quite apart from the fact that I would have liked to know the second reason, I can assure the hon. Gentleman that all his speculation is completely unfounded. The CTCs are finding good support from industrialists.

Teachers (Pay and Conditions)

10. **Mr. Greenway** asked the Secretary of State for Education and Science what response he has had to his statement on teachers' pay and conditions of employment.

13. **Mr. Tim Smith** asked the Secretary of State for Education and Science what view head teachers have expressed to him on his proposals on teachers' pay.

Mr. Kenneth Baker: I am awaiting responses from those organisations which I am consulting about my proposals.

Mr. Greenway: Does my right hon. Friend agree that today's strong vote by the Assistant Masters and Mistresses Association against strikes contrasts with yesterday's strikes by other teacher unions? That underlines the disunity within the teaching profession. Surely the time has come for all strikes to end, in the interests of children, and for my right hon. Friend and all teachers' unions to produce a successor to the Burnham machinery for the discussion, as soon as possible, of teachers' pay and conditions and, above all, a strike-free deal.

Mr. Baker: I warmly welcome the fact that the third largest teachers' union, the AMMA, has voted today not to go on strike. This means that in the ballots which have been held fewer than half the teachers overall have voted for strike or other action. In my view, and I think that of most people, these strikes are totally unjustified. Parents do not understand why teachers are causing disruption when what is proposed will mean a 25 per cent. pay increase over 18 months.

Mr. Speaker: Mr. Tim Smith.

Mr. Tim Smith: Is my right hon. Friend aware— *[Interruption.]*

Mr. Speaker: Order. I have called the hon. Member to speak from the side Gallery because he cannot find a seat on the Floor.

Mr. Smith: Is my right hon. Friend aware that Norman Willis has said that the two largest teachers' unions should merge and that their rivalry has done teachers no good? Might he not have added that their rivalry has done the children no good either and that the sooner they get back to work the better?

Mr. Baker: That is very good advice from on high. I should like to add my words to it. I very much hope that as a result of today's ballot those militant union leaders who are still calling out some of their members on strike will stop. The only people who suffer as a result of these strikes are the children. We should not take it out on the children.

Mr. Ashdown: As the Secretary of State well knows, the alliance does not believe that the teachers should be striking at the moment. Does he agree that that action will damage not only the children's education but the teachers' cause? Does the right hon. Gentleman realise that many people outside the House and, indeed, outside politics, recognise that his action in withdrawing without limit the rights to negotiate pay and conditions was a deliberately provocative act, so that he now bears the burden of the blame for some of the disruption which is going on in our schools?

Mr. Baker: The hon. Gentleman should appreciate that the Government introduced the interim advisory committee because the negotiating procedures had led nowhere over the past four years. I have provided a breathing space and a cooling-off period to determine more permanent satisfactory arrangements. I very much hope that all the unions will take advantage of this cooling-off period.

Mr. Mark Carlisle: I welcome AMMA's decision today. Will my right hon. Friend welcome the enormous increase in the membership of the Professional Association of Teachers, which, as a union committed not to strike, has increased its membership from 16,000 in 1980, when it was recognised, to 42,000 today? Will he take this opportunity to remind those who deplore the leadership of the NUT and the National Association of Schoolmasters that there is another strong union today?

Mr. Baker: My right hon. and learned Friend is absolutely right. The union which has grown most in the past few years is the Professional Association of Teachers, which is committed not to taking strike action. The other union which has also grown is AMMA, which today voted against striking. The union which has dropped in membership is the NUT, which is out on strike. I think that I speak for the whole House when I say that I very much hope that these disruptive strikes will come to an end. They are not justified.

Mr. Flannery: Is it not a fact that, whoever has voted not to come out on strike, three quarters of the teaching

profession have voted to do so? *[Interruption.]* That, despite all the attempts to shout me down, is the reality of what the Secretary of State has done to the education of our children by trying to get rid of a negotiating process which has existed for more than 100 years, and which has never been broken before, except by this tyrannical Government.

Mr. Baker: Not for the first time, the hon. Gentleman has got his figures all wrong. Fewer than half the teaching profession has voted to take strike action. Indeed, the response to the strike action was very patchy last week. In some counties, only 5 per cent. of the schools were closed. There were stronger responses in the cities and towns, but much less in the rural areas and in the primary schools. I hope that the hon. Gentleman will add his voice in his union to discourage further strike action.

Sir Hugh Rossi: Will my right hon. Friend say whether he has precluded the setting up of a new, balanced negotiating machinery at the end of the three-year transitional period?

Mr. Baker: I would emphasise to my hon. Friend that I have said that we now have a cooling-off period in order to determine more permanent and satisfactory arrangements. There are broadly two views, one moving to an independent review body, coupled with certain conditions —possibly a "no-strike" arrangement—or, alternatively some form of joint negotiation. We cannot return to the latter at the moment, because the unions are hopelessly divided. So a cooling-off period is needed.

Mr. Radice: We deeply regret the continued disruption in our schools. Nobody wants the teachers to be on strike, but is it not the case that when the Secretary of State removed teachers' bargaining rights and imposed his own plan he was taking a dangerous gamble—one that has not come off? Does he not understand that parents who have had to put up with at least two years' disruption are now expecting him to use the authority of his office to bring peace to our classrooms by hastening a return to collective bargaining?

Mr. Baker: The hon. Gentleman deplores the strike. Could he perhaps express that view to a prominent member of the Labour party and chairman of the Trades Union Congress, Mr. Fred Jarvis, and deplore the fact that these unions and their militant leaders are calling teachers out on strike? These strikes are harmful to the children. Those teachers who come out will not be forgiven. The proposals that I have put forward are of an interim nature. What we want is to move towards better, permanent arrangements.

PRIME MINISTER

Engagements

Q1. **Mr. Amess** asked the Prime Minister if she will list her official engagements for Tuesday 17 March.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty The Queen.

Mr. Amess: Is the Prime Minister aware that there will be widespread concern at yesterday's crime figures, which is why many people will welcome the tougher sentences contained in the Criminal Justice Bill currently before the House? Is she not saddened by the fact that, on certain provisions, particularly the clause that would have allowed for a review of lenient sentences, Opposition Members actually voted against them?

The Prime Minister: Yes, I agree with my hon. Friend. The crime figures published yesterday mean that we shall be even more determined in pursuing our policy to see that the police and the courts have the powers and resources that they need and to encourage people to take more steps to prevent crime. I agree with my hon. Friend that the attitude taken by the Opposition, both in local authorities and in this House, does nothing to help us fight crime.

Mr. Kinnock: Does the Prime Minister recall my previous request to her to provide people, especially old people, with help to make their homes secure, to provide for the improvement of housing and lighting schemes and seriously to combat unemployment as practical ways of assisting the police in their increasingly difficult task of preventing and detecting crime? In view of yesterday's truly shocking crime figures and of the 50 per cent. increase in crime since her Government came to office, will the Prime Minister now respond urgently and positively to those requests? Or does she take the same supine view as her Home Secretary, that the Government's anti-crime programme is simply taking time to work?

The Prime Minister: The right hon. Gentleman is aware that there is already help for older folk with crime prevention schemes. It is operated through the community programme scheme, and operated very well indeed. I welcome the desire for more neighbourhood watch schemes, which already number, I understand, nearly 20,000, are working well and are preventing crime in a number of areas.

I listened carefully to what the right hon. Gentleman said. May I remind him that a batch of Labour local authorities go out of their way to undermine the police and finance criticism of the police at public expense? Worse than that, official Labour party policy would put those very people into a position of control over the police under the plan by which police priorities would be settled by local authorities.

Mr. Kinnock: First, all that the right hon. Lady says about Labour party policy is absolute rubbish and completely untrue. Secondly, anyone of any political colour who seeks to impede the proper work of the police is being simply anti-social. No one should be permitted to fall down on his or her public responsibilities. Thirdly, although the various initiatives which the right hon. Lady listed are all worth while, most of them, sadly, are only worthy palliatives. When will the right hon. Lady take action to strike at the social and economic roots of crime, to give people, especially women and old people, proper protection and to take up the issue of recruitment in order to remove the administrative burden on the police, including that imposed by the Police and Criminal Evidence Act 1984 that keeps—*[Interruption.]*

Mr. Speaker: Order.

Mr. Kinnock: I thought that it would not be long before the Tory party gave up being concerned about crime.

I want the Prime Minister to tell us what she is going to do, in addition to those other things, to remove the administrative burden that keeps as many as 50 per cent. of our police officers off the streets and away from their first task.

The Prime Minister: I would have more respect for what the right hon. Gentleman has said if he had supported the Prevention of Terrorism Act. I would have more respect for what he has said if he had supported the proposal to refer lenient sentences to the Court of Appeal, and I would have had more respect if his party had supported us in voting for increased maximum penalties. He did none of those things. His party voted against all three.

Mr. Ward: Is my right hon. Friend aware that many of us would welcome the conversion of the Leader of the Opposition to the cause of law and order if he now demonstrated that he will persuade—*[Interruption.]*

Mr. Speaker: Order. The hon. Gentleman must relate his question to the Prime Minister's responsibilities.

Mr. Ward: Would not the cause of law and order be better served if my right hon. Friend would illustrate to us the importance of the loony Left not running down the police on every occasion, and of allowing the police to get on with their job instead of having to monitor processions run by such groups?

The Prime Minister: The activities of some Labour authorities in undermining the police are well known and I believe that until they are totally and utterly repudiated we must take them into account in viewing the way in which the Opposition propose to tackle crime.

Mr. Roy Jenkins: Will the Prime Minister — *[Interruption.]*

Mr. Speaker: Order.

Mr. Jenkins: Will the Prime Minister recall the question to the Attorney-General yesterday of the right hon. Member for Morley and Leeds, South (Mr. Rees), and will she accept that, speaking as the Home Secretary for most of the relevant period, I entirely endorse what he said? Is the right hon. Lady aware that it is now her clear duty to set up an inquiry into the activities of certain elements in the Security Service during the mid-1970s?

The Prime Minister: The Prime Minister of the day made a statement on that matter, and I have nothing to add to what he said.

Mr. Evennett: Will my right hon. Friend give a guarantee that, after she has won the next general election, she will look carefully at the existence of the Inner London education authority, with a view to reform or abolition?

The Prime Minister: The Local Government Act 1985 contains a power to review ILEA by 1991. We shall, of course, review its activities and its future.

Q2. **Sir Russell Johnston** asked the Prime Minister if she will list her official engagements for Tuesday 17 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Sir Russell Johnston: Surely the crime statistics that have been referred to will lead the right hon. Lady to reconsider her view that there is no relationship between unemployment and crime. Surely the huge increase in unemployment has had exactly such disastrous social consequences. Does she reject the old saying, which I dare say she heard at her father's knee, that the devil finds work for idle hands?

The Prime Minister: It is a sad fact that the peak age of offenders is 15 years, which is below the school-leaving age. It does not necessarily seem to support what the hon. Gentleman said. Academic research has suggested that there is no significant association between increases in recorded crime and increases in unemployment. I accept that, in general, the phrase that the hon. Gentleman used seems to be true, but it is not borne out by the research that we so far have. He will, of course, know that unemployment involved a much bigger proportion of the working population in the 1930s, but crime was nowhere near what it is today.

Mr. Holt: Will my right hon. Friend care to look at *Hansard* of three or four weeks ago, when Lord Mishcon, speaking from the Opposition Benches in the House of Lords on the subject of law and order, said that sentencing in this country was too long and too severe and that it should be shortened, as it is in Holland, where an armed robber would receive only four and a half years, as against 15 years in this country? Is that any way in which to combat crime?

The Prime Minister: We believe that it is the duty of the Government to see that sufficient maximum sentences are available to the courts in case they should be needed. We have therefore consistently looked at the maxima and increased them where necessary. For example, attempted rape now attracts a life sentence. In the Criminal Justice Bill, for carrying a firearm during the commission of a crime, even when not used, the sentence will be up to life. The last matter was, of course, opposed by the Labour Opposition.

Mr. Merlyn Rees: With regard to the answer that the Prime Minister gave the right hon. Member for Glasgow, Hillhead (Mr. Jenkins), why does the right hon. Lady keep calling in aid an inquiry of August 1977, the contents of which she cannot have seen, saying that the allegations that are currently made were investigated then, when they were not investigated then? Fresh allegations should be looked at. The more the Prime Minister calls in aid an inquiry, the contents of which she can know nothing about, the more she strengthens the case for an inquiry now.

The Prime Minister: The right hon. Gentleman is certainly referring to matters for which I am not, and cannot be, responsible. May I read once again the statement that the then Prime Minister made—[HON. MEMBERS: "No."]—to which I cannot possibly add. It was reported on 8 December 1977. The statement was made during the recess and was referred to in the House.

"The Prime Minister has conducted detailed inquiries into the recent allegations about the Security Service and is satisfied that they do not constitute grounds for lack of confidence in the competence and impartiality of the Security Service or for instituting a special inquiry." — [*Official Report*, 8 December 1977; Vol. 940, c. 1645.]

That is what the Prime Minister of the day said. I can take no responsibility whatsoever for matters that happened before my time. The hon. Gentleman must take up those matters with the Prime Minister of the day.

Mr. Fairbairn: Does my right hon. Friend appreciate, I could say it in Latin, but I shall not, that the permissive society one generation on has turned out to be the criminal society?

The Prime Minister: My hon. and learned Friend makes his own point very effectively.

Q3. **Mr. Winnick** asked the Prime Minister if she will list her official engagements for Tuesday 17 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Winnick: As the head of the Security Service, does the Prime Minister not recognise that if some dissident members of the Security Service in the 1970s tried to destabilise a Government whom they did not like, it strikes at the very heart of democracy? On reflection, therefore, does the Prime Minister not recognise, bearing in mind the answers that were given yesterday by the Attorney-General, that we cannot be satisfied with anything less than a full judicial inquiry about what happened during the time of a Labour Government?

The Prime Minister: The hon. Gentleman is concerned with something that did not happen in my time and about which the Prime Minister of the day made a clear statement. *[Interruption.]*

Mr. Speaker: Order. I ask the House to listen to the Prime Minister.

The Prime Minister: The Labour Prime Minister of the day made a clear statement about it. The hon. Gentleman must take up that matter with that Prime Minister.

Mr. Bell: On a point of order, Mr. Speaker. Earlier, the hon. Member for Poole (Mr. Ward) said that the Leader of the Opposition had been converted to the cause of law and order. I should like you to ask him to withdraw that phrase.

Mr. Speaker: Order. I do not think that it was unparliamentary, although it might have been rather offensive.

Mr. Ward: Further to that point of order, Mr. Speaker. I had not realised what a sensitive subject law and order is with the Opposition. In view of the embarrassment, of course I withdraw it.

NEW MEMBER

The following Member took and subscribed the Oath:

Matthew Owen John Taylor Esq., for Truro.

WAYS AND MEANS

Budget Statement

Mr. Deputy Speaker (Mr. Harold Walker): Before I call the Chancellor of the Exchequer, it may be for the convenience of hon. Members if I remind them that at the end of the Chancellor's speech, as in past years, copies of the Budget resolutions will not be handed around in the Chamber but will be available to hon. Members in the Vote Office.

3.34 pm

The Chancellor of the Exchequer (Mr. Nigel Lawson): The setting for this year's Budget is more favourable than it has been for very many years. We are now entering our seventh successive year of steady growth, and the fifth in which this has been combined with low inflation. The public finances are sound and strong, and unemployment is falling. These are the fruits of the Government's determination, in bad times as well as good, to hold firmly to our policies of sound money and free markets. Once again, I reaffirm those policies.

I shall begin, as usual, by reviewing the economic background to the Budget. I shall then turn to monetary policy and to the fiscal outlook this year and next. Finally, I shall propose some changes in taxation designed to improve still further the prospects that lie before us. A number of press releases, filling out the details of my proposals, will be available from the Vote Office as soon as I have sat down.

THE ECONOMIC BACKGROUND

I start with the economic background. Nineteen eighty-six was dominated by the sudden collapse of the oil price. Our own economy was affected not only directly, as a major oil producer and exporter, but also by the pause in world growth as the world economy adjusted to what has been described as the third oil shock. Despite this dislocation, however, the economy has developed in most respects as I foreshadowed a year ago.

In 1986 as a whole output grew by a further 2½ per cent., or so, which compares well with the experience of other industrialised countries. It is worth recalling that during the 1960s, and again in the 1970s, Britain's growth rate was the lowest of all the major European economies. By contrast, during the 1980s, our growth rate has been the highest of all the major European economies.

This greatly improved growth performance has been accompanied by falling inflation, which at 3½ per cent. in 1986 reached the lowest figure for almost 20 years. Over the lifetime of this Parliament, inflation has averaged less than 5 per cent.

During the first half of last year, exports and hence output were affected by the pause in world growth to which I have already referred. But since the middle of the year exports have grown strongly. Indeed, over the last three months the volume of exports of manufactures was 6 per cent. higher than a year earlier — a better performance than that of any other major economy. This pattern was reflected in the rapid growth of manufacturing output in the second half of last year.

This resurgence of economic growth, coupled with the special measures we have taken, has brought about a welcome fall in the number of people out of work. Since July unemployment has fallen by more than 100,000, the largest six-monthly fall since 1973. Though the numbers out of work are still far too high, both youth unemployment and long-term unemployment are now lower than they were a year ago.

I announced a number of specific employment measures in my last Budget, and since then my right hon. and noble Friend the Secretary of State for Employment has further extended the restart programme for the long-term unemployed. There will also be more places on the enterprise allowance scheme, and the number of jobclubs is to be quadrupled. The new job training scheme will eventually give a quarter of a million people, most of them youngsters, vocational training leading to recognised qualifications. With these and other measures, this Government have developed their employment and training programmes on a scale which no other country can match. But the best hope of all for the unemployed is in the continued vigour of the economy.

Since the early months of last year, there has been a further surge in manufacturing productivity. This continues the remarkable improvement in productivity growth achieved by British industry throughout the 1980s. During the 1960s, and again in the 1970s, growth in manufacturing productivity in the United Kingdom was the lowest of all the seven major industrial countries in the world. During the 1980s, our annual rate of growth of output per head in manufacturing has been the highest of all the seven major industrial countries.

The recorded current account of the balance of payments went into deficit in 1986 by around £1 billion. This followed a cumulative current account surplus of some £20 billion between 1979 and 1985. Some deterioration in our current account was inevitable in the face of a £4 billion loss of earnings on oil trade virtually overnight. But the significance of this should not be exaggerated. The exchange rate adjustment that followed the fall in the oil price is already contributing to an improved non-oil trade performance. And earnings from the massive stock of net overseas assets we have acquired since 1979 will provide a continuing support to the current account in the years ahead. At well over £100 billion, our net overseas assets are now greater than at any time since the war, and second only to those of Japan.

Looking ahead, I expect 1987 to be another year of balanced growth with low inflation. Total output is forecast to rise by 3 per cent., with exports and investment up by rather more than that. By then we will have registered the longest period of steady growth, at a rate approaching 3 per cent. a year, that the British economy has known since the war. Manufacturing industry, in particular, should do well in 1987. and with the non-oil economy set to grow at 3½ per cent., there is every prospect of unemployment continuing to fall throughout the year.

In last year's Budget speech I said that the outlook for jobs depended on a sustained improvement in the performance of business and industry. That sustained improvement in economic performance is now well under way.

Despite the strong growth in exports, it will inevitably take time for the full effect of the exchange rate adjustment to work through. The current account is thus likely to remain in deficit this year, by some £2½ billion, around half of 1 per cent. of GDP.

As I foreshadowed in the autumn statement, inflation may continue to edge up for a time, perhaps exceeding 4½

per cent. by the summer, before falling back to 4 per cent. by the end of the year. While short-term fluctuations are inescapable, it remains the Government's prime objective to keep inflation on an underlying downward trend.

Given the continuation of present policies in this country, the biggest risk to the excellent prospect I have outlined is that of a downturn in the world economy as a whole. There are still serious imbalances afflicting the three major economies—the United States, on the one hand, and Japan and Germany on the other—which, if not handled properly, could lead to a simultaneous downturn in all three. And this in turn could be exaggerated by renewed turmoil in the foreign exchange markets, whose tendency to overshoot is as notorious as it is damaging.

It was to address these dangers that the Finance Ministers and central bank governors of six major nations met in Paris last month, and agreed among other things to co-operate closely in fostering a period of exchange rate stability. In my Budget speech last year, I said:

"Provided we are not over-ambitious, I believe that the Plaza accord is something we can usefully build on."—[*Official Report*, 18 March 1986; Vol. 94, c. 167.]

That is what we have now done, with Plaza II. But it would be idle to deny that the wider risks still remain.

Short of a world downturn, which can and must be avoided, British industry now has an outstanding opportunity, with growing markets at home and overseas, low inflation, rapidly growing productivity and greatly improved profitability. Provided it can control its costs and maintain its present competitive advantage, and assuming the continuation of present policies, we can look forward to many more years of strong growth combined with low inflation.

MONETARY POLICY

For their part, the Government will keep in place a sound and prudent financial framework. That means, as it has done since 1980, the medium-term financial strategy. The central objective of the MTFS is gradually to reduce the growth of money GDP over the medium term so as to squeeze inflation out of the system and ultimately to achieve price stability. This requires monetary discipline buttressed by low public sector borrowing. The essential instrument of monetary policy must remain short-term interest rates. These will continue to be set in the light of monetary conditions as indicated principally by the growth of narrow and broad money and the behaviour of the exchange rate.

For narrow money, MO, the target range for next year will be 2 to 6 per cent. as foreshadowed in last year's MTFS. For broad money, however, as the Governor of the Bank of England cogently argued in his Loughborough lecture last October, it is probably wiser in current circumstances to eschew an explicit target altogether. But broad money will continue to be taken into account in assessing monetary conditions, as of course will the exchange rate.

PUBLIC SECTOR BORROWING

I mentioned a moment ago the need to keep public sector borrowing low.

The final outturn for the public sector borrowing requirement last year, 1985-86, was just under £6 billion, equivalent to 1¼ per cent. of GDP, the lowest level since 1970-71. In my Budget last year, faced with a massive loss of what now looks to be almost £7 billion of North sea oil revenue, I none the less decided to hold the PSBR for this year, 1986-87, to £7 billion, or 1¾ per cent. of GDP.

In the event, this year's PSBR looks like turning out at only £4 billion, or 1 per cent. of GDP—the second successive year of significant undershoot. This successful outcome is chiefly attributable to the remarkable buoyancy of non-oil tax revenues in general and of the corporation tax paid by an increasingly profitable business sector in particular.

Looking ahead, there is still a degree of uncertainty surrounding oil prices, and I have therefore stuck to the assumption I made last year that the North sea oil price will average $15 a barrel. But it is clear that the increased flow of non-oil tax revenues, coupled with the prospective further growth of the economy in excess of the growth of public expenditure, puts the public finances in a very strong position. I intend to keep it that way.

Last year's MTFS indicated a PSBR for 1987-88 of £7 billion, or 1¾ per cent. of GDP; and, as the House will recall, I gave an assurance at the time of the autumn statement, when I announced a £4¾ billion increase in planned public expenditure in 1987-88, that on no account would I exceed that figure.

Indeed, I believe it is right to go below it. Since its inception in 1980, the MTFS has indicated a steadily declining path for the PSBR expressed as a percentage of GDP. We have now reached what I judge to be its appropriate destination—a PSBR of 1 per cent. of GDP. My aim will be to keep it there over the years ahead. This will maintain a degree of fiscal prudence that, until this year, had been achieved on only two occasions since 1950.

Accordingly, I have decided to provide for a PSBR in 1987-88 of £4 billion.

Inevitably, this greatly diminishes the scope I have this year for reducing the burden of taxation, which of course remains a major objective of Government policy. But I am sure it is right to err on the side of prudence and caution, and to build a still firmer base for the future. That is the principle on which both I and my predecessor have consistently conducted economic policy these past eight years, and I see no reason to depart from it now.

Meanwhile, I would make one further observation, of a different nature. Economic arguments are seldom concluded, one way or another. This is chiefly because it is unusual for economic policies to be held in place long enough to provide sufficient evidence. But the 1980s have been different; and, as a result, one critically important economic argument has now been concluded, finally and decisively.

Throughout our period of office, our critics have consistently maintained not only that a fiscal stimulus would produce real economic growth but that without an expansionary fiscal policy sustained growth was impossible. They were wrong, and have been proved wrong. The British economy is now embarking on its seventh successive year of steady growth, at an average rate of getting on for 3 per cent. a year. And during that time the PSBR, even if privatisation proceeds are added back, has been deliberately and steadily reduced from a shade under 6 per cent. of GDP to a little over 2 per cent. Indeed, had I or my predecessor at any time heeded the advice of our so-called expansionist critics, the British economy would never have been in the unprecedentedly favourable position it is in today.

EXCHANGE CONTROL

Before I turn to my proposals for changes in taxation, I have one other change of a specific nature to announce. In 1979, a few months after the present Government had first taken office, my predecessor announced the abolition of exchange controls, which had been in continuous operation ever since the outbreak of war in 1939. That bold action has, over the past seven and a half years, proved wholly beneficial to the British economy; and I am glad to note that other European countries are now moving in the same direction.

But the Exchange Control Act remains on the statute book. The time has come to repeal it. The necessary legislation will be contained in this year's Finance Bill.

I note that, in what was clearly intended to be a major speech in New York in September, the Deputy Leader of the Labour party declared that

"The Labour Party has no intention of reintroducing statutory exchange controls".

I am confident, therefore, that the proposal I have just made will be welcomed on all sides of the House.

BUSINESS AND ENTERPRISE

I now turn to taxation. First, taxes on business.

The fundamental reform of the corporation tax system which I introduced in 1984 came fully into effect last April. The new system has undoubtedly improved the quality of business investment decisions in Britain, and is also encouraging more overseas companies to set up here.

During the transition to the new system, companies were given advance notice of the main rate of corporation tax for the year ahead. This helped them in their forward planning, and I intend as far as possible to continue the practice of setting the rate in advance.

Accordingly, I can announce now that the main rate of corporation tax in 1987-88 will be unchanged at 35 per cent.—lower than in any other major industrial nation, though the United States is now set to emulate us.

The low rate of corporation tax enables me to introduce a further simplification into the system.

At present, while companies' capital gains are liable to corporation tax, the amount of such gains is first adjusted by a certain fraction so that the effective rate of tax is the same as that on capital gains made by individuals. This dates back to the time when the two rates of tax were far apart.

This is no longer the case. Indeed, the corporation tax rate for small companies is now below the capital gains tax rate. I therefore propose that, from today, companies' capital gains be charged at the appropriate corporation tax rate, without adjustment, save for the indexation which applies to all post-1982 gains.

Hitherto, companies have not been allowed to set payments of advance corporation tax against their liability to tax on capital gains. This means that, where companies distribute capital gains as dividends, the gains are, in effect, taxed twice—once in the hands of the company, and once in the hands of the shareholder. I propose that, under the new system, companies should be able to set ACT payments against tax on capital gains.

Taken together, these changes should yield £60 million in 1988-89.

I also have some further simplification and rationalisation of the corporation tax system to announce.

At present, some companies established before 1965 do not have to pay their corporation tax until up to 21 months after the end of the period for which it is due, whereas companies established since 1965 have to pay their tax after nine months—and indeed some building societies have to pay sooner still. This difference in treatment cannot be justified. Moreover, it is open to an abuse which could put the timing of a substantial proportion of the total corporation tax yield at risk.

I therefore propose that all companies and building societies should be treated the same way, with all liable to pay tax nine months after the accounting period for which it is due.

While business and industry as a whole are doing well, the North sea oil sector has inevitably been hard hit by last year's oil price collapse. My right hon. Friend the Secretary of State for Energy and I have followed closely the effects on North sea producers and their suppliers. The industry itself is generally confident about the longer-term prospects; while, as for the tax system, not only is it inherently price-sensitive, but the companies themselves have repeatedly stressed their desire for stability.

However, in the light of the immediate problems, I introduced legislation last autumn to bring forward the repayment of over £300 million of advance petroleum revenue tax. This has already helped many of the smaller and medium-sized companies faced with cash flow difficulties.

I now propose two further petroleum revenue tax reliefs. First, as from today, companies may elect to have up to 10 per cent. of the costs of developing certain new fields set against their petroleum revenue tax liabilities in existing fields, until such time as the income of those new fields exceeds the costs incurred. Second, there will be a new relief against PRT for spending on research into United Kingdom oil extraction that is not related to any particular field.

I believe that these carefully targeted changes will give a worthwhile measure of relief to the North sea oil sector.

Last year I put the business expansion scheme on to a permanent footing. However, the present rules still produce too much end-year bunching of BES investments, and hence may crowd out some projects and lead to bad decisions on others. I propose, therefore, to permit someone who invests in the first half of the year to claim part of the relief against his previous year's income. This will make it easier for companies to raise BES finance throughout the year.

I also propose to legislate now to pave the way for a new method of collecting corporation tax, to be known as pay and file. Under this system companies will estimate their tax liabilities themselves, and pay on the normal due date. Where it turns out that the initial payment was too low, the company will pay interest to the Revenue; where the initial payment was too high, the Revenue will pay interest to the company. This new approach, which has already been generally welcomed by the business community, is part of a wider programme of streamlining tax collection, and will not come into force until the early 1990s.

I have to set the 1988-89 car and fuel benefit scales for those with company cars. The car scale charges still fall well short of the true value of the benefit, and, as last year, I propose to increase them by 10 per cent. There will be no change in the fuel scales which, as already announced, will also be used for VAT purposes from 6 April. *[Interruption.]*

Training and retraining are vital to a flexible and competitive economy. At present training — *[Interruption.]* If right hon. and hon. Members are not interested in training, they show themselves to be a fraud, which we know them to be.

Mr. Willie W. Hamilton (Fife, Central): On a point of order, Mr. Deputy Speaker. The Chancellor's Parliamentary Private Secretary, obviously, has some amended version of the speech which he has received from a civil servant in the Box. Would you now suspend the sitting until the Chancellor is properly equipped with the new speech?

Mr. Deputy Speaker: Order. The hon. Gentleman knows perhaps better than any other hon. Member that, according to convention, the Chancellor is listened to without interruption. The hon. Gentleman also knows that what happens behind the Chair is not part of our proceedings.

Mr. Lawson: Training and retraining are vital to a flexible and competitive economy. At present, training financed by an employer that is related to the employee's current job is allowable against tax for the employer and imposes no tax burden on the employee. But an employer who is willing to finance the retraining of workers for future employment elsewhere may find that the cost of this is not allowable against tax, and the employee may find that he has received a taxable benefit. I propose to remove both these obstacles. This should help more workers to acquire new skills for new jobs.

The past few years have seen a remarkable and welcome growth in the number of small businesses and the self-employed. The Government have done a great deal to lighten the burdens on this vitally important sector of the economy. But I am well aware that problems remain, not least in the field of VAT.

Accordingly, I asked Customs and Excise to issue a consultative document last autumn canvassing a number of changes. In the light of the responses to that document, I have four proposals to make.

Perhaps the biggest problem faced by the small business man today is the trade customer who is late in paying his bills: so late sometimes that VAT becomes due before the bill has been paid. I can do nothing about late payment; but I can, I hope do something about the VAT problem.

My first and most important proposal, therefore, is that, as from 1 October, businesses whose annual turnover is under £¼ million, which covers more than half of all traders registered for VAT, will be able to choose to account for VAT on the basis of cash paid and received. In other words, they will have no liability to pay VAT until they themselves have received the money from their customers. In addition to easing the cash flow problems caused by late payers, this system will, of course, provide automatic VAT relief on bad debts.

I have to warn the House, however, that I cannot legally introduce this change without first obtaining a derogation from the European Community's sixth VAT directive. I am applying for the necessary derogation today. The House will note that the upper limit of £¼ million is considerably greater than the £100,000 suggested in the consultative document.

Second, I propose to give these businesses the option of accounting for VAT on an annual basis. Instead of making quarterly returns, they would make regular payments on account, and then file a single return at the end of the year. This option, which offers considerable streamlining, will be available next year.

Third, the period within which business must apply to be registered for VAT will be extended from 10 to 30 days.

Fourth, there will be changes to the rules for the special VAT schemes for retailers, and more small and medium-sized businesses will be able to make use of the simpler schemes.

I believe that the changes I have outlined, and in particular the option to move to cash accounting, will be widely welcomed by the small business community. The cost will be £115 million in 1987-88 and £60 million in 1988-89.

In addition, I propose to increase the VAT threshold to £21,300, to keep it at the maximum permitted under existing European Community law.

In the light of the responses to the consultative document, I shall not be going ahead either with the withdrawal of the so-called standard method by which retailers calculate their gross takings for VAT, or with the compulsory deregistration of traders below the VAT threshold.

I have one further measure to help the small business man, unrelated to VAT. I propose to increase the limit for capital gains tax retirement relief by 25 per cent. from £100,000 to £125,000.

In any ongoing programme of tax reduction and reform, where much still remains to be done, an essential element must always be the elimination of unintended or unjustified tax breaks, which cause rates of tax generally to be higher than they need to be. Accordingly, I have five proposals to make today to that end.

The first concerns VAT, and has already been the subject of extensive consultation. The House will be aware that a business that provides a service that is exempt from VAT cannot in turn deduct input tax on its purchases. But where the activities of a business are in part liable to VAT and in part exempt the existing rules are excessively generous as to the amount of input tax that can be deducted; and this generosity is being exploited on a growing scale.

The rules must therefore be changed, and the changes, which I proposed to the House last December, will come into effect on 1 April.

There will be special arrangements to deal with the problem of brewers' tied houses.

I am also taking this opportunity to exclude a significant number of small businesses from the scope of this provision. The yield from this change will be some £300 million in 1987-88 and £400 million in 1988-89.

Second, I propose to change the law so that companies in multinational groups which enjoy dual residence will no longer be able to secure tax relief twice on one and the same interest payment. Genuine trading companies will not be affected. This change, which will take effect on 1 April, follows the similar action recently taken by the United States. It will yield £125 million in 1988-89.

Third, I propose to end the present excessively generous treatment of tax credit relief for foreign withholding tax paid on interest on bank loans. In future, banks will be able to offset this tax credit only against tax on the profit on the relevant loan, and not more widely. This will bring our rules broadly into line with those in most other countries.

[Mr. Lawson]

The change will apply from 1 April this year for new loans and from 1 April next year for existing loans. It will yield some £20 million in 1988-89.

Fourth, the tax treatment of Lloyd's syndicates as it applies to the reinsurance to close system is clearly unsatisfactory. I therefore propose to bring it into line with that of provisions for outstanding liabilities made by ordinary insurance companies and, indeed, of comparable provisions made by other financial traders. I have asked the Inland Revenue to consult urgently with Lloyd's about the details of the legislation. The new rules will first apply to premiums payable for the Lloyd's account which closes on 31 December this year.

Fifth, I propose to implement the Keith committee's recommendations that interest should be charged in the limited number of cases where an employer does not apply PAYE properly and a formal assessment has to be made to recover the tax. This change will take effect from April next year, and the yield in 1988-89 is estimated at £45 million.

I have one further proposal to make in the broad field of business and tax.

In my Budget last year I suggested the possibility of introducing a measure of tax relief for profit-related pay.

I pointed then to two considerable advantages that might be expected to flow from arrangements which relate pay to profits. First, the work force would have a more direct personal interest in the profits earned by the firm or unit in which they work; and, second, there would be a greater degree of pay flexibility in the face of changing market conditions. Such flexibility is vital if, as a nation, we are to defeat the scourge of unemployment.

Last July I presented a Green Paper on profit-related pay in conjunction with my right hon. and noble Friend the Secretary of State for Employment and my right hon. Friend the Secretary of State for Trade and Industry. I now propose to introduce a scheme of tax relief broadly along the lines floated in the Green Paper.

My proposals depart from those in the Green Paper in one important respect. I am doubling the proportion of an employee's profit-related pay that will be tax free from a quarter to a half, and I am also increasing the upper limits on the relief. For a married man on average earnings receiving 5 per cent. of his pay in profit-related form, the tax relief will be equivalent to a penny off the basic rate of income tax. The cost will inevitably depend on take-up. It could be £50 million in 1988-89, building up to substantially more than that, as take-up grows, and as the proportion of an employees's pay which is profit-related rises.

Profit-related pay is no panacea. But then there are no panaceas. What it is is a tool to help British business gradually to overcome one of our biggest national handicaps — the nature and behaviour of our labour market. I am today challenging British management to take advantage of that tool and to make good use of it, for the good of their firm, their work force and their country.

TAXES ON SAVING

I turn now to the taxation of savings.

A central theme and purpose of the Government's policies is the creation of a genuine popular capitalism.

That means wider home ownership, wider share ownership, and wider pension ownership. Over the past eight years, the Government have actively promoted the first two, and have now embarked on the third: home ownership, above all through the council tenant's right to buy; and share ownership, through the rapid growth of employee share schemes, through the massively successful privatisation programme, where Britain has led the world, and most recently through the new personal equity plans, which I announced in last year's Budget and which started up on 1 January this year. In the first month of the scheme, more than 2,000 people a day took out personal equity plans, many of them first-time investors, as I had hoped.

We know that 63 per cent. of households now own their own homes, 2½ million more than in 1979. However, there have been no official figures for the more explosive growth of share ownership in Britain over the past eight years. The treasury and the Stock Exchange therefore jointly commissioned a major independent survey of individual shareholding in Britain.

The results are now available. They show that there are now some 8½ million individual shareholders in this country, amounting to one fifth of the total adult population, and roughly three times the number there were in 1979.

Mr. Eric S. Heffer (Liverpool, Walton): So what?

Mr. Lawson: The hon. Gentleman may learn.

Then there is wider pension ownership. Two years ago, the Government embarked on a major strategy to extend the coverage of private pension provision and to give individuals far more flexibility and choice in the way they provide for their retirement. We have already introduced a number of important new measures to that end, and the tax changes I am announcing today will complete the picture.

The cornerstone of the Government's pensions strategy is the introduction of an entirely new means of provision for retirement, developed by my right hon. Friend the Secretary of State for Social Services. This is the personal pension, which will be launched at the beginning of next year, three months earlier than planned.

Personal pensions are an important new dimension of ownership. They will enable employees—if they so wish —to opt out of their employers' schemes and make their own arrangements, tailored to fit their own circumstances. And they will provide a new opportunity for the 10 million employees who at present do not belong to an occupational scheme to make provision of their own and, if they so wish, to contract out of SERPS.

In my Budget last year I undertook to bring forward proposals to give personal pensions the same favourable tax treatment as is currently enjoyed by retirement annuities. These were duly published in a consultative document last November, and the necessary legislation will be contained in this year's Finance Bill.

In addition, to encourage a wider spread of occupational schemes, employers will be able to set up simplified schemes with the minimum of red tape. This will be particularly welcome to many small employers who have been discouraged by the complexity and open-ended commitment of a full-blown final salary scheme. And there will be much greater scope for transferring between different types of pension scheme. Again, the Finance Bill will contain the necessary tax provisions.

Finally I have decided to go beyond the proposals set out in the consultative document in one important respect.

Starting in October, I propose to allow members of occupational pension schemes to make additional voluntary contributions, with full tax relief, to a separate plan of their own choice instead of, as now, being restricted to plans within their employers' schemes. They will be able to top their pensions up to the present tax approval limits.

The proposals I have outlined — along with the measures my right hon. Friend has already taken—will make it easier for people to take their pensions with them when they change jobs, which will be good both for labour mobility and for independence. They will widen the range of choices people can make about their pensions and will mean that in future individuals will have much more control over the way in which their own pension contributions are invested.

Taken as a whole, the changes we have made in the last two years have brought about a radical transformation in the ways people can provide for their retirement. There are new options for employers and much greater freedom for individuals to plan their own pensions. This will lead to a further major extension of ownership, as people start to take advantage of the new opportunities.

But the generous tax treatment of pensions can be justified only if it is not abused. I propose, therefore, to introduce some limited changes to the present rules to restrict the excessive relief which can be obtained in some circumstances, particularly by a few very highly paid people. These will include a stricter definition of final salary and, for all arrangements entered into from today, an upper limit of £150,000 on the maximum permissible tax-free lump sum, coupled with more rigorous rules on how pension and lump sum benefits can be calculated.

The cost of the overall pensions package will inevitably depend on take-up, but with that proviso is estimated at £65 million in 1988-89.

For friendly societies, I have decided to replace the existing tax-exempt life assurance limit based on the sum assured with a new limit based on annual premiums. I propose to set this at £100 a year, which will greatly increase the scope for the traditional societies to offer life policies to their members.

The tax-exempt limits governing sickness and accident benefits which trade unions provide for their members have not been changed since 1982. With effect from today, I propose to increase them to £3,000 for lump sums and £625 for annuities.

Finally, in this section, I turn to inheritance tax. In my Budget last year I abolished the pernicious capital transfer tax on lifetime gifts between individuals, which was particularly damaging to the ownership and health of family businesses. This year I propose to extend the same exemption from tax, on similar terms, to gifts involving settled property where there is an interest in possession. This will not, however, apply to discretionary trusts. These changes will be of particular benefit to family businesses and to heritage properties, both of which are often held in trust.

I also propose to make two minor changes affecting business assets. First, holdings in companies quoted on the unlisted securities market will henceforth be treated for inheritance tax purposes in precisely the same way as holdings in companies with a full Stock Exchange listing. Second, business relief for minority holdings in excess of 25 per cent. in unquoted companies will be increased from 30 per cent. to 50 per cent. The purpose of both these changes is to concentrate business relief more accurately on those assets which could provide funds to pay the tax only at the risk of damaging the business.

The abolition of the tax on lifetime giving was of the first importance to family businesses. but I remain conscious that it did little to help the smallest taxable estates, where the family home is often the principal asset.

I therefore propose to make a substantial increase in the threshold for inheritance tax, from £71,000 to £90,000, coupled with a simplification of the rate structure from seven rates to four. As a result of this change, the number of estates liable to inheritance tax will be cut by roughly a third. The cost will be £75 million in 1987-88 and £170 million in 1988-89.

Despite this substantial relief, however, and all the other much-needed reliefs that my predecessor and I have introduced since 1979, the House may be interested to learn that the expected yield of inheritance tax in 1987-88, at over £1 billion, is three times the yield of capital transfer tax in 1978-79, an increase in real terms of almost 50 per cent.

TAXES ON SPENDING

I now turn to the taxation of spending.

I have already announced some important changes in value added tax to prevent avoidance and to help the small business man. I have no other proposals for major changes in VAT this year.

However, in the light of representations I have received, I have decided to extend slightly the VAT reliefs I introduced last year for certain aspects of charitable work. I propose to relieve charities from VAT on certain welfare vehicles used by hospices to transport the terminally ill; on installing or adapting lavatory or bathroom facilities in charity homes for the disabled; on drugs and chemicals used by a charity in medical research; and on specialised location and indentification equipment employed by mountain rescue and first aid services.

While on the subject of charitable giving, I should remind the House that this year's Finance Bill will increase the limit on donations to charity under the new payroll giving scheme, which starts next month, from £100 to £120 a year.

Next, the excise duties. I propose to maintain the revenue from the taxation of gambling but to make some readjustment within the total. I therefore propose to increase the gaming machine licence duty by about a quarter, which will restore it in real terms to its 1982 level, when it was last increased; and to offset this by abolishing, from 29 March, the tax on on-course betting. I am sure that this measure will be welcomed by the racing and bloodstock industry, as well as consoling those hon. Members who have complained to me about the clash this year between Budget day and the Champion Hurdle.

In my Budget Statement last year I undertook to introduce a tax differential in favour of unleaded petrol, to offset its higher production cost. I can now announce that the differential will be 5p a gallon. This means that the pump price of unleaded petrol should be no higher than that of four-star leaded petrol. The change will take effect from 6 o'clock this evening.

In my 1985 Budget I announced the first stage in the process of increasing the rates of vehicle excise duty on farmers' heavy lorries to bring them into line with the use they make of the public roads. I introduced the second

[Mr. Lawson]

stage in last year's Budget and propose to complete the process this year. I also propose to increase the rates of duty on trade licences and to rationalise the taxation of recovery vehicles.

I have no further changes to propose this year in the rates of excise duty.

INCOME TAX

Finally, I turn to income tax.

There is now a worldwide consensus on the economic desirability of tax reform and tax reduction, and in particular the reduction of income tax. This was demonstrated most recently by the various national policy declarations that emerged from last month's meeting of Finance Ministers from the major industrial nations.

Lower rates of tax sharpen up incentives and stimulate enterprise, which in turn is the only route to better economic performance. And it is only by improving our economic performance that we will be able to afford to spend more on public services; and only by improving our economic performance that we will be able to create jobs on the scale that we all want to see.

That is why, ever since we first took office in 1979, we have consistently sought to reduce the burden of income tax. We have cut the basic rate of tax from 33 per cent. to 29 per cent. and sharply reduced the punitive higher rates we inherited from the Labour party. And we have increased the main tax allowances by 22 per cent. more than inflation, taking almost 1¼ million people out of income tax altogether.

For 1987-88 I propose to raise all the main thresholds and allowances by the statutory indexation factor of 3·7 per cent., rounded up. Thus the single person's allowance will rise by £90 to £2,425 and the married man's allowance by £140 to £3,795. The single age allowance will rise by £110 to £2,960 and the married age allowance by £170 to £4,675. The age allowance income limit becomes £9,800. I propose to raise the first 40 per cent. higher rate threshold by £700 to £17,900, in line with statutory indexation; but the threshold for the 45 per cent. rate will go up by only £200 to £20,400. The other higher rate thresholds will remain unchanged.

I have two other changes in allowances to announce.

First, I propose to give an additional increase in the age allowance for those aged 80 or over. For them, the increase will be double the amount due under statutory indexation so that, for the very elderly, the single age allowance will rise by £220 to £3,070 and the married age allowance by £340 to £4,845. Around 400,000 taxpayers will benefit from this new measure, and up to 25,000 of them will be taken out of income tax altogether.

Second, the blind person's allowance has remained unchanged since 1981, when it was increased by £180 to its present level of £360. For 1987-88 I propose to increase it by a further £180, to £540.

Finally, I turn to the basic rate of income tax. This is the starting rate of income tax for everyone and the marginal rate for the overwhelming majority of taxpayers.

In my Budget speech last year I reaffirmed the aim set out by my predecessor in 1979, to reduce the basic rate of income tax to no more than 25 per cent. That remains my firm objective.

However, given my decision to use the greater part of the fiscal scope I now have to reduce the public sector borrowing requirement, that goal cannot be achieved in this Budget.

I can, however, take a further step towards it, as I did last year. I am therefore reducing the basic rate of income tax by 2p to 27 per cent. This reduction, which will benefit every taxpayer in the land, will be worth more than £3 a week to a man on average earnings.

There will, of course, be a consequential reduction in the rate of advance corporation tax, and—as last year—I also propose a corresponding cut in the small companies' rate of corporation tax from 29 per cent. to 27 per cent.

Taken together with the income tax change, this will mean a significant reduction in the tax burden on small businesses, which are so important for future growth and jobs.

The income tax changes I have just announced will take effect under PAYE on the first pay day after 17 May. They will cost a little more than £2 billion in 1987-88 over and above the cost of statutory indexation.

The total cost of all the measures in this year's Budget again on an indexed basis, is a little over £2½ billion.

CONCLUSION

In this Budget I have reaffirmed the prudent policies which, despite a year-long coal strike followed by a collapse in the oil price, have given us the strongest economy we have known since the war.

After an autumn statement which substantially increased public spending in priority areas, I have once again cut the basic rate of income tax: a cut which the Labour party is pledged to reverse, if it is given the chance —which it will not be. And I have done this while sharply reducing public borrowing—a combination that has eluded successive Governments for decades.

This is a Budget built on success, and a Budget for success. I commend it to the House.

Provisional Collection of Taxes

Motion made, and Question,

That, pursuant to section 5 of the Provisional Collection of Taxes Act 1968, provisional statutory effect shall be given to the following motions:

(a) Unleaded petrol (Motion No. 2); and

(b) Vehicles excise duty (farmers' goods vehicles) (Motion No. 3—*[Mr. Lawson.]*

put forthwith, pursuant to Standing Order No. 50 (Ways and Means Motions), and agreed to.

Mr. Deputy Speaker: I shall now call the Chancellor of the Exchequer to move the motion entitled "Amendment of the law". It is on that motion that the Budget debate will take place today and on succeeding days. The remaining motions will not be put until the end of the Budget debate next week, and they will then be decided without debate.

Budget Resolutions and Economic Situation

AMENDMENT OF THE LAW

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the national debt and public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting any supply;

(b) for refunding any amount of tax;

(c) for varying the rate of that tax otherwise than in relation to all supplies and importations; or

(d) for relief other than relief applying to goods of whatever description or services of whatever description—*[Mr. Lawson.]*

[Relevant documents: European Community Document No. 10155/86, Annual Economic Report 1986-87 and the unnumbered document, Annual Economic Report 1986-87 (final version as adopted by the Council).]

4.35 pm

Mr. Neil Kinnock (Islwyn): May I begin with the usual facilities and congratulate — [HON. MEMBERS: "Felicities."]— the usual facilities of offering the usual felicities and congratulate the Chancellor of the Exchequer on his Budget speech and, indeed, on yet another record-breaking short speech? I am sure that hon. Members on both sides of the House will have reason to be grateful for the fact that he was economical with his words—I use the term in its very best sense—and that he was able to produce such a remarkable anticlimax towards the end which, for those of us with a poetic turn of mind, will be all the more gratifying. The Chancellor may have lost his place in the speech, but with this Budget he has lost his place in history as well.

The Budget is, as we and almost everyone else anticipated, a bribes Budget. It is a Budget that almost entirely ignores the national need for efficiency in the production of wealth and the national demand for fairness in the distribution of wealth. It is a Budget that has little to do with the general good, and everything to do with the general election.

The approach of the Budget to the problems of this country starkly defines the difference between the values and priorities of Her Majesty's Government and the values and priorities of the British people as they express them whenever they are asked. Those priorities are to fight unemployment, to help the old, to help the weak and to reunite the country. Those priorities are held all over the country, except on the Government Front Bench.

The Government have chosen a Budget that produces a short-term consumption spurt, but we and the British people want long-term investment to build up foundations for future strength. The Government choose across-the-board cuts in taxes. We and the British people want across-the-nation cuts in unemployment, but the Chancellor, in his Budget, has again done absolutely nothing to mount any form of serious attack on the 3 million level of unemployment in this country. All that he has done is to continue with the Government's efforts to beautify the figures of unemployment, while doing nothing to deal with the facts of unemployment.

There are elements in the right hon. Gentleman's speech with which we concur. I select particularly the simplification and improvement of the business expansion scheme, and also the corporation tax changes, which appear, certainly at first sight, to be welcome, if with some necessary minor reforms. The improvements in taxation incentives to encourage training are all the more welcome. Indeed, the right hon. Gentleman might have felt disposed to go further than that, given the very sad and inadequate record of investment in training, which is all too typical in this country.

Changes in the system of payment and in the administration of VAT for small businesses is particularly welcome. I think that this will be greeted on both sides of the House, but I must say to the right hon. Gentleman that many people who have small businesses — the vast majority of whom are entirely reputable—will want him to ensure that there will not be an abuse of those changes, which would inflict disadvantages upon honest traders and small producers.

The reliefs on the VAT liabilities of charities are naturally welcome and, indeed, as the Chancellor will be aware, they have been pressed for by hon. Members on both sides of the House. The subsidies to ensure against different and disadvantaged prices for non-leaded oil are also welcome. We commend all these measures and give an easy passage to them, although, naturally, the detail of them must be explored in the appropriate way.

The Chancellor took it upon himself in the Budget to make a drum-banging announcement about the abolition of the Exchange Control Act 1947. I think that that is unlikely to be resisted, as it is a somewhat academic, even otiose, exercise at the present juncture. Indeed, the incoming Labour Government have a much better system for encouraging the return of much needed capital investment. *[Interruption.]* The repatriation scheme that we propose and will implement has received accolades from many independent observers who consider that the advantages that it will afford to those who move money will provide us with ready and plentiful resources to stimulate just the kind of investment that this country desperately needs. Much of such investment has been lost as a consequence of the huge increase in the outflow of capital investment since the Prime Minister and her colleagues removed capital exchange controls at the beginning of their period of office. This represents a loss in our already under-invested country of about £70 billion net in the past eight years.

The Chancellor has claimed that investment decisions have improved since he made his changes in 1984. He must explain how those investment decisions manifest such an improvement when this year the level of investment in manufacturing in Britain is 20 per cent. lower than it was in 1979 when the Government came into office.

As we listened to the Chancellor today, many of us, on both sides of the House, must have felt a certain familiarity with his Tory themes and the tactics that he is plainly seeking to implement. We recall the dilation of the economy before the election of 1983 and the subsequent action by this Chancellor to reverse the extremely modest expansion that was prompted by his right hon. and learned Friend the former Chancellor of the Exchequer.

The Chancellor's actions in 1984 were part of the Tory tradition that stretches back through Reggie Maudling and Heathcoat-Amory to the Chancellorship of the late lamented R. A. Butler, a much respected and endearing man in many ways, but he was also the father of the congenital Conservative practice of making concessions

[Mr. Neil Kinnock]

before an election and, if successful in buying votes, taking those concessions back after the election. *[Interruption.]* That, indeed, is precisely what R. A. Butler did in 1955 when he presented the April Budget. I am sure that you, Mr. Deputy Speaker, will recall that Budget, as you were active in the engineering business at that time.

In 1955 Rab Butler took 9d off the standard rate of income tax and raised tax thresholds. Just three months later, after the election, he introduced special measures. In October he brought in a special emergency Budget to reverse all the tax changes. [HON. MEMBERS: "Oh."] Those actions are memorable, not only because of the cynicism that they engendered, but because of the unforgettable appeal that the late Lord Butler made to the nation to respond in pursuit of his demands for stringency. I am sure you will recall, Mr. Deputy Speaker, as I do, that Lord Butler said that the nation should

"not drop back into easy evenings with port wine and over-ripe pheasant."

In our prefab I clearly recall that my mother and father gave up port wine and over-ripe pheasant for the duration. As I recall, they even gave up dressing for dinner.

Even more memorable from that period was the fact that that Budget marked the onset of the "stop-go" era in the British economy—an era that has cost our country so dear. There was the periodic "go" for consumption and mainly "stop" for investment. As we listened to the Chancellor today, that is exactly what we heard all over again — "go" for consumption, and "stop" for investment. Of course, it was wrapped up in a great deal of talk about "recovery", "strength", "buoyancy" and "prudence", as if the Budget was a carefully compiled climax to all the years of prudence and planning undertaken by the Government. The trouble is that, for the Government, all the facts belie any claims of prudence, buoyancy, recovery and care.

The fact is that we have a Chancellor who, just three months ago, in December, was saying that he doubted

"very much whether there will be much scope for reductions in taxation in next year's Budget."

For once, the right hon. Gentleman absolutely meant it. It was not part of a disinformation campaign to persuade people that there was nothing much coming so that there would be great delight when something did come. The right hon. Gentleman meant his publicly expressed doubt about the prospect for income tax reductions. It was the confession of a man who knew very well that the reality of unplanned public expenditure overruns and an oncoming balance of payments deficit, together with his mismanagement of both interest and exchange rates, was catching up with him. There was no talk then of "lucky Lawson", and that was only 12 weeks ago.

It is no wonder that there was no such talk, because the Chancellor was also aware of the fact that, after nearly eight years of Conservative rule, the economy was still not back, as represented by all the important indicators, to the performance standards that were inherited in 1979.

We have had nearly eight years of oil-rich Conservative rule—some seven and a half years—with £60 billion net oil revenues and all the immense advantages of the savings on the balance of payments because we were an oil-producing, oil-exporting country. With all those advantages, the Government still blew all the great opportunities that went with being oil rich.

As I said earlier, manufacturing investment is now 20 per cent. lower than it was in 1979. The manufactured trade surplus that the Government inherited in 1979 was £2·7 billion. This year the manufactured trade deficit is approaching £7·5 billion, even on the Chancellor's admission. In the years from 1979 manufacturing exports have certainly gone up by 15 per cent., but manufactured imports have gone up by 48 per cent. in volume over the same period.

In the early part of his speech the Chancellor spoke of a great productivity surge that has taken place under the Government—unbeatable, unrivalled by other countries. The Chancellor forgot to tell us about the starting point. He also forgot to say how that productivity surge has been achieved under the Government. It has been achieved by fewer people making fewer things. Indeed, 28 per cent. fewer people make 4 per cent. fewer things, because manufacturing output in Britain is still, in 1987, 4 per cent. lower than it was in 1979. So much for productivity Tory style.

What of taxation, the centrepiece of today's Budget? The tax burden as a proportion of the national income was still, in 1986, 18 per cent. greater than it was under the previous Labour Government. As a consequence of today's changes, that figure will not have altered significantly. To bring down the level of the tax burden, as a proportion of national income, to the 1979 figure the Government would have had to cut tax today by £15 billion.

The tax burden on the average household — the people who are supposed to concern the Prime Minister very much and who are said to want additional sums net of tax to be able to look after themselves, which is an instinct that I well understand—under this so-called tax-cutting Government has gone up by 10 per cent. To bring their tax burden down to 1979 levels there would have had to be a cut in the standard rate to 23·5p in the pound. *[Interruption.]* I realise why those figures make Conservative Members so agitated. They represent the shattering of every one of the central promises that they made to the people in 1979 and in 1983.

The Prime Minister says that she wants the citizen to be able to keep the lion's share of his earnings, but it is obvious that the Government have never practised what they have preached, except for the top 10 per cent. of earners. For the other 90 per cent. of British earners and pensioners, national insurance contributions, rates rises and VAT increases have all ensured that they have kept less of their incomes post-tax than they did in 1979.

The Government are not only the biggest taxers in modern British history, but the biggest job destroyers and biggest poverty spreaders. They have presided over an increase of 2 million in unemployment and of 2¾ million in the number of men, women and children in poverty. That is the Government's record. The real state of our economy and society is that after eight years the country is more divided and more impoverished with higher taxes, higher unemployment, and higher crime rates as well under this Government of law and order. In the middle of all that mess, along comes the Chancellor of the Exchequer with a Budget that completely ignores each of those

realities and attends only to tax cuts which, to his surprise, he is now able to offer. Lucky for him, but I wonder whether it is so lucky for the country.

To answer the question whether it is lucky for the country, we have to investigate the sources of these funds: the causes of the Chancellor's so-called "room to manoeuvre". First, it is resourced from the privatisation swag—the proceeds of the once-and-for-all sale of what the late Earl of Stockton called the "family silver". Secondly, the windfall comes from an increasing corporate tax take, as the Chancellor said. This is the corporate tax take by a Chancellor who removed investment allowances and, in the process, gained himself additional revenues to fund a tax giveaway and extra consumption. The awful irony is that the consumption boosted by that process will be the consumption of imported finished goods.

We have a Chancellor who has been disabling this country's investment while increasing the consumption of the produce of our competitors. Such consumption provides the third source of revenue for this give away. Much of the revenue has come from VAT levied on imported manufactured goods bought on tick in a Britain now undergoing its biggest ever credit spree—a credit expansion that has doubled household debt in seven years and been the major source of what expansion there has been in the economy.

I heard the Chancellor giving us a lecturette on the way in which those who had argued that fiscal expansion was necessary to bring about an expansion of the economy had been vanquished. He did not say that one does not need fiscal expansion so long as one is massively increasing the debt of households and financing recovery, or attempted recovery, in the economy by that means. Indeed, one does not need fiscal expansion in great measure when the level of that debt is up over those seven years, from £80 billion to £210 billion.

Most people know, as the Chancellor knows, and as you, Mr. Deputy Speaker, and I know, that that cannot last. It will not last because, as the oil runs down, as the productive sector stands almost still, and as the trade deficit grows, the real economy is not strong enough to sustain that credit bubble. That is why it was all the more essential for the Chancellor to take the opportunity today of the revenue windfall, to count his blessings, and to use that temporary and unexpected bonus to address the economy's real problems. Instead of spraying Britain with across-the-board cuts, he should have been using those funds to combat unemployment, to mitigate poverty, to stimulate investment, to build houses, to develop industry, to invest in education and to encourage and improve training and research.

Those were the priorities that the right hon. Gentleman should have adopted. There was no shortage of prudent and productive options. He could have restored the lower tax band and assisted people, especially those on lower incomes, so that they were eased into payment of tax. He could have used resources to start making up the losses which the Government have inflicted on pensioners by breaking the link between average earnings and pensions. As pensioners look forward to an 80p a week increase for the single pensioner and £1·30 a week for the pensioner couple, they must ruefully reflect on the fact that, had that link been maintained by the Prime Minister and her Government, in 1987 pensioner couples would be £11·40 a week better off and single pensioners £7·20 a week better off.

For £3 billion, the Chancellor could have obtained 90,000 new houses or 250,000 repaired houses. He could have obtained 1·5 million nursery school places or 210,000 extra further education places. For £3 billion, he could have obtained a computer for every secondary school child, day centres for 2·5 million old people, or treatment for 3 million hospital cases. He could have exercised any one of those options. For that £3 billion he could have given every old-age pensioner an extra £6 a week. Instead of adopting the attitude that he has taken today, he need not let them go through another winter in which they have to see what the temperature is before knowing whether they can afford to put the heating on. Housing, education, care, health services, support for the old and support for the disabled cannot be improved by tax cuts—whatever else the Chancellor may do with tax cuts—and the British people know that.

There was another choice for the Chancellor. He could have targeted his billions on jobs that this country needs, to be done by people who need to do them. He could have used £3 billion of targeted resources to generate 300,000 jobs in Britain. Instead, his tax cuts will secure, over two years, at best an extra 80,000 jobs in Britain. What a wilful waste of resources and of opportunity, especially as the British people strongly prefer investment in jobs, in economic strength and in modern social, health and education provision. They emphatically and repeatedly record their view that they want cuts in unemployment and in waiting lists and reductions in poverty and division more than they want concessions in income tax. They understand that failure to invest in those advances guarantees a future of insecurity, under-performance and unemployment for our country. In that understanding they show far more prudence and far more patriotism than either the Chancellor of the Exchequer or the Prime Minister.

That is why, despite the pre-election largesse, despite the giveaway, despite the bribes, the Chancellor of the Exchequer, with this Budget, invites not the celebration of the British people, but their contempt.

5 pm

Sir Julian Ridsdale (Harwich): In reply to the Leader of the Opposition I would simply say, "It's better under the Conservatives." The country knows it, and when the time comes I am sure it will keep it that way. In his heart of hearts the Leader of the Opposition knows this. His criticism today reminded me of a man whistling to keep up his courage. The only snag is that he had to go on whistling for rather a long time.

I congratulate the Chancellor most warmly on his Budget. It is the result of careful and prudent husbandry which has seen us through the Falklands war, the miners' strike and the severe drop in the oil price last year. I shudder to think what would have happened if the Opposition had been in power in those years, knowing their tendency to spend up to the hilt of their income and even more—at least that was the record when they were in power.

Last year's prudent Budget is the background to the rosy position in which we find ourselves today. Unemployment has fallen in the past five months and is now lower than a year ago—but not a word of praise for this from the Leader of the Opposition. How glad I was to hear the Chancellor say that unemployment had fallen by 100,000 since last July and that the youth

[Sir Julian Ridsdale]

unemployment rate in the United Kingdom is now below the average for the European Community and is falling, too. There are now a million more jobs than there were in 1983 and we have a faster rate of increase in employment than the whole of the European Community put together. Job vacancies in the past three months have been at their highest level since 1979.

Privatisation has gained increased momentum. Fourteen major businesses with 500,000 employees have been privatised so far. The number of individual shareholders has more than trebled since 1979. How encouraging it was to hear the Chancellor say that shareholders at present number 8·5 million. What a long way we have come since I introduced my employee share ownership scheme in 1978, and how encouraged I was to hear the proposals for a profit-related pay scheme. This will help the people on the shop floor and those in industry. How disparaging the Leader of the Opposition was about the performance of manufacturing industry today. He ought to be aware how much manufacturing output is going up.

Turning to investment abroad, the figure given by the Chancellor of the Exchequer of £100 billion net assets is a new one today. It is very encouraging for our economy because it means that we have been under-estimating the present income that our foreign assets are earning annually; the present figure is £5 billion.

What a difference from 10 years ago when we had a hung Parliament ruling this country. Because overspending, capital spending had to be pruned by 25 per cent., expenditure on the Health Service was slashed by more than 30 per cent. and on major roads by 31 per cent.

The Leader of the Opposition talked about the pensioners. Let us remember that twice in those years the Christmas bonus for pensioners was cut—and all those promises——

Mr. Kinnock: Ask the pensioners.

Sir Julian Ridsdale: If the Leader of the Opposition wishes to interrupt me, I will sit down. I do not like his interrupting from a sitting position.

Mr. Kinnock: I would just invite the hon. Gentleman to go to any old age pensioners in his constituency and compare what they receive now with what they received before 1979 when there was a link with average earnings. He will find that over those years the rise in real terms in the value of the pension was 20 per cent.; under this Government it has been 4·5 per cent.

Sir Julian Ridsdale: The right hon. Gentleman may deal in figures, but I know my constituency very well. It has 30,000 pensioners. I can assure him that what they value more than anything else is stability in prices, not the kind of inflation that they had under the Labour Government. Nor has there been a word of welcome from the Leader of the Opposition for the generous help that the Chancellor is giving to the over-80s. These are the people who have had difficulty, and I would have thought that the Leader of the Opposition might have said something about them, since he professes to care and criticises us for not caring.

I welcome the changes that have been made. It was a difficult judgment for the Chancellor to get the right balance between helping over the public sector borrowing requirement and so lowering interest rates. I hope that because of this judgment we will see a big reduction in the next few months in mortgage and interest rates — something that will help manufacturing industry far more than the wild promises of the Leader of the Opposition today.

I welcome, too, the help given to the blind, as will people in my constituency. Then there is the help given by the reduction of 2p in the rate of tax, which is worth £3 a week for the average earner. This will help to improve our already growing productivity.

I underline the help given to small businesses. We know how much small businesses are taking off in our constituencies. The kind of encouragement given them by the Chancellor today will be of great assistance to them.

I now turn to the wild promises of the Labour party which have been costed at £28 billion. It all sounds like a repeat of the disastrous policies between 1974 and 1979 which led to runaway inflation and the erosion of the lifetime savings of pensioners. They will never forget that, and I must point this out to the Leader of the Opposition. The same sort of runaway inflation would happen again if we were to have the policies which he is at present trying to sell to the country.

As regards the alliance, who really thinks that an incomes policy would do any good or that we can increase public spending when it is already at 44·5 per cent. of national income? Yet the alliance now wants to do this. I know that alliance Members here at the moment are laughing about that, but these are the words of a former spokesman of the Social Democratic party, John Horam, which he uttered just recently when he crossed the floor from the SDP to the Conservatives. How much we welcome him in the Conservative party today.

It would be wrong of me not to point out the nearly 30 per cent. increase in rates that we face in Essex as a result of the hung council at county hall. My local district council, which is Conservative-controlled, has been able to peg its rates this year, but the warning is there. We must remember the hung Parliament of 1974 to 1979 which led to such disastrous rates of inflation and the hung councils which throughout the country have led to a heavy rate burden, not as costly as those of Labour-controlled councils but steep nevertheless.

Do not let us have any more hung Parliaments or councils. It has been difficult enough to get the Treasury to reform local government finance. The ratepayers in north-east Essex cannot have a general election soon enough to return a Conservative Government so that we can reform local government finance.

Against the background of this Budget, for which we all thank the Chancellor most warmly, we can look forward to the future, locally and nationally, with confidence and optimism, as long as we do not let hung councils or a hung Parliament hang our country. It is better under the Conservatives. Let us keep it that way.

Royal Assent

Mr. Deputy Speaker (Mr. Harold Walker): I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Act:

1. Social Fund (Maternity and Funeral Expenses) Act 1987.

WAYS AND MEANS

Budget Resolutions and Economic Situation

Amendment of the Law

Question again proposed,

That it is expedient to amend the law with respect to the National Debt and public revenue and to make a further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting any supply;

(b) for refunding any amount of tax;

(c) for varying the rate of that tax otherwise than in relation to all supplies and importations; or

(d) for relief other than relief applying to goods of whatever description or services of whatever description.—*[Mr. Lawson.]*

5.11 pm

Mr. Donald Stewart (Western Isles): The hon. Member for Harwich (Sir J. Ridsdale) seems to be perturbed at the thought that the next Parliament might be a hung Parliament. That does not augur well for the sunshine forecasts of a great Conservative majority next time round. He may be taking a more realistic look at the situation than many of his right hon. and hon. Friends. He also mentioned inflation. I remind him that at a time during this Government, inflation reached 26 per cent. It was put up by this Government slapping on VAT at 15 per cent. The Chancellor takes a great deal of pride in reducing income tax, but it is clear that the lower-paid have lost out because of the imposition of 15 per cent. VAT against the reductions made in income tax.

The Minister of State, Treasury (Mr. Peter Brooke): Perhaps the right hon. Gentleman would write and tell me the year in which VAT reached 26 per cent.

Mr. Stewart: Inflation was at 26 per cent. As far as I recall, I did not say that VAT had reached 26 per cent.

Mr. Brooke: I meant inflation.

Mr. Stewart: I will do that.

The Budget, taken as a whole, was an unfortunate, dull, mechanical exercise. It reminded me of an exercise in an imagined situation in an accountancy examination rather than a Budget dealing with the reality of life in the United Kingdom.

There is no doubt that the kitty for income tax relief has been amassed by drastic reductions over the past few years in the quality of life and essential amenities and services in Britain. The Secretary of State for Social Services replies to accusations about reductions in the quality of those services by quoting figures about increases that the Government have made. One can only ask: are the doctors, nurses and patients in the hospitals under a delusion when they claim that services have been reduced, that many hospitals have empty wards, that many wards have empty beds, that the waiting lists are increasing, and so on? That is the reality with which the Government have to grapple.

In education we have had a series of attacks on the universities and schools. We have not yet reached the stage of burning books, but the books are becoming so scarce that there may not be books to burn if it ever got to that stage.

Local authority services have deteriorated, with cuts in rate support grant, and so on. The picture of a country returning from a depressed state into a state of affluence is a lot of nonsense for most people in this country. It is regrettable, too, that there has been no improvement in old age pensions in this Budget following the severe winter that old people have just experienced.

The Chancellor said that unemployment is falling. The figures for unemployment certainly are falling, but we know that that is due to changes in the methods of calculation in the past few years and the introduction of training schemes, however useful, which were dismissed by the Prime Minister in her days in opposition as not being real jobs.

I welcome the change in VAT collection on the basis of cash received and the requirement that a single annual return for VAT is all that will be required. That is of great assistance to the small business man and will be of real use in increasing business and production. I must say that I was rather amused by the Chancellor's explanation that it all depended on getting permission from the EEC. That is another piece of evidence of the way in which this country has lost its sovereignty as a member of the EEC.

I welcome the VAT relief for charities, ambulances, drugs and medicines. We regard that as some advance. However, if one looks at it in a compassionate way, the charges should never have been included in the first place. I welcome the fact—it is an extremely useful move—that unleaded petrol is now the same price as four-star leaded petrol. I welcome also the increase in the blind allowance. I am sure that that will be welcome all round.

In my view—I think it is widely shared—income tax relief should have been used, if at all, for taking the lower-paid out of the tax system altogether.

The Chancellor claimed that the Budget was built on success. I would say that the Budget was built mainly on the misery of the unemployed. The Chancellor, like the Government, appears to assume that the unemployed, like the poor, are always going to be with us. That is a terrible defeatest attitude and the Government have no solution to achieve any real reduction in the numbers of unemployed.

The Scottish National party, because of the oil, calls for an oil fund which would deal with unemployment in Scotland. We see that a number of European countries are able to keep unemployment under 5 per cent. That would be a realistic aim in an independent Scotland. Until we achieve that, even in a United Kingdom context, the Government could have made a much more sensible and compassionate stab at improving the situation than they have done today.

5.18 pm

Sir Kenneth Lewis (Stamford and Spalding): I have to say to the right hon. Member for Western Isles (Mr. Stewart) that I have seen many Budgets in my time, and he has seen a few, but I do not think that either of us will ever see a Budget presented by the Scottish National party.

I suppose, if I have my years right, that I have seen 28 Budgets, but there have been some years in which we have had two or three Budgets so I suppose I have probably seen nearer 38 if one counts those extra Budgets over the years. They have been of all colours. There have been red Budgets from the Opposition, blue Budgets, grey Budgets

[Sir Kenneth Lewis]

and black Budgets. This one was bound to be blue. I thought that it was going to be bright blue, but it is a slightly pale blue. I do not think it is as expansive in its give aways as some people expected. I do not think that anybody can say that it is an election-bribing Budget. The Leader of the Opposition was prepared to say that—I could not hear him all the time—and I think that he tried to say it, but without much conviction.

It is a reasonably good Budget. It has half an eye on reality and half an eye on a general election. At least we can crow about the Budget. If the Opposition had been in government they would probably have had to postpone a possible election because they could not have provided a sufficiently attractive Budget. At least we are in a position where, because of the state of the economy—in certain directions—we are able to have this reasonably good Budget. The Opposition are full of promises, but the one thing they do not promise is that after the election they will give us a give-away Budget.

Both the alliance and the Opposition have told us that they will take back some of the tax reductions that we have been given today.

Mr. David Maclean (Penrith and The Border): That was yesterday.

Sir Kenneth Lewis: Oh, they have changed their minds, have they? *[Interruption.]*

Mr. Deputy Speaker: Order. We are having a little too much audience participation.

Sir Kenneth Lewis: We cannot hope for much from the Labour party, and I would guess that the country can hope for still less from the alliance parties, even if they were to do a deal with the Labour party.

The Budget has to be taken together with the autumn statement — a give-away announcement in which my right hon. Friend the Chancellor surprised many of his hon. Friends by pushing several billion pounds into the economy at a stroke. I think it was during the autumn statement that my right hon. Friend got rid of his hard man image. Today he has a new image as a cautious Chancellor who has not taken too many risks. Probably his long period of driving on those financial motorways —the M1 and the M3—has taught him that he had better not be a hostage to fortune and that he must be cautious.

I hope that my right hon. Friend will give the £4 billion that he pushed into the economy in the autumn time to have its effect. Money in the pockets of the people and in the public purse takes time to fructify. Some of us wanted that £4 billion to be made available perhaps six months earlier. It might then have had more time to affect the electorate. Budgets, too, take time to have their effect. I doubt whether the charges that this was an election-oriented Budget will stick now. We should let it have time to take effect and allow the Opposition the benefit of a long hard summer in which to get politically tanned. My right hon. Friend the Prime Minister should think again about going to the country too quickly.

It is always difficult to react immediately to proposals such as these, and I have a certain amount of sympathy with the Leader of the Opposition in that respect. I believe that he tried to put too much into his speech today.

I relate my brief remarks about the Chancellor's proposals first to the PSBR. I know that there is a great deal of merit in keeping the PSBR down, but I wonder whether it needs to be kept quite so low. My right hon. Friend the Chancellor talked about the buoyancy of the economy, and it was his great success story, but said that he had to keep the PSBR down to £4 billion. If he could have let it rise to £5 billion we should have had another £1 billion available for what was needed. My right hon. Friend sitting on the Front Bench knows perfectly well, because of the hat that he wore before, that increased spending is needed on higher education, industrial training, and so on. Just that little extra, added to what he did in the autumn, would have been a help. I believe that the Chancellor is being over-cautious in screwing down the PSBR to £4 billion.

But even if my right hon. Friend did not want to increase the PSBR, why could he not have taken other action? The fact that there was no increase in excise duty on cigarettes and alcohol was probably the biggest surprise in the Budget. I was delighted. I drink a little and smoke too much, and I have got off the hook completely. However, a modest increase, at least on drink, would have given the Chancellor a little to spend on other things.

I am delighted with the announcement about the proposals for relating pay increases to profit. The Government should build on that after the general election. I hope that employers will support the provision because it will need their support to make it stick. I am pleased, too, that small business has been assisted in the provisions relating to the handover from one generation to another. The increase from £100 million to £125 million will be very helpful. The VAT changes will also be helpful to very small business. We have all had letters about the subject, and at last notice has been taken of it.

No one can do other than applaud the reduction of the standard rate of tax from 29 per cent. to 27 per cent. It means that since 1979 we have reduced tax from 33p in the pound to 27p in the pound. However, I am disappointed that the Chancellor did not raise the thresholds a little above the normal rate of inflation. One of the biggest deterrents to hard work today is that when a young man comes into a reasonable salary he loses one third of his income when national insurance is taken into account. That is a tremendous disincentive, and I wish that something would have been done to deal with it.

We started to consider portable pensions a year or two ago, and the provisions announced today will be of great benefit. I support the proposals that people should be allowed to opt out and do their own thing and that they should be able to add to their pensions. On the basis that I would not come away with a large pension when I left this place, I took out some additional pensions myself some years ago. That did not cost me much. Over a period of years I paid in a few hundred pounds each year, and I am now picking up the benefits. I found that the money that I was allowed to draw as a capital sum was in fact more than I had paid in, plus the pensions. That does not happen with the House of Commons pension, and I doubt whether it happens anywhere else in the public service. Of course, public service pensions are index-linked, as is the House of Commons pension, whereas mine are not. My right hon. Friend the Chancellor has done something very useful indeed in encouraging people to add to their company pensions by buying in for themselves out of savings.

This is a good, but cautious, Budget. It is a responsible Budget. I do not think that it is a vote-seeking Budget. I doubt whether the general election will be called on the basis of this Budget. The election will be about people's view of whether the economy in general is better run by this Government and this Chancellor than it would be by the Labour party or the alliance. I believe that the public will vote in favour of what they have got rather than what they might have.

5.29 pm

Mr. Roy Hughes (Newport, East): The hon. Member for Stamford and Spalding (Sir K. Lewis) was not exactly ecstatic in his praise. The Chancellor delivered his Budget this afternoon. It contained few surprises. As usual, there were whispers beforehand. Some were accurate, and a few were not so accurate. I regret that there was nothing in the Budget for the ordinary pensioner. I reiterate the sentiments expressed by my right hon. Friend the Leader of the Opposition. He pointed out that the Government had previously broken the link between earnings and pensions. Pensions are now merely indexed in line with the retail prices index, with the result that the value for a single person is £8·05 per week less than under the old rule, and for a married couple it is £12·75 per week less. That drop has meant a considerable loss to pensioners, particularly those in real need. In that sense, the Chancellor fluffed his opportunity.

There is nothing in the Budget about child allowances. Their value has been cut by about 3 per cent. since the Government were elected in 1979. Families with children have certainly fallen behind, and again the Chancellor has missed his opportunity to do something about it.

What is the overall thinking behind the Budget? The answer is that the so-called popular Budget is calculated to try to influence the result of the next general election. At the same time, the Chancellor has attempted to maintain a veneer of prudence. The essential part of the popularity aspect, of course, was to cut the basic rate of income tax by 2p, from 29 to 27 per cent. Throughout their eight years of office the Government have congratulated themselves on cutting taxes. The facts diverge from the rhetoric. When the Government came to power the average person paid 35p in the pound, including VAT and income tax. Until today the figure was 38p in the pound. All that we can do now is to thank the Chancellor for at least giving us back some of our money.

I perfectly understand that no one likes paying tax. Nevertheless, if opinion polls are anything to go by, the majority of people in Britain today say that the handouts that were announced this afternoon would be better used in the creation of jobs and the improvement of social services. The British people are wise in their reasoning. The greatest problem facing our country today is that of unemployment. Every study on the subject shows that public expenditure is a far more cost-effective way of generating jobs than are tax cuts.

Instead of tackling that great social evil the Government seem to pretend that it does not exist. That is why, since 1979, when the Government came to power, there have been 18 or 19 changes in the way in which employment statistics are compiled. The latest report is that the Government are proposing to drop the publication of Britain's registered unemployment figures. Incidentally, that has since been denied by the Secretary of State for Employment, Lord Young. Perhaps we could repeat the famous words of Mandy Rice-Davies, "He would, wouldn't he?" It is time to restore some credibility to such vitally important statistics, so that we can then better assess how the Budget and other Government policies relate to them. I am glad that the Labour party has pledged to re-establish an objective basis for the calculation of the jobless total.

Yesterday, we heard the latest crime statistics. They certainly reflect no credit on the Government. Recorded offences are up 7 per cent. and the clear-up rate is down 5 per cent. The Conservative party has always publicised itself as the party of law and order. That claim looks a bit shabby today. We are all aware that there are many reasons for the rise in the incidence of crime. There is the permissive society, easy divorce and the subsequent break-up of families. There is a lack of family and community sanction against wrongdoers.

I go along with the old adage that the devil finds work for idle hands. When shop windows are full of goods and many people have time on their hands, the tendency towards crime is greatly increased. That is why the Budget should have given the highest possible priority to getting people out of the dole queue. Give them work to do. Many of them have now lost the discipline of a work schedule. They should be given a stake in society. When that is done, there will be less tendency to engage in crime, whether it be burglary, mugging, rape or other crimes.

In the run-up to the 1959 general election, which some of us are old enough to recall, Mr. Harold Macmillan, the late Lord Stockton, told us that we had never had it so good. At least unemployment then was less than 2 per cent. According to the questionable official statistics now, it is over 13 per cent., yet Britain is in the throes of a consumer boom. Tax revenues are buoyant. They are boosted by high consumer spending and corporation tax receipts.

The Chancellor told us that the public sector borrowing requirement is set to the end of 1986-87 at around £3 billion lower than the £7 billion original Treasury forecast. Yet, because of the Government's earlier policies, British industry is in no shape to satisfy the consumer. A recent comment by the reputable National Institute of Economic and Social Research gave the game away. It said:

> "The economic strategy based on neo-classical economics, which was introduced at the end of the 1970s, resulted in an increase in unemployment from 1 million to 3 million. It has now been almost entirely abandoned."

Our principal trading rivals—Germany, Japan, and so on — are deriving much benefit from Britain's consumer boom. Meanwhile, there has been a marked deterioration in our manufacturing trade balance, from a surplus of £2·4 billion in 1982 to a deficit of £5·8 billion in 1986. In that economic experiment on the British people a great deal of our manufacturing industry was razed to the ground. The present consumer boom is overshadowed by the fact that our manufacturing base is still about 15 per cent. below the 1979 level.

It is not only manufacturing industry, however, that has suffered under this Government. Central Government grants to local authorities have been cut from 59·6 per cent. in 1979-80 to 44·3 per cent. in 1986-87. Meanwhile, our councils have struggled manfully to maintain services. I receive evidence of that almost every day from the Newport and Gwent councils.

Overall, Britain has become a shabby society, as the article in the *Sunday Telegraph* of 8 March by Paul Barker so clearly revealed. Thirty years ago Professor Galbraith

[Mr. Roy Hughes]

referred to private affluence and public squalor. That is the state of Thatcherite Britain in 1987. The leading article in *The Observer* last Sunday said that the Budget would throw money at the wrong people. How right it was.

Today's Budget should have been more about rebuilding Britain's industrial base and drastically cutting the dole queues. Likewise, it should have been less about the Government's short-term popularity. The continuing presence of the 3 million or so unemployed is a waste of economic resources and potential skills. There is a need to invest wisely in Britain's future, particularly in its greatest resource — its people. The Government should concentrate on building a fairer society. They should seek to eliminate the north-south divide and the division between the haves and the have-nots.

This Budget is essentially about cutting taxes. What justification is there for that when our schools in Gwent and elsewhere are so badly in need of textbooks and equipment; when the queues for our National Health Service seem to stretch to eternity; when our hospital buildings, and so many other public buildings, are crying out for a coat of paint; when countless numbers of homes lack basic amenities and are really unfit for human habitation; when so much of our infrastructure needs attention, modernisation and development? These problems will not be solved by an appeal to private greed. It is by those standards that this Budget is a failure.

5.43 pm

Mr. Michael Shersby (Uxbridge): I am sorry that the hon. Member for Newport, East (Mr. Hughes) takes such a gloomy view of what I consider is an excellent Budget. Like many of his colleagues on the Opposition Benches, he must have had a very disappointing and unhappy afternoon. One only had to look at the sad faces of Opposition Members as my right hon. Friend the Chancellor of the Exchequer was speaking to realise how many of them wished that they were hearing their own Chancellor making similar proposals.

This Budget confirms the continuing success of the Government's economic policy. It consolidates the Chancellor's achievements in encouraging industry and commerce and it will stimulate confidence and the creation of more jobs. I am very glad that it gives a welcome boost to industrial training and that it creates a climate in which training today will result in more solid job opportunities. I believe that the industrial training that is provided in this country is very substantial. I have a good deal of practical experience of seeing it in operation. The proposals of my right hon. Friend the Chancellor of the Exchequer to carry it forward will consolidate that substantial achievement.

I welcome the reforms relating to value added tax. They will be of great help not only to small businesses but to large ones. I am particularly glad about my right hon. Friend's announcement that value added tax will not have to be paid until the bills have been paid. Hon. Members on both sides of the House know only too well about the problems that are caused by slow payers and the difficulties that they have created for the cash flow of small businesses. The change in VAT to take account of those problems, which will enable VAT to be paid on an annual basis at the end of the year, will be very widely welcomed.

One of the interesting features of today's Budget concerns the Chancellor's proposals relating to performance-related pay. I was particularly glad to hear him announce the scheme for tax relief on PRP. I believe that it is significant, because it will forge a much closer link between the profit of an enterprise and the pay of its employees. I hope very much that in future there will be opportunities for further extension of the PRP tax relief scheme. I look forward to seeing the detailed proposals in the Finance Bill.

Any hon. Member who served on the Standing Committee that considered the Social Security Bill will be well aware of the lengthy discussions in Committee on the proposals for money-purchase pensions. Today the Chancellor has announced the bringing forward by three months of the arrangements that will enable individuals to make additional provision for their retirement. The greater scope for transferring from one pension scheme to another will make a very useful contribution to the mobility of labour. The provision that will enable employees to make extra contributions to pension schemes, with full tax relief, will be a great step forward. It will be of particular interest to the younger members of the working population. They will now be able to look forward to a very much more flexible scene and to greater opportunities to top up pension schemes with the results of their own labour.

One of the proposals that drew a certain amount of criticism today from Her Majesty's Opposition, and even a few jeers, related to inheritance tax. Those critical remarks were directed mainly at the increased limits, but those hon. Members who heard my right hon. Friend speak about the effect of the proposal on family businesses will, on reflection, perhaps come to the conclusion that it is very welcome. It will certainly be welcomed by a number of small firms in my Uxbridge constituency and by the people who have built up those businesses. They wish their children to follow them into those businesses—and their grandchildren, too — and they wish to expand employment opportunities in the town. It was a very important announcement. It is one of the many steps that my right hon. Friend has taken along this road, and I hope that in future years he will keep up the good work.

There are to be no significant increases in excise duty. The British people have waited a long time for this happy day. There is to be no increase in vehicle excise duty—the very substantial tax that we all pay on our motor cars. There is to be no increase in the tax on alcohol and tobacco. At last the British people are to enjoy relief from the taxation of these old favourites by successive Chancellors of the Exchequer. It is a very lucky day for the British people. They might care to reflect on what they would have heard had a Socialist Chancellor been standing at the Dispatch Box. I am sure that he would have imposed swingeing increases in the tax on all those items.

The Chancellor has shown himself to be compassionate in listening undoubtedly to the many representations about the blind allowance that he has received from many hon. Members. I welcome those increases, as will, I am sure, every member of the blind community. The Chancellor has also increased the age allowance—a very significant and important improvement—and has made some useful additions to VAT exemptions for charities. All this shows that the Chancellor has been willing to listen to representations made by hon. Members.

I turn to the reduction in the standard rate of income tax. How many hon. Members who were present in the

House in 1977, when the standard rate of income tax was 35p in the pound, would have thought that they would sit here today and hear the Chancellor announce that the standard rate is being reduced to 27p in the pound? And about time, too. I welcome the reduction because it will put another £3 a week into the pockets of average industrial workers in this country.

How many hon. Members would have thought that over several successive years we should have seen the tax thresholds increased by 22 per cent. more than the rate of inflation and by a further 3·7 per cent. today? These measures will bring relief to many low-paid workers in this country.

I would like to mention the nurses in whom I have long taken an interest. We all know that nurses are splendid, and many hon. Members have advocated that they should be paid more. In the Budget we see their taxation being reduced quickly, which will be very welcome to them and a very useful interim boost to their income pending the review of nurses' pay which is under way.

I think the Chancellor has been prudent and has not gone too far. He has not gone for a dramatic 4p or 5p reduction in the standard rate of income tax. He has produced a Budget which will generate further confidence, not just in the City of London but around the world, by keeping the PSBR down to 1 per cent. of GDP at £4 billion. Those who study the British economy surely must come to the conclusion that it is now firmly on course and that they have every confidence to continue investing in Britain.

Today we heard the Leader of the Opposition — I thought rather a sour and disappointed man — present his Socialist proposals for repatriating capital to this country. He gave the impression that, despite the proposal to abolish the Exchange Control Act, the Labour party had other ways of persuading people, but he did not say anything about inward investment in Britain. This is a two-way business. Inward investment in Britain will be encouraged only if our borrowing requirement is under control and interest rates are sensible.

This is a consolidating Budget, prudently organised, tackling the main problems which most people in this country want to see dealt with. The Budget also has a few fun items which will be welcome to those who enjoy putting a small bet on the horses. I wonder whether it will also affect the queue of people who appeared in JAK's cartoon in *The London Evening Standard* yesterday who were putting £5 bets on the Tory party winning the next election. Those of us who saw the cartoon will recognise a few familiar faces. *[Interruption.]* As has just been said, the Chancellor's proposals today apply only to off-course betting. [AN HON. MEMBER: "On-course betting".] Perhaps the hon. Gentleman will come forward with proposals during proceedings on the Finance Bill to extend it so that his colleagues can place those bets on a Tory victory at the next election. I do not think this is an electioneering Budget; rather it is a consolidation of eight years in office by this Government. I welcome the Budget of behalf of my constituents.

5.54 pm

Mr. Malcolm Bruce (Gordon): We have heard a number of speeches from Conservative Members, not all of them quite as enthusiastic as that of the hon. Member for Uxbridge (Mr. Shersby). I did not detect a great upsurge of enthusiasm or very convincing cheering from Conservative Members when the Chancellor sat down. I wonder whether the Chancellor had lost that page and never found it. Some of the expressions on the faces of his hon. Friends gave the impression that they felt that something was missing from the Budget that they had been led to expect; that there would be more, but it has not actually arrived.

Those are the aspirations of Tory politicians looking to the election, not the aspirations of the British people looking to a Government who are prepared to face the problems which, according to all the indicators, they feel the Government ought to face. This Budget deepens the inequalities that have been aggravated by eight years of Conservative rule. There is nothing in this Budget for the unemployed, the poor or the low-paid. There is nothing in this Budget for the regions and nations of the United Kingdom, or for manufacturing industry. An opportunity has been missed, because the Chancellor indicated that he had potentially a considerable amount of room to manoeuvre and he chose to concentrate nearly all his resources on keeping down public sector borrowing to a record low level and giving a 2 per cent. cut in the standard rate of tax.

The Chancellor did not even choose to target taxes in a way that could have benefited the low-paid. Two or three weeks ago I was on a Channel 4 programme with Lord Young, who was arguing that the reason why the Government were coming forward with proposals for tax cuts was that many low-paid were still paying too much tax on their income. If he and the Government really believe that, they know that cutting the standard rate is not the way to target tax cuts to give those people the most benefit. The Government could have increased the thresholds proportionately, but chose not to do so.

The most objectionable thing about the Budget is that it has been targeted on a sort of synthetic creature, which is the standard Central Office-specified Conservative voter, at which essentially the tax cuts are aimed — nothing to do with the national interest. The arguments used to support that do not add up to the way that they have actually been applied.

I take up the point made by the hon. Member for Harwich (Sir J. Ridsdale). We regard as excessively cautious the public sector borrowing requirement being kept down to the low figure of £4 billion. If the reasoning behind that is to placate certain institutions in the City in the hope that this measure will help to bring down interest rates — which I concede it may do — I would have commended to the Chancellor the recommendation, which the alliance has been supporting throughout this Parliament, that we should become a full member of the European monetary system. In so doing we could bring down interest rates by about 2 per cent. The PSBR figure in the Budget is unlikely to bring it down by more than 1 per cent.

Secondly, as I think the Chancellor knows, although his Back Benchers do not, the factors that affect interest rates are diverse and include many other international factors, so they may not even work. In the process, opportunities have been ignored and lost to deal with the problems of the unemployed, to give something to the poor and to tackle the problems of disparities within the regions. I suggest that that is a very serious lost opportunity.

I noted in the Chancellor's introduction to his Budget — it is becoming repetitive, but it is still a star performance — his ability to select statistics that present

[Mr. Malcolm Bruce]

a picture of us living in an economic nirvana and suggest that it is rather disloyal and unfair of Members of Opposition parties to point to the realities of our society. The Chancellor talked about sustained steady growth, but ignored the enormous collapse that took place in 1979 and 1980, with the effect that manufacturing output is at least 3 to 4 per cent. less than when this Government came to power.

That is hardly an unmitigated success. Indeed, with oil prices weakening, it has contributed to the fact that, on the Chancellor's own forecast, we have a balance of payments deficit that will get significantly worse. Last year the right hon. Gentleman forecast that we would have a balance of payments surplus this year of £3·5 billion, and we actually achieved a deficit of £1 billion. I wonder what a £2·5 billion deficit forecast will turn out to be if we follow the Chancellor's track record in forecasting. I suggest that some uncomfortable indicators have yet to come home to roost.

The Government have not indexed customs and excise duties. Most people know that when that happens it only means that when the Government get round to indexing them later the increases will be that much more painful. I do not think that people will really expect to have got away with it indefinitely.

Nevertheless, I welcome some items within the Budget. Although I do not agree with the right hon. Gentleman's economic analysis or with his policy objectives, I think that he gives considerable attention to detail on many aspects of reform that are welcome and worth while. We would be churlish not to recognise that. The extension of profit-sharing in particular is very close to alliance hearts. Although it is relatively small and its impact will not be great, we welcome it. There are many more proposals to do with industrial democracy, profit-sharing and worker-share ownership that we hope will be developed in future.

As an environmental matter, 5p off the price of a gallon of unleaded petrol is welcome, not least because the leaders of the alliance will be travelling the country during the general election in a bus using this fuel. We much appreciate that contribution to our election fund. The only problem will be finding enough unleaded pumps around the country, but perhaps this move will help to speed up that process.

The measures introduced to help small businesses are welcome and are worth while. There are more substantial and fundamental things tht we would like to see, such as the abolition of inter-business VAT transactions, because that would obviously save a great deal of administration as well as the capital that is tied up for small businesses.

There should have been regular increases in the allowance for the blind, but we are glad that it is being caught up. I see the hon. Member for Monklands, West (Mr. Clarke) waiting to catch your eye, Mr. Deputy Speaker. No doubt he would have liked to see more funding to enable his worthwhile Bill to take full effect. I make a personal plea for other sections of the disabled community, such as the deaf, who do not have the benefit of any such allowance. The time may come when they should be included in a similar benefit.

The extension of personal pension provisions will introduce flexibility and portability, which will help mobility, and certainly we welcome that.

As a Scottish Member, I wish to address some comments to the impact of the Budget in Scotland. The Government have talked traditionally over the past few months of a fall in the underlying trend of unemployment. Many of us are less than convinced that such a fall is taking place. The last jobless figures did not bode well for the Government. When we take account of the various job training schemes, the real jobs that the Prime Minister talked about when she was Leader of the Opposition are no more apparent now than they were then.

I must remind the House that in Scotland the underlying trend of unemployment, on the Government's own figures, is rising sharply. This causes great concern. There is nothing to make the people of Scotland believe that that will be turned round.

Mr. John Butterfill (Bournemouth, West): Does the hon. Gentleman not agree that the tax relief proposals for oil exploration will be of considerable benefit to Scotland?

Mr. Bruce: The hon. Gentleman anticipates a point that I was coming to.

There are two factors within the Budget that will be of help within Scotland. The first is the proposed changes in the allowances for oilfields. These changes fall a long way short of what I would have liked and what will be necessary to stop the jobs haemorrhage, particularly in my part of Scotland. However, I do not wish to be ungrateful. That contribution is welcome, but more help is needed to bring on development. I wait to be convinced—I can put it no higher than that—that that adjustment will bring on a significant amount of additional development and so stop the slide in job losses in the oil industry. I sincerely hope that I am wrong and that the Government's calculations are right.

On the non-increase in customs and excise duties, the Scotch whisky industry will be pleased that it will not have to face that burden, but it would have preferred something else. The main burden of complaint of the Scotch whisky industry, as distinct from the makers of other spirits, is the discrimination against Scotch as a product that requires by law a three-year maturation period. The cost of holding those stocks is considerable. The abolition of stock relief, which the Government brought in a few years ago, continues to hit the Scotch whisky industry extremely hard. The industry's proposal for a statutory maturation allowance, which is essentially the reintroduction of stock relief, would help put the Scotch whisky industry back on its feet. I commend that to the Government for consideration.

Mr. Brooke: The hon. Gentleman referred to a statutory maturation allowance. I am sure he would be honest enough to agree that the maturation allowance under statute was something for which the industry itself asked in the first place.

Mr. Bruce: Yes, I agree absolutely, but my point is that the industry has not got it. I welcome the fact that the industry has put the application to the Government properly, but if I am not mistaken the point is that it is a statutory requirement that Scotch whisky should mature for three years. That is a major factor in the marketing of Scotch whisky. It is statutory, even if it was requested. The fact that that cost is incurred should be taken into account. The industry is looking for something reasonable. I do not regard it as unfair discrimination in favour of Scotch, but

a recognition of the cost of making Scotch whisky over three years as opposed to the production cost of gin and vodka, which can be made in three hours and put straight on to the market.

The essential point about any Budget is that it gives an indication of the priorities of the Government. I for one regard the whole ethos round Budget day as nonsensical. Many things happen on the economic front throughout the year that are far more important than the Budget. I wonder whether this ritual serves any purpose. What has been revealed in one hour's speech on one afternoon is an indication of the Government's priorities, but we knew what they were. They have not changed, which is regrettable, because with the onset of an election and the fact that the Government will have to test their policies, many people outside the Chamber were looking for action on unemployment and action to help the poor — *[Interruption.]*—not because it would bribe the electorate, but because it is right and it is what the people want.

People know that the Government will not change course and that, if they want different policies, they have to make sure that they throw the Government out. I and my colleagues look forward eagerly to the opportunity to do just that in the near future. The Budget is in accordance with the Tory Government's record. It does not offer hope to the poor or the jobless, or to the regions and nations of the United Kingdom. Many Tory Members may feel that it will please the City. I am not sure that it will please their constituents.

6.9 pm

Mr. David Knox (Staffordshire, Moorlands): I want to start by congratulating my right hon. Friend the Chancellor of the Exchequer on his fourth Budget speech. Like his previous Budget speeches, this was well constructed and commendably brief. The House is indebted to my right hon. Friend for the style with which he presents his Budgets and for making what could so easily degenerate into a tedious repetition of dull economic facts an interesting parliamentary occasion.

I believe that the less said about the contribution by the Leader of the Opposition the better. Let me offer the Leader of the Opposition some friendly advice. If he wants to indulge in the role of historian, would he please do the House the courtesy of checking his facts rather more carefully because he was completely wrong about Mr. Butler's Budgets in 1955? The facts do not bear out the remarks of the Leader of the Opposition.

Mr. Nicholas Fairbairn (Perth and Kinross): Is it not rather strange that the Opposition Front Bench is unrepresented?

Mr. Knox: I am not sure whether my hon. and learned Friend believes that I have some responsibility for that, but I can assure him that I have not. However, I agree with him that that is very strange.

Hon. Members on both sides of the House would wish to give a warm welcome to a number of the measures in the Budget. The change concerning VAT will be particularly warmly welcomed by businesses. Easing the rules for the payment of VAT should help to overcome the problems which firms experience with late payers. For some time that has been a considerable problem for many firms in my constituency and elsewhere. My right hon. Friend the Chancellor has made a real contribution to overcoming that problem and easing the lot of many people who contribute a great deal to the economy of this country.

I also welcome the tax reliefs that will affect profits-related pay. Profits-related pay has an important part to play in strengthening the economy. If we can move along in that direction, that will encourage greater flexibility in pay bargaining and will also help to relate the level of pay more closely to the prosperity of individual companies. The lack of flexibility in pay bargaining has caused immeasurable problems in the post-war era in Britain and is largely responsible for the situation that has arisen so frequently of income-cost inflation in conditions where there was no demand-pull inflation. Although I do not expect miracles—and no doubt my right hon. Friend does not expect miracles—I am sure that this is a step in the right direction.

I warmly welcome what my right hon. Friend the Chancellor did with regard to excise duties. My hon. Friend the Member for Uxbridge (Mr. Shersby) referred to this point. I am sure that in the pubs tonight smokers and drinkers will welcome the fact that probably for the first time in living memory there was no increase in this Budget in the duty on cigarettes and alcoholic beverages.

Mr. Maclean: I will drink to that.

Mr. Knox: My hon. Friend has said that he will drink to that. Some of my hon. Friends will smoke to it as well, although I shall not.

Mr. Dafydd Wigley (Caernarfon): In view of the fact that the Government have been unable to raise the £150 million to implement immediately the Disabled Persons (Services, Consultation and Representation) Act 1986, does the hon. Gentleman not think that the indexation of drink and tobacco would have raised more than that amount of money and would have been a worthwhile way of providing for disabled people who are not being provided for by the Government?

Mr. Knox: The hon. Gentleman is far too intelligent to think that such matters are interchangeable. There are other means of raising the money to which he referred.

People in the rural areas will warmly welcome the fact that there is to be no increase in excise duty for petrol and other fuel and no increase in car licences. The duty on those items bears particularly heavily on those who live in rural areas. Many of my constituents will be delighted that there has been no increase in the duty on those items.

I welcome the fact that the thresholds on income tax have been increased again, although only by the rate of inflation this year. There were substantial real gains in recent years, so I suppose that we could not have expected much more. I also strongly welcome the additional help for the over-80s and the blind. I am sure that that at least is a change that will commend itself to both sides of the House.

The Budget will not be judged in the medium and long term by the specific measures that it contains because, alas, they will be forgotten very quickly. It will be judged on the consequences of my right hon. Friend the Chancellor's Budget judgment and on the consequences of his decision to go for tax cuts rather than for higher public spending. More specifically, the Budget will be judged by its effects on the two inter-related areas of unemployment and manufacturing output. I will consider those two points in

[Mr. Knox]

a few moments. First, I want to consider the Budget judgment and tax cuts. Of these, the former is immeasurably the more important.

My right hon. Friend the Chancellor has decided to reduce the public sector borrowing requirement as a proportion of GDP in the hope, presumably, that that will have a downward effect on interest rates. I regret that. I believe that that is no more than an appeal to a fairly primitive form of monetarism. I do not think that there will necessarily be any effect on interest rates, which can and should fall anyway. However, I believe that the reduction in the public sector borrowing requirement will deflate demand in the economy as a whole and may result in higher unemployment.

We have been here before. In 1981 the then Chancellor of the Exchequer reduced PSBR from 5·4 per cent. of GDP to 3·3 per cent. Although interest rates fell straight away from 14 to 12 per cent., by the autumn they had moved up to 16 per cent. In addition, the demand deflation of that reduction in the PSBR resulted in a rise in unemployment to more than 3 million for the first time since the 1930s. I am sorry that my right hon. Friend the Chancellor has done as he has done today. Had he decided, on the other hand, to increase the PSBR, that would have resulted in an increase in the demand for goods and services, private or public, and eventually in an increase in the demand for labour and so a reduction in unemployment.

I have little doubt that tax cuts will be popular with the recipients and in principle I have no objection to tax cuts. In principle, I have no objection to higher public expenditure either. However, I do not see either of those in the ideological terms in which some hon. Members view them—Conservative Members in favour of tax cuts and Opposition Members in favour of public expenditure. I believe that there are substantial advantages in both tax cuts and higher public expenditure. If there is to be a choice between the two, that should be taken on a pragmatic basis, and a pragmatic decision should be based on what is most sensible, logical and desirable in the circumstances that obtain at the time.

For some years there has been a strong tendency for additional consumer expenditure to find its way into an increased demand for imports rather than for the products of our own domestic industry. Tax cuts, therefore, have involved a risk that some of the extra money released would find its way into imports. Some of this money would, of course, boost domestic demand and to the extent that that happens, it is to be welcomed. For as long as we had a very healthy balance of payments surplus—as we have had in recent years—it seemed sensible that we should go for substantial tax cuts. We could then afford to take the risk that higher consumer expenditure would go to imports. There was a substantial balance of payments surplus to act as a cushion if that happened although, of course, it was to be hoped that there would be an increase in domestic demand from such tax cuts.

Today, that balance of payments surplus has disappeared. We are now in a deficit, and in such circumstances it was not very wise to take the risks inherent in tax cuts because of the further strains that they might place on a weakening balance of payments position. Therefore, I would have preferred my right hon. Friend to confine himself to those public expenditure projects where the import potential was very low or non-existent. That would have seemed to me to be the cautious approach.

I mentioned that there were two inter-related problems of unemployment and manufacturing industry. We are now in our fifth year with unemployment over 3 million. From 1945 until 1974 we had full employment. The level fluctuated a little, but we managed to maintain employment at a high level throughout this period. Twice, briefly, unemployment exceeded 1 million and twice, also fairly briefly, in 1955 and 1965, unemployment was as low as 1·1 per cent. of the working population. It is a myth that unemployment started to rise under this Government. In fact, it started to rise under the Labour Government in 1974, and over the past 13 years it has continued to rise, although not at a regular rate. However, over that period, neither of the two Governments in office have had a good record on unemployment.

Alas, there has been a tendency in recent years towards a certain complacency about unemployment. Therefore, it does no harm for us to remind ourselves that for most of the post-war period the situation was better than it is now. The current level of unemployment shows how far we have moved from the high level of achievement in that 30-year period following the last war. The effects of unemployment are disastrous both socially and economically. Unemployment is socially divisive. It is difficult to have one nation when 3 million are out of work and 1¼ million people are long-term unemployed. The real division is between those in work and those who cannot find work, as the right hon. Member for Cardiff, South and Penarth (Mr. Callaghan) said about 10 years ago.

Unemployment is also economically wasteful. If we are not using all the available labour in this country, it means that we are not maximising output. It is nonsense to suggest that demand somehow has reached its peak and that there is no more work available. We all know as individuals that we could consume more goods and services if we had the opportunity, and, if we could not, our families, and especially our wives, could. We also know we could do with better social and public services. I believe that the Government have a good record on the Health Service and education, but no one is under any illusion that we could not spend more on these two things.

Potentially, there is plenty of additional demand for goods and services, both private and public, in Britain today. Consequently, it is nonsense in such circumstances for people to be out of work. It is merely a matter of releasing the demand for more goods and services. As one who believes strongly in the efficiency of the free market, I have no doubt that labour, capital and enterprise would come together to ensure that demand was met. However, if this is to happen and if there is to be a real attack on the level of unemployment, my right hon. Friend the Chancellor will have to be rather more adventurous with the public sector borrowing requirement.

I am deeply concerned about the decline in manufacturing industry that has taken place in recent years. Until 1973, output in this country had risen strongly since the end of the war. In 1973, manufacturing industry was producing more than twice what was produced in 1948. Alas, this progress has not been maintained. Worse than that, between 1973 and 1981 there was a severe drop Fortunately, there has been improvement since 1981, and I welcome this strongly. The Government should be commended for their part in it. However, the level of

output today in manufacturing industry is still lower than it was in 1973. In the last quarter of last year, it was almost 10 per cent. lower than it was in the last quarter of 1973, and that was more than 13 years ago.

Mr. Butterfill: What my hon. Friend has just said is completely contradicted by a research note produced by the Library, which is currently being issued, which shows that output is 0·2 per cent. higher over the same period. Perhaps my hon. Friend would like to refer to that.

Mr. Knox: If my hon. Friend refers to the official statistics, he will find that my figures are correct. They are published by Her Majesty's Government's statistical service. I repeat that in the last quarter of last year, manufacturing industry was almost 10 per cent. lower than it was in the last quarter of 1973, and that was 13 years ago.

Mr. Butterfill: What about these Library figures?

Mr. Knox: These statistics from the Government are more reliable than some that my hon. Friend may have got from the Library.

That decline in the past 13 years compares with an increase in output of almost 50 per cent. in the 13 years between 1960 and 1973. To illustrate further the seriousness of the situation, I point out that manufacturing output in January this year was about the same as it was in January 1974—the lowest point in the three-day week. No party has any right to try to make any political capital or mileage out of that. Both Labour and Conservative Governments have presided over a decline in manufacturing industry, and as the alliance was connected, in one way or another, with the Labour Government, it cannot dodge its responsibility either.

I accept that in a modern economy, manufacturing industry tends to employ a smaller proportion of the working population and it produces a smaller proportion of the GDP. At the same time, the service sector increases. However, this assumes an increase in GDP and a continuing rise in the output of manufacturing industry as new productive techniques are introduced and developed. Unfortunately, this has not happened in the past 13 years, although I hope that it will happen in the next 13 years.

For a nation such as Britain, a strong manufacturing base is essential because we are dependent on it to pay for essential imports of raw materials and foodstuffs. It is particularly important because the export potential of manufacturing industry is so much greater than that of the service sector. If we are to continue to expand our economy in the future, we must have a much stronger manufacturing base than we have had in recent years and it must expand more quickly, and, if we are to have a much stronger manufacturing sector, my right hon. Friend the Chancellor will have to provide more demand to enable it to expand. Again, that means that he will have to be more adventurous with the PSBR.

To sum up, I believe that my right hon. Friend the Chancellor deserves considerable credit for many of the specific measures that he has introduced today. However, I have some doubts about some of his macro-economic decisions, in particular relating to the PSBR.

6.28 pm

Mr. Jim Craigen (Glasgow, Maryhill): Before the hon. Member for Staffordshire, Moorlands (Mr. Knox) reached his peroration I was about to say that I agreed with many of the concerns that he expressed about unemployment and the need to remedy the decline in manufacturing capacity. In this Budget the unemployed have been forgotten and one of the few references that the Chancellor made to them was that there would be a threefold increase in the number of job clubs. I am sure that that will give great heart to the millions who are out of work. Even the references to improving vocational training incentives seemed to brush aside the recent report from the National Audit Office about value for money in respect of adult training programmes which the Government have been operating in recent years in an effort to try to reduce the unemployment statistics.

The hon. Member for Moorlands was correct in saying that this was not a dull Budget, but that was only because there was considerable laughter in the House at one stage when it looked as if the Chancellor had lost one of the pages of his statement. In some respects, one felt that something was missing from the Budget. Perhaps it was in that missing page. Perhaps it would have been a reference to unemployment, which was otherwise ignored, or a reference to reducing interest rates, to which I am sure many businesses were looking forward. [HON. MEMBERS: "Wait and see."] Conservative Members say "Wait and see" but the trouble is that we have been waiting for eight years for the Government to do more of the things that have been suggested.

One of the things that is clear from the Chancellor's statement is that he is keeping his options open. There was a considerable build-up in the weeks before this Budget about just what would be distributed by today's statement. The Chancellor made every effort this afternoon not to displease anybody. It is not clear how he will actually improve the economic and social fabric of this country. However, it was quite clear that he did not want to offend or upset any particular group. It was also noticeable that he spent a considerable amount of time giving away little titbits to some of his more influential supporters. It was just as well that he spent the first three quarters of his speech on that, because when he came to the end of his statement I thought, "Is that it? Is that the great give-away in terms of lowering the thresholds for taxation and reducing the basic rate?" I thought that because there had been a tremendous build-up of expectations.

The Chancellor had one eye on polling day, but he certainly did not have an eye on the prosperity, far less the posterity, of this country. One suspects that the situation may be worse at the Treasury than we realise—especially as I look at the Minister of State—because it is the consumer boom that has financed a substantial part of today's handout. That spending boom has given the Treasury revenues that were not expected at the time of last year's Budget. Those unexpected revenues come from extra VAT and corporation tax receipts. *[Interruption.]* It is just as well that the hon. Member for Penrith and The Border (Mr. Maclean) represents an English constituency, because he would never be elected in Scotland, and indeed one Scottish constituency sent him packing.

The reason for the unexpected windfall is that more consumers are getting goods on tick. The plastic card has played into the Treasury's hands. Consumer expenditure has risen because more people are getting into debt, as my hon. Friend the Member for Monklands, West (Mr. Clarke) pointed out last week in the debate on the Debtors (Scotland) Bill. The Chancellor is benefiting because more

[Mr. Jim Craigen]

people are living on tick. Therefore, he is able to hand back money which, as has been pointed out, has been paid to the Treasury anyway by those same taxpayers.

What a pity that the Chancellor could not have said more about interest rates, because their high prevailing level in this country has been one of our impoverishments in terms of investment. If the Chancellor had been able to announce some good news on the interest rate front, that would have sent up a far greater cheer from many of the small businesses which he is, understandably, so anxious to assist.

The Budget will not really get more young people or adult unemployed into meaningful work. One can alter pension schemes as much as one likes, but one of the things that the pensions companies must hope for is that more people will be in jobs and can therefore contribute to pension schemes. Apart from requiring contributors, pension schemes also look for areas in which to invest.

I should like to mention briefly the Government's proposals for profit-related pay schemes. One must look beyond the superficial attractions here and not forget that the competitive position of some firms will inevitably squeeze their profitability, especially if they face considerable overseas competition. It remains to be seen — perhaps this will unfold in the later stages of the Finance Bill — whether the Government's proposals will be most beneficial to those paying the higher rates of income tax. It is easy to get lost in the superficial attractions of that.

Finally, I cannot see the Budget strengthening the social, industrial or economic position of Scotland at present. The Budget will not do anything of great significance to help the manufacturing sector, or even the service sector, in Scotland.

When one considers the favourable winds that the Government have had at their back during the past eight years, in terms of North sea oil revenues, the profits from the privatisation of public assets, the higher revenues from indirect and direct taxation and their attempts to reduce public expenditure, one says, "What a dim-witted lot have been in charge of this country's Treasury during those years." We have ended up worse off than we were when that shower were first elected.

One must treat the Budget warily. What was significant was what the Chancellor left out, rather than the people whom he tried to appease, assuage and please this afternoon.

6.38 pm

Sir Anthony Grant (Cambridgeshire, South-West): It is always a pleasure to speak after the hon. Member for Glasgow, Maryhill (Mr. Craigen), but this is also a sad occasion because I understand that he will not be with us in the next Parliament. I for one will miss him because I remember what a good colleague he was at Western European Union and on the Council of Europe. I do not agree with a word that he says. I am surprised to find that he is so puritanical about credit cards and spending. No doubt, he would like to have a much harsher regime. However, it is always pleasant to debate and argue with him.

It is very different with the Liberal party. As I listened to the Liberal party spokesman, the hon. Member for Gordon (Mr. Bruce), I was reminded of a remark by the late Earl of Stockton that the Liberals are full of sound and original ideas but their sound ideas are not original and their original ideas are not sound.

This is a thoroughly responsible Budget, and I welcome it. It must be seen in the context of an increase in public expenditure of about £4·75 billion on such items as health and education in the autumn. That coupled with a reduction of £3 billion in the PSBR and the reduction of £2 million in taxation is a remarkable achievement by any standard, especially when at the same time our growth rate is the envy of many of our competitors abroad.

I support the tax reduction. I find the attitude of some people to tax reductions extraordinary and ambivalent. I always get irritated when it is assumed that the Government will give away something. They do nothing of the sort; they merely allow people to retain more of the money that belongs to them. The sooner we get that point clear in our minds, the better. It is also odd that, while many people are, rightly, deeply worried about the gross incomes of the low paid, they disregard the net take-home pay which pays the bills and maintains families.

Last week, at Question Time, my right hon. Friend the Prime Minister pointed out how much tax a nurse had to pay from her small income. I think it was about £43 a week out of £155. I heard a Labour Member shout, "Then pay 'em more." I find that astonishing. It shows the muddled thinking that prevails, not merely on the Opposition Benches, where we expect it, but through the country. In other words, such people are saying, "Give nurses more taxpayers' money so that they can pay more taxes to pay more money to people who are too heavily taxed on a low income who can then pay more taxes in order to pay more money to others and so on." It is a case of:

> "Great fleas have little fleas upon their backs to bite 'em,
> And little fleas have lesser fleas, and so ad infinitum."

I suppose that it can be said that that creates jobs for the Inland Revenue, so there must be some benefit in it, but what it has to do with national wealth creation, fairness or efficiency is beyond me.

It is odd that some members of the public are for ever criticising politicians, bureaucrats and civil servants, not always entirely without justification, and wanting them to control more of our activities, lives and finances. That seems paradoxical. There is even more ambivalence over the brain drain. I have been worried about that and have criticised the Government's attitude to research, which is important, especially at Cambridge. I am not convinced that the Government have fully taken on board the importance of that, and I look for some reassurance from Ministers during the Budget debate.

A lack of research facilities is only one factor in the brain drain; taxation is another. Direct taxation is lower in most European countries and particularly in the United States for those people than it is here. I keep hearing of bright young men and women, especially in science and medicine, who are lured abroad because of the better net financial prospects that they will enjoy. It is in everybody's interests that this brain drain should be stopped, and the reductions in taxation should help.

There is a fashionable theory which we hear bandied about that direct tax cuts do not promote harder work. I do not know whether the theory is right, but, if it is, it is surprising that an increasing number of people have been working increasingly hard in what is called the black economy where they do not pay tax. In any event, higher

taxation can hardly be said to be an incentive to greater effort. The Opposition may well ponder on that before they finalise their election manifesto.

I am pleased that the Chancellor recognised the problems of old pensioners. It is a mark of a civilised nation to care for its old folk and we have an increasingly aged population. In considering taxation, it is interesting to reflect on the many complaints that we receive from those who are taxed on their small additional earnings over and above their pensions. That is another aspect that should be pondered on.

It is always the well-heeled who moralise on the wickedness of taxation. I have a suggestion for them. They should give away any tax benefits that they receive to a charity or deserving cause, thereby saving the cost of a bureaucracy collecting it and doling it out. If they are anxious to take up that suggestion, I remind them that the Chancellor has made concessions on vehicles for hospices. I hope that that will help Cheshire Homes, of which I am a great supporter. That is a way in which all those high-minded people can dispose of their tax benefits.

My hon. Friend the Member for Staffordshire, Moorlands (Mr. Knox), whose views I greatly respect, drew attention to the tax versus public expenditure argument. I agree that this is not a dogmatic, doctrinaire issue. I also agree that this is the time for taxation reductions rather than public expenditure in view of what has already been done. I notice that the five economic advisers to Governments between 1970 and 1979 take a different view and, incidentally, they are not short of a bob or two. I accept full responsibility for the period when I was a Minister, but the latter part of that decade was noted for high inflation, low growth, increasing unemployment and deteriorating services. I doubt whether the advice of the famous five is any better now than it was then.

Mr. Stuart Randall (Kingston upon Hull, West): I read the *Financial Times* letter to the editor, but I thought that it said from 1948 to 1979.

Sir Anthony Grant: If that was the case, their record is even worse because in that period we had low growth and rising inflation, particularly in the latter stages from 1974 to 1979 when the economic situation was undoubtedly deplorable. This morning Radio 4 pondered on a suitable collective noun for those advisers. I would suggest that "a folly of advisers" would be appropriate.

We have often been too obsessed in our taxation considerations with the highly paid and the lowly paid. We should not spend so much time worrying about the highly paid unless we are completely eaten up with envy. The tax they contribute is a relatively small part of the whole, and they are quick and smart enough to nip abroad or otherwise to avoid taxation. We should not forget the people in between who often make the biggest contribution to the nation's economic welfare. Direct taxation bears hard on them and they are all too often neglected. As Hilaire Belloc said:

"The rich arrived in pairs and also in Rolls-Royces
And talked of their affairs in loud and strident voices.
The poor arrived in Fords, whose speeches they resembled
And laughed to see so many lords and ladies there assembled.
But the people in between were underdone and harassed
And out of place and mean and horribly embarrassed."

That illustrates the difficulties that we face. The people in between are hard hit by high interest rates and include small business men, professional people who rely on an overdraft for financial capital and home buyers who depend on mortgages. They are often cruelly affected by high interest rates. All too often they are forgotten by the advocates of higher public expenditure through Government borrowing. Therefore, a fall in interest rates would be the best news for small and medium-sized businesses and the property-owning democracy. I shall be surprised if the Chancellor's responsible handling of the PSBR over the years and in this Budget does not lead to a further reduction in interest rates in the near future.

I am glad that the Chancellor seems to be so splendidly converted to wider share ownership and I am delighted at the Government's record of an increased number of shareholders. I was a pioneer and founder member of the Wider Share Ownership Council with the late Maurice Macmillan and my hon. Friend the Member for Croydon, South (Sir W. Clark). For years we were crying in the wilderness, but now our desires are coming to pass. It is not only a question of increasing the financial wealth of people, but also of increasing independence and responsibility for the individual. The more people own shares and have a part in the ownership of our nation, the greater the responsibility and the more sturdy the bastions are against the ever encroaching power of the state. I welcome anything that is done in that respect, and the Government's record is the best that I can conceive.

This is an excellent Budget which is designed to help those who most need it while maintaining the stimulus in the economy. I want to end with a quotation from a distinguished source——

Mr. Michael Brown (Brigg and Cleethorpes): Is it Belloc again?

Sir Anthony Grant: No, it is not Belloc again. It is a much more distinguished quotation than that. It reads:

"If you want to retain power you have got to listen to what people . . . say and what they want. If you talk to people in the factories and in the clubs, they all want to pay less tax. They are more interested in that than the Government giving money away in other directions."

That was said on 14 March 1978 in advice to Labour's national executive by no less a person than the right hon. Member for Cardiff, South and Penarth (Mr. Callaghan). He is often quoted these days, apparently, but his words are as true today as they were then.

I do not know whether this is an electioneering Budget, and I do not care. If it is, I thank God, because it will save the nation from the horrors of a hung Parliament and Socialist rule.

6.51 pm

Mr. Dafydd Wigley (Caernarfon): The hon. Member for Cambridgeshire, South-West (Sir A. Grant) is the first Member to show some enthusiasm for the Budget——

Mr. Brooke *indicated dissent.*

Mr. Wigley: I have no doubt that the Minister has a professional interest in the Budget and some enthusiasm for it.

The considerable divide between the two sides of the House has become evident in this Budget. One divide that has become apparent is that every Conservative Member who has spoken represented an English constituency, and every Opposition Member who has spoken represented a Scottish or Welsh constituency. That might underline the considerable divide. I accept that that divides between the north-west—north-east and the south-east of England. This Budget may have been acceptable and caused some

[Mr. Wigley]

enthusiasm in south-east England, but it has done nothing to solve the basic problems that face my community, where there is 22 per 'cent. unemployment and considerable worries about the future.

In many ways, the Budget has given us a sign about the election, because we will have a minimalist Finance Bill which can be rushed through rapidly. I suspect that that heralds an election on or around 11 June, and everything in the Budget has been geared to that.

We had been hyped-up to expect a substantive and imaginative Budget. It may be that that over-hyping led to the sort of headlines that we had in yesterday's *Daily Telegraph*—

"Growing fears over Budget 'giveaway'".

I wonder whether, with that missing page from the Chancellor's speech, there has been a change of direction by the Government in response to those who have expressed such fears.

The Budget is a tinkering one. It is more concerned with changes in minutiae rather than with overall strategy. That may be expected as we come to a general election, but it has not answered those of us who have criticisms of the direction of general strategy.

Before I deal with those criticisms, I shall acknowledge some of the improvements and benefits from the Budget. The changes in VAT on small businesses are to be welcomed. The changes in VAT in respect of disablement equipment are to be welcomed, as are the changes in the blindness allowance, which was long overdue.

The encouragement of profit-sharing schemes is a step in the right direction, although many Opposition Members took offence when the Chancellor said that one of the greatest liabilities or problems that we had in that context was the work force. That was an unfortunate remark to say the least, and should be discouraged.

I welcome the clampdown on corporation tax, which will bring in much-needed revenue. The North sea oil proposals may be helpful if they develop and increase the scope of new oilfields. The business expansion scheme changes are to be welcomed.

I welcome one of the negative matters—that there is to be no increase in the cost of petrol or vehicle licensing duty, which have a considerable adverse effect on rural areas where transport is essential and not a luxury. I fear, as do other hon. Members who represent rural areas, Labour party thinking on this issue. Perhaps Labour Members can respond to reports that the Labour party may be thinking of doing away with vehicle licences and putting the cost on to petrol. That would not be acceptable in my area.

The Budget says next to nothing about unemployment, which worries us. The hon. Member for Staffordshire, Moorlands (Mr. Knox) was worried about the lack of strategy to reduce the 3 million — or perhaps 4 or 5 million if we take those on artificial schemes—who are unemployed.

There is nothing in the Budget about benefit rate increases. I realise, however, that those are now dealt with in a different manner. Representations have been made to the Government by various bodies, such as the Child Poverty Action Group, which strongly stressed the importance of child benefit, for example. I realise that these statements may not be made in the context of the Budget these days, but it is important to consider the relevance of matters such as child benefit when considering factors such as the poverty trap. It is worth quoting what the Child Action Poverty Group said in its Budget submission:

"At a time when the divisions in our society are growing ever wider, there can be no justification for squandering billions of pounds on tax cuts which will benefit the highest paid most. Instead, the Chancellor should announce a programme of tax reforms designed to help the low paid and families with children and commit the Government to increasing the resources available to those living on social security. Such a Budget would be a fitting memorial to the 'one nation' policies advocated by the late Lord Stockton."

That is central in the divide between the two sides of the House.

There is little in the Budget about interest rate reductions. I take the point that has been made already that perhaps we shall hear more about that in the next few days, but if it is only an extra half a per cent. that will not be enough.

There is little on the question of social legislation. In an intervention, I referred to the Disabled Persons (Services, Consultation and Representation) Act 1986 and a number of other items of social legislation that need money spent on them—money which would be better spent on such provision than on giving it back to those who perhaps do not need it quite as much as those who need the services that are provided under the disabled persons legislation.

The Budget has not taken enough people out of taxation. If there was money available for reducing income tax levels—reference has been made to the position of nurses on low pay—the way to use it was to take out of taxation people on low pay who are paying income tax. In the Budget, £700 million has been used for that purpose, compared with £2,000 million for spreading it thinly over the standard rate of taxation. That can have an increased benefit for those who are on the higher rates and above the standard rates. The raising of the threshold should have been twice the level required by indexation. The Government had their priorities wrong in not doing that.

I want to take up one point with the Opposition. I found the speech of the Leader of the Opposition difficult to swallow when he criticised the Government because their taxation level was now higher than it was in 1979. I take the view — I was under the impression that Opposition Members generally did so, too — that we need high taxation to sustain the services that we perceive as being needed to help those who are most dependent on state services. We cannot have it both ways. We cannot criticise a Government for maintaining high tax levels if we believe that they, or even higher ones, are necessary to maintain the services that we need. We need to be straight on this matter. If we believe in services, we must believe also in the means of sustaining them. We must bite the bullet, and sometimes bite hard. The two sides of the House may have different views on this issue, but we must be consistent in our arguments. Most Opposition Members believe that priority should have been given to increased services, which would in themselves provide more jobs than will be provided by a reduction in the standard rate of income tax.

The Budget is something of a damp squib. It reflects a lack of vitality, vision and ingenuity. Certain commentators have referred to the Chancellor of the Exchequer's ingenuity. That ingenuity has not emerged today. I do not know why it is not apparent. There is a lack of content in the Budget. It gives the impression of a tired Budget that

has been introduced by a tired Chancellor. It is less than we were led to expect, and I do not understand why this has been allowed to happen, unless there was a change of course fairly late in the Budget development programme.

There has been the squandering of a massive opportunity, and the Chancellor of the Exchequer's incredible statement about the work force has brought that home. I find it difficult to accept that the policy of keeping the public sector borrowing requirement at £4 billion should be sacrosanct. The Government were talking only a year ago of a PSBR of £7 billion, and the difference of £3 billion could have been invested in infrastructure, including roads, hospitals and schools. Jobs would have been provided in taking that course.

I believe that we could live with a PSBR of £8 billion or £10 billion, but let us for the moment accept the £7 billion that the Government were working to only a year ago. That sum, together with the £2 billion give-away, could have provided many jobs and improved services. I know that those who will receive the benefits of the Chancellor of the Exchequer's give-away will appreciate them, and perhaps when it comes to voting, but our vital resources have not been used to the best effect.

Interest rates are running at about 11 per cent. at a time when inflation has been running at about 3 per cent. or 3·5 per cent. Interest rates are far too high and a real interest rate of 7 to 8 per cent. cannot be justified. There are difficulties for manufacturing industry. My background before coming to the House was on the finance side of it. If interest rates are running at about 11 per cent., manufacturing industry will be looking for a return of 20 or 25 per cent. before it takes a risk. Why should it take a risk when it can obtain good returns from money placed in secure investments?

The interest rates that have been running under this Government have been 10 to 10·5 per cent. on the one month rate. That compares with 4 per cent. in Germany, 4·5 per cent. in Switzerland, 5·5 per cent. in Holland and 3·5 per cent. in Austria. I realise that there are difficulties due to oil money movements, for example, but after eight years it should be possible to engineer circumstances in which the interest rate is substantially lower.

Perhaps the Government believe that a PSBR of £4 billion will be enough to start reducing interest rates. There is no evidence that that will happen, but I hope that that will be the result. Interest rates should be coming down to 7 or 8 per cent. if inflation is running at 3 to 4 per cent. Indeed, that must happen if we are to have a change of course that leads to significantly greater investment in manufacturing. It is critical to reduce interest rates, and not only for manufacturing industry, though that is important.

A reduction in interest rates is important for agriculture. Many farmers in my constituency extended their bank facilities to expand in the dairy sector only to be clobbered by the quotas that have been imposed. Many of them are being foreclosed by their bank managers and lower interest rates would be significant to them. In many instances it would make the difference between surviving and not. A reduction in interest rates would make a substantial difference also to home owners.

A high interest rate is no incentive for new ventures and enterprise. Nor is it a help to secure investment at a cost that can be afforded by the community to provide much-needed community facilities. In eight years in office the Government have not succeeded all that well with their interest rate policies. I am not a supporter of a policy that plays into the hands of the money lenders and causes so many problems for the groups to which I have referred.

The comments of the economic advisers to the Government that appeared in the *Financial Times* yesterday have been referred to by those who have talked about jobs. It is worth putting on record a couple of parts of their letter. One passage read:

"As Chief Economic Advisers to governments from 1947 to 1979, we are greatly troubled by the prospect of continuing high unemployment. We do not accept the widespread view that it is inevitable. On the contrary, we consider that much of the increase of 2 million in the number of unemployed since 1979 results from errors of economic policy."

The letter continues:

"The time has come for a change of course. Realistic policies exist which could lead to a major return to work without exploding inflation. The Chancellor has a real opportunity to introduce a budget for jobs. Genuine and major reductions in unemployment should be the top priority for government policy."

It is easy to rubbish civil servants, including those who have been in post when other Governments have been in office. There are those who have been in that position over many years when both Conservative Governments and Labour Governments have been in office. There was the time of "You've never had it so good" in the 1950s and the period of full employment in the 1960s and early 1970s. If £4,000 million or £5,000 million had been allocated in the Budget, that would have helped to create as many as 1 million new jobs, including 50,000 in Wales.

The needs of the elderly and the disabled are often catered for only in institutional care. These people could be looked after in their own homes if resources were made available to pay those who are available to do the work to undertake it. It may cost only £60 or £70 a week of additional public expenditure per person to trigger such a scheme, and the state is willing to pay £180 a week to maintain people in private residential homes, or £230 a week to maintain people in private nursing homes. Surely some money could have been made available to the domiciliary services to help the elderly and the disabled live in the community, and thereby increase employment.

In Wales there is a great need for housing. About 160,000 houses—about 14 per cent. of the housing stock—are unfit. At the same time, building workers are out of work. They want work but they cannot get it. Some schools are in an appalling condition and need maintenance. There are roads with holes in them. The rural roads especially are in a state of disrepair. The railways need modification and investment. Hospitals have increasing waiting lists. These are the problems within the community. At the same time there are those who are willing to work. They want to work and we are paying them to do nothing. We could pay them a little more to work, and that little more is the money that is being given away in a tax reduction. The Chancellor of the Exchequer should not have moved in that direction.

This will be a good Budget for the well-off. It will enable people perhaps to have a second colour televison set, a second new car, a second overseas holiday, a second pension or even a second home. Unfortunately, it will do precious little for the 3 million or more who do not have even a first job.

7.8 pm

Mr. Tim Smith (Beaconsfield): I listened carefully to the remarks of the hon. Member for Caernarfon (Mr. Wigley)

[Mr. Tim Smith]

about the Budget. It is in the nature of things that perspectives should vary fundamentally on the statement of my right hon. Friend the Chancellor of the Exchequer. I could not accept the hon. Gentleman's description of the Budget as either "tinkering" or "tired". I am genuinely enthusiastic about what my right hon. Friend had to say. He has introduced a remarkable and radical Budget that is wholly consistent with his three previous Budgets. I do not agree with the hon. Gentleman's assertion that it will do nothing for unemployment, and I shall explain later why I believe that to be so.

The hon. Member for Caernarfon said that we could have a PSBR of £7 billion, £8 billion, £9 billion or even £10 billion instead of £4 billion, and he then said that he wanted lower interest rates. The two objectives are not compatible. He complained about the Leader of the Opposition wanting it both ways, but so does he. We shall see tomorrow a fall in interest rates as a direct result of a major cut today in the PSBR for next year.

I agree with the hon. Member for Caernarfon that the Leader of the Opposition wants to have it both ways with regard to taxation. The right hon. Gentleman said that we should go back to having the reduced rate band. Obviously the right hon. Gentleman has forgotten that the reduced rate band was 25 per cent., and the standard rate of tax next year is to be only 27 per cent. Therefore, the reduced rate band would now only be 2 per cent. lower than the standard rate. Very soon there will be a reduced rate band, not for a few, but for every standard rate taxpayer. That is why this is a remarkable Budget. If we take into account the measures announced in the autumn statement and the Budget, we have witnessed a fiscal adjustment of £11 billion. In November an increase of £5 billion in spending was announced. Today, the Chancellor announced a reduction of £3 billion in borrowing and a reduction in taxation of £3 billion. This is a remarkable achievement and it underlines the strength of the British economy and the buoyancy of tax revenues.

There are three measures in the Budget that I believe will be particularly welcome. The first is the increase in the threshold for inheritance tax. When that was announced it was obvious that Labour Members felt it was some kind of give-away to the rich. I must tell them of one of my constituents, the wife of a retired teacher. This lady wrote to me the other day to say that she had noticed that the price of their modest house in Gerrards Cross must be between £120,000 and £150,000. That would be the price of a modest house in Gerrards Cross. The lady suddenly realised that, in those circumstances, when she handed on her estate to her son, half of it would be subject to inheritance tax. She is not a rich person—she represents the ordinary constituent. Such a position would have been faced by many throughout the south of England because of the huge price increases. Therefore, I welcome the change that the Chancellor has announced this afternoon.

The second attractive change is the introduction of what are termed "freestanding AVCs". This provides the opportunity for people who belong to occupational pension schemes to top them up by making additional voluntary contributions, not to that scheme, but to a personal, portable pension scheme of their own. At the moment such schemes are available only to those who are not members of occupational schemes. This change will prove very attractive. I notice that the Red Book suggests that over 250,000 people will take up that opportunity, but I believe that many more will do so.

The third measure that I believe will be extremely welcome are the changes that are to be made in the administration of VAT for those businesses having a turnover of less than £250,000. Cash accounting will be the answer for those small businesses which have complained for so long about bad debts and late payers. They will no longer have cause for complaint, because they will not have to pay over the VAT until they have collected it from their customers. The threshold for this change was put at £100,000 in the consultative document, and the fact that the Chancellor has increased that to £250,000 is most welcome.

The new arrangements for annual accounting are also welcome as they give small businesses the opportunity to pay nine estimated amounts of VAT on account during the course of the firm's financial year. They will then make a final payment, together with one annual VAT return. That will do a great deal to help those small businesses which complain that they have to complete a complicated return once a quarter.

With the benefit of hindsight, it is clear that the year 1981—in particular the Budget of 1981—represented a major turning point for the British economy. It is clear that 1981 marked the end of 20 years of relative economic decline for Britain. At that time, the Government's critics said that their economic strategy, in particular the medium-term financial strategy, would not work. Indeed, a group of learned academics wrote to *The Times* to say precisely that. Since then the United Kingdom has enjoyed sustained economic growth of around 3 per cent. per year. Total output, manufacturing output and productivity have risen and 1 million new jobs have been created. All that has occurred because, in the depth of the recession, the Government had the courage to tackle the causes and not the symptoms of Britain's economic malaise.

As British industry has become more competitive, and consequently more profitable, so the yield from corporation tax has risen. As the standard of living of the British people has risen, so to has the yield from indirect taxation. Because of the buoyancy of Government revenues, the Chancellor was able to announce today a combination of lower direct taxation and lower Government borrowing. Some will say that he is a lucky man, but I say that the Government, by their unwavering economic policies, have created their own opportunities. The United Kingdom's economy has escaped from the vicious spiral of relative economic decline to a virtuous circle of soundly based economic growth. Today, the Government's critics say, not that the Government's economic strategy will not work—plainly it has done—but that it will not last. On the contrary, I believe that because it is soundly based it is much more likely to last than the failed expansionary policy of the past where a "go" was inevitably followed by a "stop".

The underlying strength of the economy is best demonstrated by its ability to withstand the seismic shock of a miners' strike followed, not so long afterwards, by a huge plunge in the price of oil. Two or three years ago lectures entitled "What will happen when the oil runs out?" were fashionable. Last year's Red Book showed that, at the time of the 1985 Budget, North sea taxes were forecast to be £13·5 billion in 1985-86. This time last year the forecast for this year, 1986-87, was £6·1 billion. It is

against that background of a huge fall in oil revenue that today the Chancellor was able to announce cuts in taxation. No wonder that today nobody asks "What will happen when the oil runs out?"—we already have the answer.

All the evidence suggests that the recovery is spreading from the south of England, through the midlands to the north, yet unemployment, even in the south, remains stubbornly high. Why is it that there are 4,000 people out of work in Slough, but at the same time there are more than 20 pages of job advertisements in the local papers every Friday? I believe that the answer to that question lies in a combination of lack of skills and lack of incentives. Therefore, it is most welcome that the incentive to work will be increased by the raising of tax thresholds and the reduction in the standard rate of income tax that the Chancellor announced today.

Now is the right time to set some economic objectives for the next period of Conservative Government and the next Parliament until 1991 or 1992. Those objectives stem from a desire to get the fundamentals right by removing obstacles to economic growth and job creation. I believe that they should be, first, the elimination of inflation altogether; secondly, a continuing reduction in public spending as a proportion of gross domestic product; thirdly, a balanced budget; fourthly, a reduction in the standard rate of tax to 20 per cent. and in the top rate to 50 per cent.; fifthly, British membership of the exchange rate mechanism of the European monetary system; sixthly, real interest rates equivalent to the world average; seventhly, increased mobility of labour, principally engendered by major deregulation of the Rent Acts and a corresponding increase in property to let; eighthly, continued support for the Scottish and Welsh Development Agencies and the creation of a North of England Development Agency; and, ninthly, continuation of the hugely successful privatisation programme involving the transfer to the private sector of, among others, electricity, coal and water.

We have come a long way since 1979. Many of the changes that have been made are irreversible. The benefits of today's Budget are the rewards for the efforts that managers and workers alike have made to modernise British industry by doing away with outdated work practices and investing in the latest technology. Once again Britain can compete effectively in world markets. That success has been hard won and the country will want to think carefully before it throws it all away.

7.18 pm

Mr. Tom Clarke (Monklands, West): Forced to choose between the descriptions of the Budget by the hon. Members for Beaconsfield (Mr. Smith) and for Caernarfon (Mr. Wigley), I believe that the Budget represented a statement by a tired Government and that the hon. Member for Caernarfon was right. It is appropriate to recall the words of Lloyd George—a Tory nation is a tired nation. If the Budget demonstrated that, the people will respond appropriately when, before long, they are asked to pass judgment on the priorities explained by the Chancellor and supported by some of his right hon. and hon. Friends.

The Budget did little to deal with the biggest problem that Britain faces — unemployment. It did little to remove the regional variations and the great gap between the most prosperous parts of the United Kingdom and areas such as in my constituency where great poverty and deprivation are experienced and where people are greatly concerned about the Government's lack of leadership and about their complacency, which the Budget showed, which is clearly widely shared by Conservative Members.

I was distressed, as my constituents would have been, to hear the speech of the hon. Member for Cambridgeshire, South-West (Sir A. Grant), who referred to people being involved in the black economy. In many ways that represented an honest statement of his opinion, but I regret the fact that that is an oft-repeated view, as I know from talking with many people, especially in south-east England. It is a great myth and is patronising and unacceptable. The constituents of my hon. Friend the Member for Motherwell, North (Mr. Hamilton), who are fighting to save the Caterpillar factory, with massive support from the Scottish people, and who want to produce, sell and export their products, and who would have liked reasonable interest rates so that they could carry on with that objective are rightly offended when, by implication, they are told that their fight for jobs is a sham because they are dependent on the black economy to keep themselves going.

People in Lanarkshire and in my constituency have experienced closure after closure, from Cardowan to Gartcosh and at Buchanan in Stepps. There has been an exchange in the House on the Scottish whisky industry's future, which is of great interest to me. Alas, after the Buchanan closure, there will be no more jobs in that industry in my constituency. The men and women who have experienced unemployment and redundancy will not be attracted by the minor taxation changes announced by the Chancellor. For them, unemployment is total. The minor tax concessions given by way of window dressing have little attraction and show little awareness of the reality of the problems faced by those families.

The Budget is a clear indication that Kenneth Galbraith's words of more than 20 years ago apply even in 1987. He talked about the reality of

"private opulence and public squalor."

We are seeing the "private opulence" in the fact that the Chancellor's concessions are bound to be better for the higher income groups. That is consistent with the Prime Minister's reply a few weeks ago to a question that I asked when she said that the top 10 per cent. of the people have enjoyed a great deal more prosperity since 1979 than have the bottom 10 per cent. We have seen the gap grow between the very prosperous and the very poor, those who have been caught in the poverty trap and who know what unemployment and destitution mean. The tragedy is that, given an opportunity in the Budget, the Chancellor has failed to respond to the problems that people are enduring.

The hon. Members for Gordon (Mr. Bruce) and for Caernarfon referred to the Disabled Persons (Services, Consultation and Representation) Act 1986. A few weeks ago I asked the Prime Minister whether she thought that it was right to withhold the funding that is necessary for that Act to become meaningful, while at the same time preparing for the type of taxation cuts that we have seen in the Budget, which I do not believe are right. Public opinion surveys suggest that the British people would prefer to ensure that public services are not starved of resources, that there is proper public investment and that our infrastructure makes us capable of being a manufacturing nation worthy of that name, reversing the current trend whereby we import more than we export.

[Mr. Tom Clarke]

In the light of this challenge, the Chancellor has dodged the two issues facing this nation. The first is wealth production. We must produce the wealth before we can debate exactly where the money will go. The second is the distribution of resources. We, in a modern, sensitive society, have to decide how best those resources should be distributed. On both counts the Chancellor has failed.

The Budget will not lead to increased productivity. It will not help our hard-pressed manufacturing industries, including those in my constituency which have suffered so much in recent years. If we do not produce to the extent necessary to satisfy our people's needs, of course the social services are bound to suffer, and the Prime Minister will be forced into the embarrassment that was so obvious at the Dispatch Box when she said, replying to me, that funding would be made available for the provisions of the Disabled Persons (Services, Consultation and Representation) Act when resources became available.

This afternoon the Chancellor found other means of spending money. He barely recognised the problems in the social services. Over the weekend, in my constituency, more than 400 geriatric and psycho-geriatric patients were removed at the shortest possible notice from the Woodilee hospital, a psychiatric hospital built in Victorian times. The staff went with them and many patients were sent some 5 miles or perhaps 10 miles away to another hospital because the health board was advised that their present hospital's structure was dangerous. However, some of the patients then found themselves in a new ward where the ceiling was falling in. The nurses and auxiliary staff who were with them, and who have done an excellent job, showed me pieces of asbestos that had fallen from the ceiling.

This is Kenneth Galbraith again—

"private opulence and public squalor."

For how long will the British people tolerate these priorities? It is not enough for the Government to say that they are committed to the Health Service and to allow that sort of thing to go on. It is not enough for them to say that they stress community care, yet not give the social services the resources necessary to make community care a reality. It is not enough for the Government to ignore the plight of disabled school leavers and the demands of a modern education system.

How can we talk about jobs, industry, our manufacturing base and competing with the Japanese, the South Koreans and the rest if we are not investing in education? How can we accept a situation in which 5,000 young people with the qualifications to enter higher education are denied that opportunity? How can we cope with a system where access to higher education is so limited that only 1 per cent. of children whose parents had an unskilled working-class background are given that opportunity?

What we are seeing—and this is a theme that we noticed time after time in the Chancellor's speech—is the reality of the resources of this country, including the most important resource of all, the contribution that our people are capable of making, being tossed away. No Government have that right. It is not beyond the wit of a modern Government to ensure that our economy is organised and planned to give our young people the opportunity of enjoying the full potential of their capabilities and their interests.

This is a very short-sighted Budget. For the reasons that I have given, I regard it as selfish and cynical. If Lloyd George said that a Tory nation is a tired nation, I must tell the Government that I believe the people are becoming tired of these priorities, tired of this approach, tired of unemployment, tired of seeing resources, especially oil, being thrown away to finance 3 million unemployed, tired of the consequences for the social services, for health, and for the education system. I have every confidence in the people of this country, because they have made it clear—and will soon do so again—that the Government's priorities are not theirs.

7.30 pm

Mr. Nicholas Fairbairn (Perth and Kinross): The hon. Member for Monklands, West (Mr. Clarke) may have imagined that he was joining the hon. Member for Caernarfon (Mr. Wigley) in speaking for the Celtic fringe who, the hon. Member for Caernarfon claimed, regard this Budget as contrary to the interests of Scotland and presumably of Wales.

Perhaps, on St. Patrick's day, I may speak modestly for Scotland, which, I am glad to say, is north of the north-south divide, because the prosperity of the people of Scotland is infinitely greater than the prosperity of those who reside south of this mythical divide. The expenditure per head on education, on roads and on investment is massive. Our share of incoming industry is enormous. The success of the Scottish Development Agency, which we reorganised, is quite dramatic. We have a huge share of modern industry—a fact that the hon. Member for Monklands, West appears not to comprehend. The Labour party is consistently anxious to protect, to cosset and to contain industries of the past which are not relevant; it is not anxious to welcome the industries of the future which are. One of those industries is tourism, which has been highly successful in Scotland.

There have been some extraordinary speeches this evening. The official Opposition and the alliance have to find a way of saying that good news is bad news. They were robbed of their chance to say that the Chancellor had bribed the electorate, so they had to find some other way of alleging that the Chancellor has got it wrong. The thrust of their argument is that he should have reversed everything that has produced our present prosperity and economic strength by going back and investing the wealth of the nation in bureaucratic schemes. The reason why the Chancellor has been able to spend £11,000 million—I do not use this word "billion", because it is misunderstood—on the prosperity of the people of this country is his economic prudence. It is because we no longer have to spend it on loss-making nationalised industries, on so-called infrastructure, on all the things that lose money and build ever-increasing empires and can never be brought back again. It is because of the determination and the strength, essentially, of the Prime Minister and of the Chancellor that we have turned back from that inevitably downhill road in which taxation increased in order to support the ever-increasing claims of authoritarian bodies. That has produced a quite remarkable change. All the nationalised industries which have been privatised are in profit and now belong to the people.

I remember when British Railways, as it was called, was created. People genuinely asked if the railways now belonged to the people, which was their station, their

carriage, their buffet. Now these industries really do belong to the people and are profitable. British Coal is doing the same. May it be privatised soon as well.

I should point out that the oil industry, which everybody imagined, in nationalist terms, was a sort of succour provided by Scotland for England, provoked not a word of complaint when it suddenly lost its strength and when England had to give succour to Scotland. The succour has come for Scotland and it has come this afternoon from the Chancellor who has sustained an important British industry. We say thank you for that.

We say thank you also on behalf of small business. Hon. Members have not sufficiently understood the extent to which the announcement made this afternoon on the adjustment of value added tax and other matters will benefit small business. If every small business took on one more employee or found itself able to do so financially, as I believe after today they will, it would mean employing between 500,000 and a million people in realistic, productive work. People are saying that the Chancellor did not speak about unemployment. But this is employment: one creates employment by creating the financial ability to employ. One does not create employment by enabling local authorities, by gross, and thus inflationary, overspending, to take on more employees for schemes to mend Woodilee or any other hospital, and such like. Like the hon. Member for Monklands, West, I have been on the Select Committee on Scottish Affairs investigating hospital building in Scotland. One could not envisage public money being better wasted than by being thrown away on that.

The Scotch whisky industry is very important to England, to the French, to the Americans and to everyone else, except the Japanese. Its pleas and our imprecations have been heard by the Chancellor and he has held excise duty at its present level. One of the things that I have noticed, taking a quite impartial view of politics, is that those who vote Labour also consume alcohol. I can imagine nothing that the Labour voter—or the about-to-be ex-Labour voter—will appreciate more. For the first time, I believe, since the war—certainly in my political recollection—nothing has been added to the cost of a pint or of a nip. Employed or unemployed, if he goes to the races he will be pleased because he is not going to be charged tax either. That should be fairly popular.

In Scotland, nothing is more important than the cost of transport because we are a widespread community with two fifths of the land space of Britain and only one eleventh of the population. For all those in the agricultural, rural and business communities, the fact that the Chancellor has held the price of petrol is still the best sign of economic strength that we could have. All the rural communities will benefit.

We have an increased number of people owning their own property. A large part of their weekly budget is already spoken for by what they pay for their mortgage. Undoubtedly, the fundamental excellence of the strength of the economy which enables the Chancellor to say that we need to borrow no more than 1 per cent. and thus enable interest rates for farmers, house owners and small businesses to be reduced is a fundamental reward for the people of Britain.

I know that any reduction in tax is regarded as small and any increase in tax is regarded as great. I remember, as a student at university, a little Socialist lady who went to the same dairy as myself. She said, "There you are, you Tories. Milk is up a ha'penny, threepence a week. Who can afford that?" I just had to agree that the price of milk had gone up. About a month later, I was in the dairy and again was able to say, "Right. Mrs. McLaren, you will be voting Tory today, because milk has gone down by a penny a pint." She said, "A penny? What's that?"

All the criticisms that it was expected would be levelled against the Chancellor—for example, that he was going to bribe the people of Britain—have not come true. It is not a give-away Budget. To allow one to have some pocket money back is not giving anything away. The state is increasingly being taken off the backs of the people. That means that in Scotland there are 19,000 more people in work now than when we came to office and in Britain 1·75 million more people are in work than when we came to office. That is the fact. Scotland is a vibrant new country, thanks to the economic policies of the Government and the courage of those who, when asked to waver and give money away to schemes and increase tax, bravely resisted. Of all those who were saying that, I notice not one in the Chamber tonight, and I have not heard a voice of it now that the economic policy has proved so successful.

I believe that the Budget will do more for those who are not in employment than anything else. I regret one thing. The Chancellor did not remove one anomaly which, in my belief, would create a great reduction in unemployment. If a firm, a company or an individual employs people, the salary is paid before one pays tax. If an individual has a gardener or somebody to do up the car or whatever, he has to pay tax out of his already taxed income. That is what results in people going on the black economy. That is why an individual prefers to get pound notes in his hand for doing six people's gardens rather than being a gardener to one person who can afford to employ him. I believe that in this country there are probably between 1 million and 2 million people who are earning money without paying any tax on it and who are probably obtaining unemployment benefit as well.

In Scotland, we welcome greatly not only the economic strategy of the Government but the Budget. It is sane, responsible, cautious and unflamboyant. If I may say so, it demonstrates, in the words of the Psalm, that we have created peace within our walls, and plenteousness within our palaces.

7.46 pm

Mr. Stuart Randall (Kingston upon Hull, West): I want to make a short contribution to the Budget debate.

I found the Budget statement a remarkable anti-climax. I must confess that as the Chancellor read out his statement I expected to see more smiling faces and more Order Papers being waved on the Government Benches. However, we saw very little of that. As previous speakers have remarked, one was left with the impression that something was missing. The comment has been made that the Chancellor left a sheet on his desk back at No. 11 and that that contained the information that we were after.

Expectations were undoubtedly at a high level. The Budget had been hyped up by the media. Many of us—I know that this applies to Conservative Members—were expecting far more. I believe that it is a manifestation of the fact that we have a tired Government who have run out of steam. An election is imminent; we all know that. It is simply a question of when it will be. I believe that the Budget and the state of the economy will be important factors that will decide the date.

[Mr. Stuart Randall]

The first measure that I make of the Budget statement is what it does to alleviate poverty in Britain. Frankly, it does little if anything. That is one of the reasons—there are many others—why I am on the Labour Benches and not on the Conservative Benches. The Conservative party does not care about poverty. We have seen a remarkable increase in the number of people living in poverty—about 2·5 million—since 1979. The Budget was a great opportunity to do something about it, but it has totally failed. The Government are uncaring. They do not worry about the 6 million or 8 million people who live in that plight. Instead, they have had a taxation policy since 1979 of feathering the beds of the very rich. The statistics are quite clear. The very rich have done extremely well.

There are a few interesting questions. Many people have said that there is something missing, and I believe that that is true. We have heard only the Budget statement today and we have not had a chance to do the sums, but I cannot help feeling that there is about £2 or £3 billion somewhere which has not been used by the Chancellor.

Mr. Fairbairn: Quite right, too.

Mr. Randall: Perhaps the hon. and learned Gentleman knows.

I feel intuitively that the Chancellor had more money than many of us originally anticipated, but he has failed to go ahead and use it. Instead we have a Budget which adds up, as I understand it, to about £4 billion. The sales of the so-called family silver — the Government's privatisation programme this year, involving British Gas, British Airways and so on—amount to about £8 billion. I find it remarkable that the figures do not seem to add up. Where has the money gone? Perhaps other right hon. and hon. Members would like to comment on that. I am not sure where the money has gone. In particular, the incredible consumer boom and the associated tremendous demand must have considerably enhanced the Chancellor's revenue. I do not know where that money has gone, either.

I sum up the Budget as a missed opportunity. The hon. Member for Beaconsfield (Mr. Smith) regarded it as a radical Budget. Far from being radical, it is a quite unimaginative programme that does nothing to alleviate poverty, for getting industry up and going again, or for improving the infrastructure. From that point of view, I find the Budget disappointing.

What is particularly interesting about the Budget is that the choices that will go before the electorate in the next few months, or whenever the election is, have been starkly laid out. The Government have put their wares on their stalls. A few other things will be on the way later, I am sure, but the Government have put out their stall. It involves a reduction in the basic tax rate to 27p and the other matters that the hon. and learned Member for Perth and Kinross (Mr. Fairbairn) eloquently listed, but that is it. The next few months will involve putting our alternative case. If Conservative Members read the case that was presented —I accept that one or two little things happened last week to prevent it from being made as well as we should have liked — they will see that there are many opportunities. The challenge now is to get over to the public what I regard as the jewel in our crown. It will result in the next Government being a Labour one.

I am concerned about the general state of the economy. The fact that the boom has been allowed to rip ahead and the fact that the Chancellor has accentuated the matter by creating more demand through the tax reduction seem to be most unwise. I am not sure how much more the economy can take. Over the past year, there has been a growth of about 25 per cent. in consumer demand, and to stoke it up even more worries me. It is a difficult matter to assess. We have not seen the various computer model runs, so we do not know what the parameters are.

The strategy that we are putting forward and what we shall put on our stall over the next few weeks and months had the support of four eminent political advisers in their letter to the editor of the *Financial Times* yesterday. One cannot disregard that kind of comment. I am sure that those eminent economists were sincere in what they said. They do not write such comments lightly. The way in which I interpret what they said is that the growth in the economy is insufficient to offset not only the increases in productivity over the past few years but the growth in the number of people in the work force. To get people back to work, it is necessary to have higher rates of growth. That would ensue from the kind of capital programmes that we have been suggesting. The four political advisers believe that, properly targeted, it would not be inflationary. None of us wants inflation to go up. We all want to make sure that we operate the economy in a sensible way.

We should think about poverty in this country. I do not like the notion of a divided country; it is wrong. I cannot understand how some Tories these days allow that kind of thing to go on—it never used to. The old type of Tory used to have much more respect for people who live in poverty, but nowadays the poor are discarded like litter into a dustbin. The Tories just do not care at all.

The Budget statement has done nothing about the long term. It is the best Budget that the Chancellor could come up with. He has not interfered with excise duties. It is almost convention to valorise all excise duties with regard to the rate of inflation. Clearly, that is done for vote-catching reasons, and we understand that. I hope that we shall be able to get over to the public—I hope that it will be discussed in the media over the next days, weeks and months — what the Government are doing in disregarding the long-term economic interests of the country. It is absolutely clear that the industrial base must be regenerated. It is inconceivable that the Government can continue their policy of privatisation and rely on oil revenues. We know that oil revenues are in decline and that privatisation cannot continue. It is inconceivable that the British economy can run on ad infinitum without regenerating our industrial base.

We have to get industry going. The programme that we announced last week will do a tremendous amount for the private sector. I do not want Conservative Members to say that we shall have funny little jobs or invented jobs. We shall not have them. They must be well thought through, reliable, real jobs. There will be none of the nonsense-type job. I would not support that sort of thing. It is important to get industry going and to get our infrastructure into good shape. That will create tremendous demand, get people back to work and help to overcome poverty.

Also, we must have good quality services in our hospitals to ensure that policies such as care in the community are properly financed. It is important that we train young people for real jobs so that we may properly

support our manufacturing industry. There will be no nonsense-type jobs or scheme-type jobs, but jobs that will enable us to ensure that our industry, when it takes off, will not have the present skill shortages. Hon. Members are aware that we have a chronic shortage of skills.

Mr. James Couchman (Gillingham): Does the hon. Gentleman say that the work experience schemes that the last Labour Government introduced to massage unemployment figures represented real jobs or training for real jobs? Does he agree that a two-year youth training scheme leading to a genuine qualification, which is a pre-qualification to further skills training, is a much better scheme than that which the last Labour Government introduced?

Mr. Randall: I do not particularly wish to talk about what happened eight or 10 years ago. Conservative Members said that they would get everybody back to work. We all know the leaflets that stated that Labour was not working. The Conservative party was dishonest with the people. It intentionally created high unemployment. We all know that there is nothing about the Government's economic policy that will do anything substantially to reduce unemployment.

There are two avenues down which we could go. If we spent money on reducing taxation, £3 billion would create about 80,000 jobs. However, if £3 billion were spent on the policies that are advocated by the Opposition, about 300,000 jobs would be created. A sensible expansionary programme requires people who are skilled in high technology and in all the areas that are necessary for the implementation of that programme. If we cannot train people to do those jobs, there will be bottlenecks in the economy and they will constrain growth.

I am concerned about Kingston upon Hull. When I listen to debates like this, I believe that we should brush aside all the dross and ask what is being done for the people I represent in Kingston upon Hull, West. The people I represent will get very little out of this Budget. Kingston upon Hull is a very proud place, and I am proud to be one of its representatives. There are lovely people there, but there is a great deal of poverty and despair there.

The housing in Hull is appalling. The hon. Member for Brigg and Cleethorpes (Mr. Brown) knows Kingston upon Hull. He is on the south side of the river. He knows that in Kingston upon Hull people are living in houses with fungus crawling up the walls. *[Interruption.]* I am not overstating the case. The houses are damp. People are suffering from lung ailments. Children have to live in these conditions. I was appalled when I listened to the speech of the hon and learned Member for Perth and Kinross (Mr. Fairbairn). He glossed over the problems in the north. He dismissed the problems that are caused by poverty and ill health and put it all into pounds, shillings and pence terms.

Mr. Fairbairn *rose*——

Mr. Randall: The north-south divide that is referred to so often in the newspapers does exist. It is appalling that we live in a country that is so divided.

On Friday night I met some people in my constituency who run a small guest house for young people who cannot find jobs and who have had difficulties in the past. I was told that when an official went to see them and a young man was introduced to him he was described as a lovely young person, but they were told that he is nothing. That young man thinks of himself as nothing. He thinks that he is completely unwanted. That is the kind of people that we have in our society today. *[Laughter.]* Conservative Members laugh. That is the difference between Members on this side of the House and those on the Government side. It is appalling that anybody can laugh at what I have said. Nevertheless, we have had to put up with that kind of reaction, and we shall continue to put up with it.

The Budget amounts to a lost opportunity. The regions have gained nothing. Pensions, student grants, education and pre-school education have been neglected. Nurses, the disabled, the homeless and those who live in poverty have also been neglected. Manufacturing investment is still 17 per cent. below what it was in 1979. The Budget is a great disappointment. It is bad for the people whom I represent, and it is bad for this country. It is symptomatic of a tired Government who have run out of steam and imagination. I hope that it will not be too long before the British people are able to make their decision on this Budget and vote this Government out of office.

8.4 pm

Mr. John Stokes (Halesowen and Stourbridge): I listened with great interest to the deeply felt and most sincere speech of the hon. Member for Kingston upon Hull, West (Mr. Randall). I deeply resent the fact that the hon. Gentleman said that Conservative Members do not care about poor and ordinary people. I represent much the same sort of people as those who live in Kingston upon Hull, but we do not hear from them the self-pity that we heard from the hon. Gentleman. The west midlands have also been through very bad times.

The hon. Gentleman thinks that the answer to all our problems is state intervention, but for years this Government have believed that the answer to this country's ills lies in helping ordinary people to help themselves by building up their own businesses. That is the profound difference between us. I do not say that the hon. Gentleman is insincere in what he says about people, but I wish that he would not say it about me. I am not a young Tory; I am an old Tory. *[Interruption.]* I did not hear that. Does the hon. Member for Thurrock (Dr. McDonald) want to intervene?

The Chancellor deserves to be congratulated on his Budget. It has taken the Opposition parties by surprise. They cannot find in it very much to attack. *[Interruption.]* Does the hon. Member for Kingston upon Hull, West want to intervene?

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. The hon. Gentleman should continue with his speech.

Mr. Stokes: We have already heard from my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn) and from my hon. Friend the Member for Beaconsfield (Mr. Smith) about the great difficulties that were experienced during the slump between 1979 and 1983. The 1981 Budget had to be severe, but it was the start of a new direction for our economy. Because of the economic problems that we have had to face since then, people can hardly believe that we are on the way to a recovery that can be sustained. That is new in this country's history since the last war. People are already forgetting about the great cost of the Falklands war soon after we came into Government, about the sinister and quite unnecessary miners' strike and, more recently, about the big drop in the

[Mr. Stokes]

price of oil which so greatly affected Exchequer revenues. Recently another big strike collapsed at Wapping. Labour relations almost everywhere are now excellent. In many factories in my constituency there is great realism on the shop floor. Those people show much greater realism than does the hon. Member for Kingston upon Hull, West.

British industry now has so many things going for it that I wonder why Opposition Members do not admit as much. The pound sterling is very competitive. Our goods are better designed and our marketing and sales practices are much improved. There is greater export penetration and low inflation, and productivity is higher than it is in many other countries. For the first time we are now able to compete fearlessly with Japan, the United States of America and Germany. Profits and dividends are good and prices are high on the stock exchange. All this good news is hard for some people to understand. The Opposition parties are in a quandary. They do not know whether to pretend that there has not been a recovery or to say that if there has been a recovery it will not last.

Today we have heard a great deal about poverty. Poverty exists to some degree not just in the north and in the midlands but throughout the country. However, if we take a general view of the country, and are quite fair about it, we see that the standard of living of most people has never been higher than it is now. Despite the pockets of unemployment and the tragedy that unemployment causes, people generally have never been so prosperous as they are now. One has only to look at the number of cars on the roads, or, at the weekends, at the enormous numbers of people who visit garden centres.

I am amazed at the numbers of people who, many for the first time in their lives, are taking package tour holidays. Pay packets are good for those in work, and in many households, especially in the west midlands, the wife is bringing home a welcome addition to the income. There is recovery and renewed confidence even in the west midlands, where industries suffered so severely. Exports are doing particularly well. Nothing pleases me more than to go into the packaging department of a mill or small firm and see packages marked for countries all over the world, yet we do not hear enough about that.

Our exports are tremendous and will improve. In my constituency the well-managed companies are doing well and are composed of sensible managers who backed the Government in the difficult days and never complained during those hard times. I never asked for special things for my constituency, as Opposition Members are always doing.

I believe that interest rates will come down very soon, and I still wish that the banks would do more to help small businesses. Bank profits are large and their lot is easy compared to that of industry, which has to fight for markets and cope with so many problems. The banks do not have those difficulties.

Another problem that my firm has had is the high rates imposed by the new Labour council. I therefore welcome the cuts in income tax. I am a member of the General Synod of the Church of England, where tax cuts like these are not popular. I believe that there is nothing morally wrong in the Chancellor taking a little less money from us. We can then decide ourselves whether to spend the money, to save it, or to give it away.

The growth given by the Budget to charity is most encouraging. I believe that this is real Christianity as opposed to compulsory taxation, which makes some people feel good. The Government are still devoting large sums of money to defence, which is absolutely right in contrast to what the other parties would do it they were in government, and increased sums are also going to health, social security and education. No Tory would wish it otherwise. However, in all those services we need better management and less waste.

More and more people are becoming share owners, and they obviously enjoy it. This makes it more important that the small amount of fraud in the City of London, especially in the insurance world, should quickly be detected and punished. We, and particularly the Opposition, are in danger if we think that the solution to every problem is to spend more taxpayers' money, when very often what is needed is better leadership and better men and women involved in the activities of organisation and management.

Many people seem to think that instead of tax reductions there should be more public spending, but public spending is already high—some say very high. More spending on infrastructure, for instance, would not produce many more jobs. I believe that the answer to our problems lies in having highly efficient industry and commerce that will produce wealth and spread it to all corners of this country and to all sorts and conditions of our people. That is what the Government have been trying to do over the past years and now their strategy is starting to pay off. Opposition Members cannot understand that.

Tax reductions are required at the bottom of the scale. I wish that there were tax reductions at the top of the scale, but that has not happened in this Budget and we must look forward to that next time. Tax reductions at the bottom and middle of the scale will increase demand and encourage those who work and who want to work. I welcome the 2p reduction in income tax—not too much and not too little. I welcome the expansion of help for pensioner arrangements and the further aid for charities. I welcome the improvements that have been made in the VAT arrangements for small firms and in the inheritance tax, and the further help for vitally important training schemes. I welcome help for the blind and the over-80s. I believe that the Chancellor is right to hold the PSBR at £4 billion.

The newspapers say that we shall soon have a general election. Fortunately, the date is chosen by the Prime Minister and not by the newspapers. When the election does come—and I do not see any particular hurry for it—I am confident that the voters will think carefully before jettisoning all the improvements that have been made by this Government for the dangerous and inflationary policies of the Opposition parties.

This afternoon we have heard a great deal about a tired Government. I think that this Government are full of vigour. The Prime Minister certainly has immense vigour. As for people wanting a change, we cannot pay too much regard to the polls, but, dash it, the Opposition are now lying nine points behind. Other critics are saying that our society is becoming not so much full of poverty as materialistic. Those critics are usually very well off themselves. I am glad that our children are well clothed and well shod and are looking so fit. I am glad to see people owning their own homes, with a good supply of gadgets in the kitchen to save the housewife so many

chores. I am glad to see so many families with a car and a telephone, some savings in the bank and taking a holiday on the Costa Brava. That was not so when I grew up as a boy before the war.

Over 100 years ago Disraeli, a great Tory, said that the job of the Tory party was to improve the condition of the people. That is exactly what we have done and are doing. The whole trend of the Government is to keep the state off the backs of the ordinary people. That, in turn, gives us more freedom and more responsibility and must lead to more respect for others and greater love of our country.

8.18 pm

Mr. Stephen Ross (Isle of Wight): The hon. Member for Halesowen and Stourbridge (Mr. Stokes) said a number of things with which I agree and others with which I profoundly disagree. The hon. Gentleman painted a very glossy picture of Britain. There is no doubt that a lot of people, whether in a family enjoying two incomes or not, have never had it so good—to use a well-known phrase. What happens when we finish selling off the statutory authorities by privatisation—presumably including the water and electricity authorities? What happens in the 1990s when that pot of gold has run out and we have a huge deficit of manufactured goods, which is growing all the time?

Is the hon. Gentleman aware that the younger generation are living on puny wages? Two of my sons qualified in agriculture but are not working in the industries in which they can use their degrees. One son is selling furniture on the second floor of Peter Jones in Sloane Square; the other is running a bakery. They are picking up £100 a week if they are lucky, and they are in their late 20s and early 30s. There are a lot of people like my sons.

Many of the younger generation cannot buy a house and have no chance of even trying to buy one because they are not earning enough money. Those are the people I am worried about. So many institutions and building societies are taking the easy way out. The Prudential has gone into real estate agency and taken over my old firm which has been established for over 200 years. This is the easy way to make money. The institutions are not putting their money into industry or creating the jobs or wealth that this country so desperately needs.

I know that the Minister has small business interests at heart. I wish to dwell on that subject, but I do not intend to delay the House. What does the Budget do to help Britain succeed in an ever more competitive world? In particular, what does it do for my constituency? The hon. Member for Halesowen and Stourbridge goes to the Council of Europe, as I do. I ask him to look around the streets of Strasbourg. What do we see that is British? Precious little; we may see a few Minis.

I was in Dallas the other day with the Select Committee on Transport. I said to some of my colleagues, "A fiver if you see a Lotus car here", because I understood that the Prime Minister's son was the Lotus car salesman in Dallas. We saw a few Jaguars and the odd Rolls, but we never saw a Lotus. I am told that there are some in north Dallas. I do not wish to be rude to the gentleman concerned, but I did not see any.

I did not see much else that was British. I went into the craft shops in Dallas to try to buy something to bring back, but everything was made in Korea, Japan or Taiwan. That is another problem that we all face in the West. What are we to do about it? My main problem is worrying about my constituency and the role that the Budget will play there, but I have to say that it does not do much for my electors.

Mr. Butterfill: Does the hon. Gentleman know that our trade with north America, which was in deficit by £686 million in 1974, was plus £2·4 billion last year? Does he understand the difference in those statistics?

Mr. Ross: I was not complaining that British goods were not being exported, but I did not see many. I was talking largely about goods in shops. I am told that probably oil revenues come into that calculation. That is another worry. What will happen when the oil is finished? When the oil price shot down to $8 a barrel we were in desperate trouble. The pound went down to £1·10 against the dollar.

The West has a problem because of the amount of goods coming from the far east. America is swamped with them. If they introduce tariffs, that will affect our exports. They have already tried it with steel and similar goods and they nearly did so with spirits.

The hon. Member for Stamford and Spalding (Sir K. Lewis) rightly said that the Budget was too cautious. It is not a vote-seeking Budget. I think most Opposition Members were surprised at that. I do not think that it is an election Budget. My complaint is that it is unimaginative.

What does the Chancellor intend to do to create wealth? We must get more wealth from the resuscitation of our industrial base if we are to pay our way and afford the pensions and the health services that will be necessary in the 1990s. That must surely be the principal aim of any Government. There may be some relief from the small fall in interest rates which we are promised by Conservative Members. Hopefully, we will see tomorrow a drop of a half of 1 per cent. in interest rates. The Chancellor has been cautious. I acknowledge straight away the welcome help in the payment of VAT. Those are the only two glimmers of hope that I see in the Budget for the small manufacturer.

One of the greatest tragedies of this Administration has been the breakdown in trust between central and local government. In his latest book, the right hon. Member for Henley (Mr. Heseltine) advocates the establishment of various centrally appointed development boards and a strengthening of the role of the Department of Trade and Industry. Why did he not support the National Enterprise Board when it existed? It was a first-class state organisation and I was sorry when it was abolished. Apparently the right hon. Gentleman wants to put something similar in its place.

The only way we will eventually succeed in creating the new enterprises which we so desperately need is through local initiatives. I can claim a little experience in this sphere. Since I have been in the House I have established three small businesses. I am fed up with bank managers telling me how big my overdraft is and sending me Christmas cards saying, "I hope you will have a successful and prosperous New Year"—underlined three times—followed by "I would like to remind you what your limits are." I employ people in those businesses and I know some of the problems of running them.

The Under-Secretary of State knows, because he helped enormously with it, that I set up and chaired for four years

[Mr. Ross]

an enterprise agency. Through his efforts, the Government came to appreciate the role of enterprise agencies and in a recent Budget some assistance was given to them.

I play a small part in a recently established development board. We persuaded our retiring lord lieutenant to chair that for no payment and we are grateful to him. It is doing a great job. It is manned by representatives of the public and private sectors and receives limited contributions from local government and the private sector. We are there to try to encourage new initiatives, to establish the seedcorn, to help local firms over temporary problems, to encourage good marketing, and to assist people like Richard Noble, who won the world land speed record, with the development of his Super-Two light plane.

Until recently that project employed 80 of my constituents. Because we are not an assisted area, we do not get Government help for such projects. People like that make their way to me. Richard Noble came to me in the House. He said that he wanted to set up light aircraft manufacture in the Isle of Wight; he asked what I and the local people would do to help him. I went to local government and to the development board and we did help him. The help came from local government and local initiatives. The chairman of the board was also able to help enormously through his contacts in the City.

We provide finance for trade stands, both within the United Kingdom and at foreign fairs, and we help firms with travelling expenses and so on. We help them to provide suitable advertising material to present to the public. We help deserving firms with the cost of essential machinery from time to time. We have to do something about our tourist industry, which is down 25 per cent. since 1979. The local authorities had to bail out the Isle of Wight tourist board, which went bust over a year ago when it got caught up in sponsoring a song festival which was an initiative to get people to come to the Isle of Wight out of season. But it did not work and the tourist board finished up with debts of nearly £200,000. Much more could be done by local government if we had a little more help from the centre. It is to local authorities that people constantly turn for funding.

We have just lost our last abattoir in the Isle of Wight. For an island of 122,000 people, that abattoir had a throughput of 300 sheep, 300 pigs and 60 to 70 cattle a week. It suddenly closed, and we are in desperate trouble. Hon. Members can imagine the cost of sending cattle across the water to Salisbury or Wimborne, or even further afield if they are casualty animals. It is a very expensive enterprise. I pleaded with the company, but there is no way that it will reopen the abattoir. The National Farmers Union had a meeting and says that we must have a feasibility study. It wants £2,500 to pay for the study. It can find £500 and it wants another £2,000. The letter is on my desk now. Again, the only people we can turn to are the development board and the local authority.

I want to see a far more positive approach and more confidence shown in the authorities which are taking a lead in assisting local enterprise. When I was the leader of the county council, we set up a scheme whereby we undertook to pay a premium of £25,000 a year to the bank known as the Three Is so that it could underwrite bank loans and make advances to industry on the Isle of Wight at a rate some 3 per cent. below bank rate. I think everyone has agreed tonight about the effects that high interest rates have on small industry. About half a dozen firms a year have taken advantage of the scheme which we set up.

I should like to see a similar national scheme. That would be worth while. I am not suggesting the establishment of municipal loans; we have to use the banks. But I am sick of the attitude of some banks. The National Westminster has just shown a profit of over £1 billion, yet it charges 55p to cash a cheque, which is steep. It is always putting on other charges. The banks are not as helpful as they should be. They are the financial institutions which we should use. If we had a scheme whereby local authorities were aided through the rate support grant to encourage local enterprise, we could help small industries to do a great deal more. They are faced not only with high interest rates and bank charges but with the charges of British Telecom and accountants' fees, which are not cheap; and transport costs, rates, gas and electricity all have to be met.

Life is rarely easy for the small business man. I am glad that the Under-Secretary of State for Employment is on the Government Front Bench because I know that he has done a lot for the small business man. However, we have not dealt with the real problem, which is money. We must do more to help, and the Budget fails totally in that respect.

8.29 pm

Mr. William Powell (Corby): As the hon. Member for Isle of Wight (Mr. Ross) emphasised, we are bound to consider the Budget in the context of what is happening in our constituencies. I will assess the Budget by that yardstick. As so many hon. Members will know, my constituency has been through the eye of the storm and is emerging very successfully from that storm. The Budget will undoubtedly further assist in the process of recovery in Corby and east Northamptonshire.

The world did not begin in 1979, as so many Labour Members like to emphasise. It began long before that. My constituents ruefully recall the fact that some 13,000 of them were condemned to lose their jobs without any preparation for the future as a result of a decision taken by the previous Labour Government. When the hon. Member for Kingston upon Hull, West (Mr. Randall)—who has left the Chamber now—speaks about poverty, thousands of my constituents recall the fact that their poverty, which has been appalling in the past few years in many cases, was inflicted upon them by the conduct of the previous Labour Government who knew that the steelworks was to close by the end of the 1970s but made no preparation for what would happen after the steelworks closed.

The Labour Government knew that the steelworks was to close because they knew that the quality of the local iron ore was diminishing and could no longer be sustained for steel production. The decision had also been taken to concentrate on the great five steelworks of Ravenscraig, Llanwern, Port Talbot, Scunthorpe and Redcar. They knew that the consequence of that would be to condemn every small steelworks in this country to extinction. That has happened at Shotton, Ebbw Vale, Consett, Corby and elsewhere. My constituents recall what happened in those days. When they hear Labour spokesmen talking about poverty as though it was something that has just emerged under this Government, they know perfectly well that that is a load of balderdash.

My constituents in east Northamptonshire also recall the storm which the boot and shoe industry has suffered in the past few years. Employment in that industry has halved because of the neglect for so long to build up the profitability of our firms, or to encourage an open trading system that would enable them to trade successfully. My constituents will therefore welcome the overall economic context of the Budget, the high and growing productivity and the most successful productivity record of any major country in the western world.

My constituents will welcome the fact that inflation is low and, as a result of the Budget, will fall lower. There is no doubt that because of the decision of my right hon. Friend the Chancellor not to valorise excise duties and because of what may happen with interest rates, inflation will drop still lower. As a result, growth is likely to remain buoyant and top of the league of western countries. The overall economic context is favourable and my constituents will benefit from that during the forthcoming year.

My constituents will also welcome individual measures announced in the Budget. Every small business man in my constituency will welcome the VAT measures. They will be of immense benefit to the local economy, to encourage confidence, and more people will go into business. The proposals in relation to profit-related pay will also be welcomed by many firms in my constituency.

Twice in the past three years I have had to propose a new clause to the Finance Bill abolishing on-course betting duty. I welcome the fact that I shall not be required to do that this year. It has come as something of a surprise to me that the Chancellor has yielded to pleas in that regard at this stage and I welcome the fact that he has done so in Cheltenham week.

I also welcome the changes that have been made to inheritance tax. Although no comment has been made about my next point so far in the debate, I welcome the modest but important proposals in relation to the friendly societies. Some hon. Members—although I cannot see any of them present in the Chamber now — will remember the hours of debate on friendly societies in Committee on the Finance Bill in 1984. We discussed friendly societies at considerable length then and considerable unease was expressed by Conservative Members in the Committee about the new proposals which the Chancellor introduced. The new measures that the Chancellor has announced today will be widely welcomed.

One point which has not received the emphasis that it merits and deserves this evening is the excise proposals with regard to petrol and fuel. The commerce in my constituency is carried around this country and abroad on lorries. There is no doubt that the decline in the oil price gave the road haulage industry an advantage which it was anxious should be sustained and should not be knocked by a renewed increase in duties on petrol fuels. In Irthlingborough, Raunds, Thrapston, Oundle, King's Cliffe and Corby tonight, my right hon. Friend's decision will be widely welcomed by the road hauliers who have become a booming section of the local economy.

My hon. Friend the Under-Secretary of State for Employment is on the Front Bench and he knows the way in which Corby has recovered in the past few years. It has recovered in part because of its extremely favourable location. It has a more favoured location for investment than any other assisted area. It has also recovered because of the Government's policies. One of the crucial policies which has enabled the recovery to take place is the 35 per cent. corporation tax. That has not been underlined enough in this debate. The decision to have the lowest corporation tax of any western Government is a major help in attempts to attract inward investment to this country. Substantial inward investment is taking place in my constituency from north America, the continent of Europe and elsewhere. That is becoming a major boost to employment. I welcome the extra stability that my right hon. Friend the Chancellor has been able to announce in that regard today.

It is also worth emphasising the fact that the tremendous growth which is occurring all the time in my constituency, which is brought about by location and central Government policies, has been encouraged and welcomed by local authorities in my constituency. There are two authorities in my constituency, one Labour-controlled and one Conservative-controlled. I do not mind —I have frequently done so— paying warm tribute to the way in which the local authority in my constituency has been determined to work with the Government to try to get the maximum to ensure that the reputation of the area is as high as it conceivably can be. All that has contributed. One can contrast that responsible attitude, of working with the Government adopted by the Labour council in my constituency, with the attitude that is adopted by some other councils, which has done irreparable damage to the reputation of their communities and made it so much more difficult to galvanise the local economy. That needs to be underlined.

I take up the theme used by the hon. Member for Kingston upon Hull, West. I am sorry that he is not here. He is a man whom I hold in great regard. I have listened to him for many hours in Committee on other Finance Bills and I know that he is utterly sincere in what he says and is anxious to do the best that he can by his constituents. I wish him every success in that.

At the root of the poverty —there is real, grinding poverty that cannot be ignored in my constituency today, even though we are bouncing back from the worst— there are two causes. The first is the absence of skills and the second the absence of incentives. The Budget has to be seen in the context of various other major statements of Government policy that have been made in recent months, beginning with the autumn statement, through to the employment initiatives. My hon. Friend the Member for Rossendale and Darwen (Mr. Trippier) is here and has close responsibility for those initiatives. Taken together, they add up to an immensely important package of developments in Government policy.

As my hon. Friend the Member for Beaconsfield (Mr. Smith) emphasised, the fiscal adjustment for this year is no less than £11 billion. I can understand that some Labour Members have found themselves rather floundering about and short of words because they thought that this would be an election bonanza and they have found that the hype in the newspapers has turned out to be entirely unfounded. That fiscal adjustment is dramatic and is the biggest one that has been possible for any Chancellor of the Exchequer in modern times.

Let us emphasise that the most important single element in the fiscal adjustment that is being made for the coming financial year is increased Government expenditure. When we hear people saying that they want extra services before income tax cuts, we have to remember that

[Mr. William Powell]

they also want income tax cuts. Hon. Members will recall that yesterday a BBC poll showed that no less than 81 per cent. of the country wanted cuts in taxes, but also wanted increases in services. Next year, the Government are planning to spend no less than an extra £5 billion or so. That is the biggest single ingredient in the fiscal adjustment, and will have an impact in Northamptonshire as it will have elsewhere.

The bottom line is that, if we are to eliminate, as we all want to eliminate, poverty in this country, we have to face the fact that we still have a work force that in certain respects lacks the skills that are required for the future and we still have an economy that does not give sufficient incentive, particularly to the unskilled, to get work.

There is one message that all of us have to try to hammer home to every one of our constituents, especially every one of our young constituents. It is that there is no future in a lack of skills. The part of the work force that is most at threat is always the unskilled person, so in dealing with the increase in Government expenditure for next year we should mention that the education budget is to rise by no less than 18·6 per cent. That is a substantial increase in public investment in a major sector.

The skills will come about through the activities of the MSC, for which my hon. Friend the Member for Rossendale and Darwen has some responsibility. In my constituency, school leaver after school leaver is able to go through training into permanent new jobs, jobs that will take them away from poverty for ever as long as we are able to continue to pursue sensible and prudent policies that take account of the many aspects of economic life in this country and do not get out of context any one particular element.

My constituents will welcome this evening the measures that my right hon. Friend the Chancellor of the Exchequer has proposed. They will note that those measures have been welcomed in wide and differing parts of the country —from Esgx, from my hon. Friend and neighbour the Member for Stamford and Spalding (Sir K. Lewis), from Buckinghamshire, Uxbridge, the west midlands and Scotland. No doubt what has been said will be underlined by others of my hon. Friends. Throughout this country, there will be a wide welcome for a sensible Budget.

8.46 pm

Mr. Geoffrey Lofthouse (Pontefract and Castleford): The hon. Member for Corby (Mr. Powell) will understand if I do not follow him down his path. I notice that he did not mention Yorkshire and Humberside in giving the Budget a welcome.

Mr. Michael Brown: I am here.

Mr. Lofthouse: I apologise if the area has been mentioned earlier, but the hon. Member for Corby did not mention it.

I wish that I could share the enthusiasm of the hon. Member for Corby. There is a different picture in Yorkshire and Humberside, especially in the mining communities. It is about problems there, rather than party political points, that I shall speak in the few minutes at my disposal. The Budget has achieved a widening of the north-south divide. The people who will benefit most from tax relief and inheritance tax relief will be, on the whole, living in the southern part of the country. That being the case, there is no joy for areas such as mine in the north.

Where has all the money gone? What about the money from the sale of the family silver, as the late Lord Stockton called it? An income of about £8 billion was generated from the sale of British Gas and British Airways and from the sale of land and so on. Such money has not gone to Yorkshire and Humberside. Since 1979, for every four production jobs lost in the region, only one has been replaced from the service sector. There has been a rapid rundown in employment in Yorkshire and Humberside.

In the mining industries, we have seen very little capital investment. In the Castleford travel-to-work area, 24 per cent. of those unemployed are under the age of 24. Many of these people have never worked since they left school. Many of the males would normally have gone into the mining industry, but unfortunately there are no jobs there for them to go into. These people will not benefit from the tax cuts or any Budget decisions. This is pure fact and not a political point.

In my own area, since the miners' strike—I do not want to dwell too long on that because it gives me too much pain—about 7,000 jobs have gone. I am referring to the Castleford travel-to-work area in which about 3,000 supporting jobs have also gone. If I am able to assess the information that we in the Energy Select Committee received on the mining Estimates, I expect that there will be many more such job losses during the next three years, and they will not be cushioned by the redundant mineworkers payments scheme. There will be no weekly pensions for those miners, as there have been before this month. Therefore, the local economy will take a further bump.

Time and time again, we have made approaches to the Minister in an attempt to get him to assist those areas which have lost their staple industries. My area has never been one for the small businesses to which the hon. Member for Corby referred. It has had two staple industries, mining and glass. Both have nearly been wiped out without any other industry being put in their place. Since the miners' strike and the loss of those 7,000 and 3,000 jobs, British Coal Enterprise Ltd., which I do not knock because it makes a good honest effort to assist, has, as I said a few weeks ago in the mining debate, attracted only two jobs to replace the 10,000 lost in my travel-to-work area. The following week, I was taken up on that in the local press by a senior NCB official who said that my figure was wrong. Bearing in mind that I used the figures that he had sent to me, I was rather alarmed. However, I must concede that I was wrong. I gave that figure as two, but his figure was four. One can see from that the problems that we are experiencing in those areas.

We have tried to persuade the Minister to consider those areas for intermediate status or for development status to enable or encourage other industries to come into the area and provide employment. That would also encourage assistance from the EEC. However, at no time have we had any assistance whatsoever.

Those are the problems, and that is the great north-south divide which, in my view, has been further widened today. Despite what the hon. Member for Corby said, the Budget gives no encouragement to some areas. There is no joy in this Budget for the people in the areas to which I have referred. There is certainly no joy in it for pensioners, people living on the poverty line or low-paid workers. No

hon. Member could really suggest that there is anything in it for those people. If there is any gain in it, it will be for people such as ourselves, who are reasonably well off. I cannot help but feel that in this Budget the Chancellor has written off the north as without hope and that he feels that there is no point in giving the north anything. He has put all his thoughts into assisting the wealthier parts of the country.

As I have said, in the coal mining areas, many young people have not worked since they left school and have no chance of getting a home because the local authorities have been unable to build any houses, despite large capital receipts. A few houses may recently have come on to the market for letting, but those houses were flogged off by the National Coal Board to racketeers and speculators.

I provided information to the House a few weeks ago to show that there were empty NCB houses. I can inform the House that I have already produced, for the appropriate Minister, information on tenancy agreements that offer youngsters houses that were purchased for £2,500 for a rent of £35 a week, plus general and water rates and a £350 down payment for key money. That is before they can take out a one-year tenancy. These are kids who have never known employment in their lives and who are desperate for a home. Some have small babies. These areas get no assistance from the Government and have not received any assistance in this Budget. On top of that, a £10 million tax has recently been imposed on the sick by the increase in prescription charges.

Today's Budget has been nothing but a smack in the eye for the lower paid and those in poverty. They will not receive one farthing. I hope that the Government will at least consider the areas to which I have referred. I must advise the House that the recent report from the Energy Select Committee about the future of the mining industry emphasised that there must never again be quite so rapid a rundown in any industry, especially the mining industry which has special communities, without preparation and advance financial assistance by the Government. That was the unanimous decision of that House of Commons Select Committee, which has a Tory majority.

I repeat that there is no joy in the Budget for those of us in the north or in mining communities. I had hoped that we might have received some sympathetic treatment, but it is fairly obvious that we shall not and that there is little sympathy for those of us in mining communities. I warn the House not to think that anyone in the mining communities is there to be knocked down because the Government think that they should be taught a lesson. The vast majority of the mining industry are hard-working, responsible people and they deserve consideration. I regret that the Chancellor has failed to consider them this afternoon.

Several Hon. Members *rose*——

Mr. Deputy Speaker: Order. I am anxious to call hon. Members, particularly those who have sat through most of the debate, so I ask for brevity.

8.58 pm

Dr. Alan Glyn (Windsor and Maidenhead): I shall be as brief as I can, Mr. Deputy Speaker. I wish to address two points to the hon. Member for Pontefract and Castleford (Mr. Lofthouse). First, the family silver has been sold to the people and has given them, as shareholders, a stake in the country. Secondly, I congratulate him on the way in which he has represented his constituency. The Government must tackle the north-south divide, and I am sure that they will. I make those remarks out of courtesy to the hon. Gentleman.

Today's climate is the result of seven years' hard work by a Conservative Government, and the budget is both responsible and prudent. Our industrial output has increased by 2·5 per cent., and since 1980 our growth rate has been faster than that of any of our European partners. At the same time, we have invested £1,000 million abroad. That is not to be neglected, because it will bring in income in years to come. If one casts one's mind back to before the war, one remembers that we had vast overseas investments which paid for a great deal of our needs. We shall live to benefit from that investment, and I hope that the Government will continue it.

We are all glad to see a fall in inflation because it is an evil to all classes and all savers. We are also glad to see an incentive for North sea oil development, which is an important part of our revenue. The Government's approach has been cautious, and they are right. They have provided 1·5 million or 1·25 million jobs, depending on how the figure is calculated, but that is just the tip of the iceberg in reducing unemployment. Despite what Labour Members say, all Conservative Members are terribly worried about the level of unemployment.

The relaxation of corporation tax is welcome and will make life easier. As the hon. Member for Isle of Wight (Mr. Ross) said, my hon. Friend the Parliamentary Under-Secretary of State for Employment, the hon. Member for Rossendale and Darwen (Mr. Trippier), has worked hard for small businesses. We rely on them to become bigger. For goodness sake, let us have more encouragement from the banks to set up those businesses, if they are sound. We do not want the banks wasting their money on overseas loans which simply are not viable, and many never repaid, either capital or income. I ask the House to consider the debts that the banks have accumulated by doing that. It would have been far better if they had invested in our small businesses. For once, I disagree with the policy of the big banks.

We all recognise the value of the VAT concessions given to small businesses. If we want small businesses to prosper, the banks and the Government must provide money and the burden must be reduced, as the Chancellor has done today. Most important, we must ensure that they are not burdened with unnecessary forms to fill in at the end of the year. They exist to do business, not to fill in forms for the Government.

Profit-related pay will bring dividends. We have made 8·5 million people shareholders and 63 per cent. of householders are home owners. Those are ways in which we can make society more democratic and turn it into a property-owning nation.

I welcome the concessions on pensions, which make them more portable, and help to the over-80s. Provision for one's old age must be made by the state and private enterprise. Everybody likes to see VAT on charities reduced, but I am not so sure about income tax reliefs. I am all for taking people out of tax and not so much for reducing tax in the top brackets. However, I must admit that by reducing tax at the top, one increases the incentive to work which, indirectly, increases employment. We are in a fix, however we do it. Taking people out of tax is an encouragement to work, but taking money off the top

[Dr. Alan Glyn]

layer also encourages people to earn more and to work harder. I do not know which is better. It is a mixed blessing.

The Government's aim, which is set out clearly in this document, is to create a property-owning democracy where people own their houses and are shareholders. They wish to create the feeling that everybody has a part to play. The harder they work, the more their company or institution will make, and they are benefiting from being shareholders.

There is one particular aspect of the Budget that I am unhappy about. We have not given sufficient thought to the training of young people. Technology has moved on and we must train young unemployed people at school, in jobcentres and anywhere else, so that they can compete in a modern, technological world.

9.5 pm

Mr. Tim Yeo (Suffolk, South): I hope that my hon. Friend the Member for Windsor and Maidenhead (Dr. Glyn) will forgive me if I do not, in the interests of time, follow him down the route on which he embarked.

Nothing could have characterised more clearly the economic illiteracy of the Leader of the Opposition than his attempt to brand the Budget as a pre-election spending spree and a vote-grabbing Budget. No doubt that is what he expected when he prepared his speech, but it is not what he got. No doubt that was what the hon. Member for Sedgefield (Mr. Blair) expected when he said in this morning's press, "Beware of the bribes of March." Where were those bribes? They were conspicuous by their absence from the Budget.

In his Budget this afternoon my right hon. Friend was a model of prudence. It was a highly responsible Budget. It may even have been thought by some people to have been excessively cautious. In a year in which Government revenues are unprecedentedly buoyant, with billions of pounds coming into the Government coffers, my right hon. Friend has chosen to reduce the PSBR by £3 billion from the level that was projected for this year — although we have had a £3 billion undershoot in the current year—and the total amount of tax relief that he has given is less than £3 billion. It is a model of responsibility. I congratulate my right hon. Friend on the content of his Budget.

The Budget has been introduced against an exceptionally favourable background. That is not, as some people have suggested in the House and outside, a matter of good luck. It is the result of nearly eight years of good management. We are enjoying a steady growth rate of about 3 per cent. a year. This is not the stop-go cycle of the 1960s and 1970s, when the economy would charge ahead at 4 per cent. or more for a year or two and then the brakes would have to be slammed on. This is a sustainable rate of growth, and it is accompanied—this is important—by inflation being down at about 3 or 4 per cent. a year. That combination of steady growth and low inflation gives us the most favourable economic background that we have had for more than 30 years.

It is no surprise, therefore, that we are now seeing a substantial increase in productivity. It is no surprise that our share of world exports in manufactures—which is measured by volume — having declined steadily throughout the 1970s, as the chart on page 25 of the Red Book shows, are now holding their own in the 1980s.

That is why the trend in unemployment will improve substantially in the coming year. We are already creating jobs at the rate of 250,000 a year and we will see unemployment coming down handsomely in the third term of the Thatcher Government.

Mr. John Maxton (Glasgow, Carthcart): Are there more people in employment today than there were in 1979?

Mr. Yeo: There are more people in employment today than when I entered the House in June 1983.

Mr. Maxton: That is not the question.

Mr. Yeo: That is the question that I am choosing to answer.

Something else that we have now that we did not have in 1979 or 1983 is £110 billion of overseas investments, which is second only to Japan. Our overseas investments have been more soundly managed. We are not excessively large holders of United States Treasury bonds. Our investments are well diversified in a variety of currencies and they will see us through the kind of crisis that we might face at some stage in the 21st century, as the overseas investments which were built up in the 19th century saw us through the second world war. That will be a pot of gold for the country to draw on in any future crises.

This combination of favourable circumstances is the result of prudent financial management and proper control over public spending, accompanied by industrial relations reforms. We have transformed the industrial climate and trade unions are now in the hands of their members rather than those of their leaders. Trade unionists can choose now whether to go on strike, and this is allowing industrial management to manage. Coupled with these developments has been an immense increase in share ownership.

We faced an extraordinarily attractive set of choices this year. We wanted to know which taxes would be cut and which might even be abolished and where we could increase spending. Contrast these choices with those that we used to face under Labour Governments. In 1978, when the Labour Government were being sustained in office by the Liberal party, whose representatives are sadly absent from the Chamber, we were faced with rather different choices. These included which taxes were to be increased and which new ones could be invented, such as the employers' national insurance surcharge. That surcharge was invented by the then Labour Government and the Liberal party did nothing to reduce or remove it when it had the chance to do so. If that Government did not have the nerve to increase taxes or invent new ones, they could cut spending. If they were not sure which course to take, the IMF was standing behind them to tell them exactly where they should make cuts.

I congratulate my right hon. Friend the Chancellor of the Exchequer most warmly on his Budget judgment. When the economy is growing already at a satisfactory pace, he is entirely right to use a substantial proportion of the resources available to him to cut the public sector borrowing requirement. We do not need presently another massive fiscal stimulus. Instead, we need a responsible Budget that will command the confidence of the financial market.

The Budget will lead to lower interest rates, and I believe that we shall see interest rates in single figures within days. The lower rates will benefit industry, and especially small businesses. There are other measures that will benefit small businesses. Lower interest rates will lead to the creation of jobs and will benefit directly every household that has a mortgage.

There would be little chance of lower interest rates if the policies of the Liberal or Labour parties, both of which are projecting a massive increase in the PSBR, were to be implemented. The Liberals, as always, want to have it both ways in their draft Budget. Despite advocating a huge increase in the PSBR, they imagine that, under their policies, interest rates will come tumbling down.

I am delighted that my right hon. Friend the Chancellor of the Exchequer resisted the temptation of introducing a tax cut of more than 2p in the pound. There is no economic or social case for a greater basic rate cut this year. Our long-term aim must be 25p for the basic rate and 50p for the top rate, and I am confident that we shall achieve that during the next Parliament. In 1987, our priority should be to help those on average earnings or below. My right hon. Friend reflected this, at least in part, in his decision not to raise thresholds for the 50 per cent., 55 per cent. and 60 per cent. rates. Indeed, he decided not fully to index the 45 per cent. threshold rate.

I should have been inclined to raise the basic rate threshold by more than the amount required by indexation, but I recognise that, having increased in real terms the basic rate thresholds by 22 per cent. since 1979, my right hon. Friend may feel that enough has been done. Of course, by this time next year, when the Social Security Act 1986 comes into operation, there will be less merit in raising basic rate thresholds because there will be a taper on the social security benefits that result directly from any increase in tax thresholds. It is, however, a most welcome aspect of the changes in personal tax allowances that a special increase in the age allowance for pensioners of over 80 years has been introduced. I am delighted that this has been done, and I am sure that it will be welcomed warmly by the many retired people who are living to a ripe old age in my constituency.

I have a passing regret that my right hon. Friend the Chancellor of the Exchequer chose not to build on the changes in national insurance contributions that he introduced in 1985. The lower rate bands of national insurance contributions paid by employees earning up to £150 a week offer the most cost-effective way for any Chancellor to give relief to low-paid employees. Indeed, my right hon. Friend can target relief to the three groups earning up to £150 a week without creating any administrative burden for the employer or the Inland Revenue. Those bands are already the subject of separate national insurance contribution calculations.

Without doubt, all the tax cuts that have been made this year will go a long way to improve work incentives. The right way to widen the gap between the take-home pay earned by someone in a full-time job and the income that that same person could obtain if he chose to live on social security benefits—[HON. MEMBERS: "Chose?"]. We are aware that that gap is much too narrow. We cannot deal with this problem by inflationary wage increases that undermine competitiveness and ultimately destroy jobs, nor by reducing social security benefit because, for those who are genuinely unemployed, their benefit levels are by no means generous. The right way to widen the gap is by cutting the tax burden on the lower paid. I welcome the Chancellor's announcement today as it will help work incentives.

I also welcome the strengthening of the profit-related pay tax incentives. I hope that that scheme will have a wide take-up in all sections of industry. I also congratulate my right hon. Friend most warmly on resisting presssure—some of which may have come from close at hand—to increase the mortgage threshold on which tax is payable. I am glad that the threshold has been left at £30,000. Any increase in it would feed straight through into higher house prices. It would not help those on average earnings who are unlikely to have a mortgage of more than £30,000. It would do nothing to reduce the disparity between house prices in the north and those in the south that has already immobilised labour in the north and south. Any change would have represented money wasted.

I regret that the Chancellor proposed no significant change to capital gains tax for individuals. I believe it is wrong that capital gains are taxed at a higher rate than the basic rate of income tax. I also deplore the continued failure to index capital gains that arose from investments made before 1982. Many people are sitting on long-term investments that have made substantial gains most of which merely represents the effects of inflation during the 1970s. If the Chancellor introduced a lower rate of capital gains tax, it would lead to a significant increase in the yield from that tax. Many people are sitting on large gains that they will realise at a tax rate of 30 per cent., but if the rate was reduced to perhaps 10 per cent. we would witness a significant increase in the revenue received from this tax.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): What about charities?

Mr. Yeo: I will come to charities in a moment.

The relief available to people selling businesses on retirement is welcome. I am also pleased that the inheritance tax threshold has been raised bearing in mind that, in today's terms, £71,000 is not a large sum—it does not make someone rich to have £71,000.

Mr. Foulkes: What! The hon. Gentleman can write me out a cheque now.

Mr. Yeo: The Chancellor was right to emphasise that the inheritance tax is expected to yield £1 billion this year—more than three times the yield of the penal and confiscatory capital transfer tax that was left by the previous Labour Government.

I unreservedly welcome the VAT reliefs that have been given for charities. I am delighted to be speaking while my hon. Friend the Minister of State, Treasury is on the Front Bench. He will recall that I visited him some months ago as chairman of the Charities VAT and Tax Reform Group to make representations about a number of VAT anomalies. I am delighted that my hon. Friend has been able to persuade my right hon. Friend to meet our demands.

The relief that will be available for the installation or adaptation of bathrooms or lavatories for disabled people in charitable, residential homes is extremely helpful. I hope that that will be a useful step towards a sign of sympathy on other building alterations that charities must carry out.

The extension of the medical research concessions dealing with drugs and chemicals used by medical research charities is valuable. The concessions on welfare vehicles

[Mr. Yeo]

used by hospices is also welcome. Those changes will receive widespread acclaim. The Red Book estimates that such changes will cost £5 million. I hope that those changes will cost more than £5 million, although I doubt that they will. Although we welcome the fact that the basic rate of income tax has been reduced year by year, each time there is a reduction there is also a reduction in the income that charities receive from covenants that the Government urged the charities to develop in the early 1980s. Two pence off the basic rate of income tax means a significant cut in the income received by many charities. They need the VAT relief which my right hon. Friend the Chancellor has given this year to compensate.

I am delighted that excise duties have been subject to the most minimal changes this year. That will be good for inflation. I suspect that my right hon. Friend's forecast for inflation for 1987 is a little on the high side. I would not be surprised if it were less than 4 per cent. by the end of the year.

The encouragement of more portable pensions is welcome also, as is the greater freedom for people to make additional voluntary contributions. However, in the long term, we need to educate the public about the risks inherent in relying too heavily on unit-linked policies.

The tightening of the other tax provisions is welcome. The VAT change allowing small traders to opt for accounting on a cash basis is extremely desirable, as is the opportunity for them to make annual returns.

There is only one omission from my right hon. Friend's Budget speech which I regret. There was no reference to tax reform. I hope that there will be a strong commitment to tax reform by the Government in the next Parliament. It is high time that we overhauled some of the anomalous treatments, especially of married women, under the present tax system. I hope that we shall look at the merging of national insurance contributions with income tax because separation of those two no longer makes sense. Tax reform must mean tax simplification. To get tax rates down requires the abolition of concessions, not the creation of new ones.

As my hon. Friend the Member for Stamford and Spalding (Sir K. Lewis) pointed out, the Budget must be considered in conjuction with last year's autumn statement, which contained almost £5 billion of new spending. That was the time of the big give-away. Today's Budget was a prudent and cautious statement. I believe that my right hon. Friend the Chancellor has made the right Budget judgment for the long term. His Budget is in the best interests of our economy. It is not an electioneering Budget and, for that reason, will win the election.

9.21 pm

Mrs. Llin Golding (Newcastle-under-Lyme): I should not like this opportunity to pass without raising the issue of those who are so often forgotten by the Government — the elderly and old-age pensioners. How does the Budget help them? How does it help the lady who spoke to me only a few days ago and told me of the time when she had applied for the special heating allowance but, because she had £536 in the bank, was not entitled to it? How does it help the lady who telephoned me today in tears and told me that she had to draw out the money that she had saved for her funeral to buy herself a new gas cooker because she had not had a hot meal for 10 days and her 30-year-old gas cooker had been condemned by the gas board?

How does the Budget help the elderly who are worried about the payment of heating bills? How does it help the elderly who are worried about paying for their television licences — something about which the Government are not in the least concerned? How does the Budget help the elderly who are worried about paying their telephone bills? Their telephone is often their only lifeline to their families, yet no help is given to them. How does the Budget help the people who are just above supplementary benefit level who have not been given any additional help and who do not get any rent rebates? They do not pay taxes and they have no savings.

The elderly have worked hard, often for little money. They have created this country's wealth and have been forgotten, yet again, by the Government and by the Chancellor of the Exchequer.

9.23 pm

Mr. Peter Thurnham (Bolton, North-East): I join Conservative Members in welcoming the Budget in its prudence. It marks a turning point. The PSBR is low enough for us to see the prospect of lower interest rates, which I hope will soon be as low as those of our chief competitors so that British industry's costs through borrowing are no higher than those abroad.

The Budget holds out the prospect of continuous economic growth. We have had seven years of growth, and we can see the prospect of productive jobs instead of the sort of subsidised jobs that existed under the last Labour Government. The hon. Member for Kingston upon Hull, West (Mr. Randall) was, I think, referring to a letter in the *Financial Times* yesterday from four previous chief economic advisers. I find it a quite extraordinary letter. I see it as a small tombstone to the death of Socialist economic policies. Our success results from the reversal of all the policies that these gentleman must have advocated. I do not have in front of me the name of the present chief economic adviser, but I must congratulate him and his colleagues on being able to advise the Chancellor better than their predecessors did, if these latter have learnt so little that they say that

"the increase in the number of 2 million unemployed since 1979 results from errors of economic policy."

Quite right, but it was from past economic policy in the years when those people were in office.

Which of these four magnificent knights was the one who recommended the jobs tax? Was that not a brilliant piece of economic and fiscal advice, the 3 per cent. surtax on jobs? Strangely, none of the four knights mentioned the job tax as part of the economic advice which he was so happy to give and which it was supposed would help in providing real jobs.

These people do not seem able even to recognise the success of present policy. They say that the economy has grown "at a moderate rate". They fail to realise that during the period of their advice the economy was growing at a lower rate than that of our competitors, whereas now it is growing at a higher rate, so how they can dismiss it as a period of moderate growth defeats me.

Again, they say that "slow growth since 1979" is the reason for high unemployment. If it is slow growth that causes high unemployment and we now have a higher

growth rate than do our competitors they answer their own question, because that must be an answer to the present problems of unemployment.

These economic advisers end their letter by saying that they

"welcome the initiative taken by Hands Across Britain . . . on 3 May."

All I can say is that I hope that it will not be long after that that we go to the polling booths and make it "thumbs down across Britain" for Socialist policies. We all look forward to that.

One of the best bits of information in the Chancellor's speech was that export growth in the past three months was 6 per cent. above the previous year. That is where the real jobs will come from; that is the success of manufacturing industry.

I also very much welcome the downward trend of the unemployment figure, which has decreased in the past six months by 100,000. Where the policies of Opposition Members are so lacking is in their assumption that they can reduce unemployment by looking to local authorities as the instrument of growth, the sort of nonsense that we hear from the hon. Member for Kingston upon Hull, East (Mr. Prescott), who seems to have been gagged for the past few days.

I would, however, like to draw the attention of the Chancellor to the fact that if we look at the unemployment figures in some detail we see that, although the number of people unemployed for a short time has come down, the number of those who have been unemployed for longer has increased. Perhaps I could just refer to the figures. In 1983, when I was elected, the number of people who had been unemployed for five years or more was 66,500. The last published figure for the number of people unemployed for five years or more was 232,000, so there has been a substantial increase in the number of people out of work for a long time. I urge the Chancellor to redirect restart and all the other employment measures so as to pay greater attention to those who have been out of work the longest.

I welcome the provision to allow tax relief for training, but I suggest that we need to go further than that. I draw the Chancellor's attention to a scheme which has been run in Bolton for the past year or more and in which priority has been given on the community programme to those who have been out of work the longest. This is a scheme that I initiated with the help of various right hon. Friends and Ministers in the Department of Employment, and it is fair to say that the scheme has been greeted as a considerable success.

Just today I was very pleased to receive a letter from one person who has been on the scheme and who had been out of work for over three years. I had been very pleased to give him a reference on the strength of the work that he was doing there. He wrote:

"Just a brief note to thank you for the reference you did for me, the reference indeed which helped me to secure a permanent position . . . I was one of the lads working on the site at the new Jerusalem Church . . . and my present employer (a nice term) said my appointment was due in no small part to the reference. So thanks again."

That was from Mark Longworth.

Mr. Derek Fatchett (Leeds, Central): The hon. Gentleman said that he recognised that there had been an increase in the long-term unemployed to well over 250,000 and that he regretted that. Does he see that figure as a success for the Government's economic policy?

Mr. Thurnham: I see it as a residual problem that arose from the policies pursued prior to 1979.

The people on that scheme were able to leave school and be given rates of pay that were above the market rate. They were people who did not feel it necessary or who were unable to gain the skills under previous policies. I call attention to the need to give greater priority to those who are in the predicament that they are in today because of the policies pursued by the previous Labour Government.

The Budget includes provision for the disabled, which is welcome. The blind allowance rises from £360 to £540, and there are additional charitable exemptions from VAT, including items for handicapped people in homes, as well as rescue and first-aid equipment. I should like to mention two stories in the newspapers in the past day or two. In one case, an award of £500,000 was given to a child who had been severely handicapped as a result of an accident and inadequate care afterwards. If it is possible for some people who care for a handicapped person to have £500,000 to help, why is that not available to all? In New Zealand and Sweden it is possible for funds to be made available on a no-blame basis, and I should like to draw the Chancellor's attention to the need for all people who have to care in such situations to have more help.

There was a great outcry about the need for the sterilisation of a young 17-year-old girl. People are living in cloud-cuckoo-land if they do not feel that adequate funds should be made available to help individual people provide care for that sort of person, rather than leaving it to institutions, where the problem is so much greater.

I congratulate the Chancellor on his excellent Budget, which lays the ground for continued economic growth and greater wealth. Through that greater wealth there will be an opportunity to provide care and greater provision for those in our society who are in the greatest need.

9.33 pm

Mr. Ray Powell (Ogmore): I listened to the Chancellor from the start of his speech to the end and I listened to the Leader of the Opposition's reply. I am pleased that my right hon. Friend the Leader of the Opposition was able to highlight the fact that the Chancellor has not given consideration to the people I represent in Wales, especially in Ogmore. Over the seven years of the present Administration, unemployment in the constituency of Ogmore has risen from 3·7 per cent. to 20 per cent. In part of my constituency, Maesteg, with a population of some 26,000, the male unemployment rate over the past three years has been 40 per cent.

Given those figures in an area such as Ogmore, the Chancellor should have looked more seriously at the bonanza he talks about. He pretends to be a Santa Claus to those who are rich but he is a Scrooge to those I represent—the 10,000 people in Ogmore without a job.

A number of people will obviously benefit from the Budget. Many rich city dwellers will receive tax relief on pensions amounting to £150,000. Most of my constituents —those in work as well as those out of work—would think that they had won the pools if they had £150,000 in the bank. Such tax relief would be out of the question for 99 per cent. of the people whom I represent.

Surely we must be concerned about underpaid and underprivileged people in society. Most low-paid people live in the deprived areas of Wales, such as that which I represent, where, in the past seven years, the Government's policies have deliberately de-manned the

[Mr. Ray Powell]

steel industry and resulted in the closure of mines. Five collieries in my constituency of Ogmore were closed in 1983. Two collieries in the area that I have represented since 1983 that were in the Pontypridd constituency have been closed. Seven collieries, with a work force of well over 3,500 people, have been closed as a deliberate attempt by the Government to ensure that coal mining areas in Wales were decimated. Indeed, the collieries to which I refer would have been of great national importance. They produced the best coking coal in Europe. They were closed in a deliberate attempt by the Government to force people into the unemployed ranks.

Comparing the present number of people who are out of work with the number who were out of work in 1979, we see that there was a deliberate attempt by the Government to suppress workers and their demands for extra pay for the services that they offered, and to suppress the trade union movement. That attempt might have succeeded. Together with the oil bonanza, it might have given the money that the Chancellor has to disburse. But all the evening newspapers have quite deliberately suggested that the money could have been better used in creating employment.

In Wales in particular, it will not create necessary employment. As the right hon. Member for South Down (Mr. Powell) often says, it is passing strange that, for seven years, the Chancellor and his predecessor have continually talked about restraint and have assured us that successive Budgets would curb public expenditure. After seven years, and indeed on the eve of a general election, we find that the Chancellor has found money to disburse to people in the higher income bracket.

I wonder how much money will go to the Ogmore constituency. How much will go to the 10,000 people who are out of work in Ogmore? How much will go to the coalfield communities of Ogmore that are now totally depressed, annihilated, with few factories and with little money coming in for factory development? The people whom I represent do not have much hope for the future. This Government could have given £4 billion to the British people. Instead, the people who will benefit from the £4 billion will be the better-off.

In tonight's edition of the *London Daily News*, John Shields refers to the Chancellor of the Exchequer playing Santa Claus. In the second paragraph of his article, he says:

"They are the unemployed, who seem set to lose out once again, even though it is partly on their backs that the foundations for the current 'success' have been laid. Only six or seven years ago, in less bounty-ridden days, nothing was being given away. Cuts were applied only to public expenditure, never to tax. Priority was given to controlling the money supply, constraining public borrowing and cutting public expenditure."

What John Shields says is quite true. Public expenditure cuts in my constituency mean that a scheme for 500 houses in Ogwr borough has been cut since 1979. The number of people on the housing waiting list in 1979 was 1,720. The number now on that list is 2,500. A limited amount of money is available for spending on public housing. We can build only 100 new houses a year.

There are 177,000 people out of work in Wales. The Tory Government did not inherit that level of unemployment in 1979. Unless something is done about the unemployed in areas such as mine, the direct result will be an increase in crime. Instead of providing tax relief bonanzas, the Chancellor of the Exchequer should have tried to combat the increase in crime.

When I look at people in my constituency, I see the degradation of unemployment. I see that 16 and 18-year-olds have no chance of a job because of this Government's policies. Despite the opinion polls, the Chancellor of the Exchequer will be kissing 100 of his hon. Friends goodbye at the next election. It is time that the Government appreciated that those who are out of work are demanding that this Government, or the next Labour Government, should do something about unemployment. Those who are out of work, with no chance of a job, will remember the Government's actions and this Budget at the next election—whether it is in June, or October, or next year—and they will vote for a Labour Government.

9.44 pm

Mr. James Couchman (Gillingham): I shall not detain the House for very long, because I know that several hon. Members want to speak. However, I want to make a short speech as an employer who owns a small company in the licensed trade. I welcome much of what my right hon. Friend the Chancellor introduced in the Budget.

Mr. Fatchett: Is the hon. Gentleman supposed to be representing a constituency?

Mr. Couchman: Of course I am representing a constituency and I shall say so throughout my speech. *[Interruption.]* Does the hon. Member for Leeds, Central (Mr. Fatchett), wish to intervene from a sedentary or standing position?

For two years my right hon. Friend the Chancellor has taken steps to assist small companies and particularly the succession of ownership of small companies from father to son, which will improve the security of those small family businesses. I welcome the changes in VAT which will apply to businesses smaller than my own. A technical change in the partial exemption rules on VAT will be less onerous to the licensed trade than was first thought.

The decision not to increase excise duties on beers, wines and spirits for the second year running will be very welcome to a trade which is still suffering from recession and from a change in drinking habits. In 1981, when my right hon. and learned Friend the Member for Surrey, East (Sir G. Howe) introduced his Budget, I had the doubtful pleasure as a licensee of offering instant comment on one of the most swingeing increases in duty ever. That increase had a marked and deleterious effect on the trade of all licensed outlets. I hope that my right hon. Friend the Chancellor's restraint today will lead to a new buoyancy in the licensed trade.

Mr. Maxton: Does not the hon. Member have any regard at all to the appalling health problems created both by alcohol and tobacco? Does he not think that perhaps the Chancellor ought to have increased the price of both alcohol and tobacco to try to stop people partaking of them?

Mr. Couchman: The hon. Gentleman knows that we had an excellent debate a fortnight ago on the licensed trade, licensing reform and abuse of alcohol. The hon. Gentleman may have been present on that occasion to make his point.

It is in personal taxation that changes will be most widely welcome. My business employs many people on

comparatively low incomes. Full-time bar staff generally live in and enjoy free board and lodging, but their weekly wages are comparatively modest. A gross wage of perhaps £125 a week will lead to an increase in net pay of something over £2 a week. I do not think those employees will take the £2 and buy a postal order and send it to the Chancellor in the hope that he may use it on increased public expenditure.

I do not think many people will refuse the reductions in taxation, in the amount of money which the Chancellor takes from us, and then ask for that money to be used on increased public expenditure.

Mr. Foulkes: Will the hon. Gentleman give way?

Mr. Couchman: I am not giving way.

It is also fair to say that my managers will much welcome the Chancellor's proposals for profit-related pay. Those proposals are likely to be extremely beneficial to them and to many other people who will in future share in the profits of the company for which they work.

I join many other hon. Members in welcoming the VAT changes affecting charities, the increase in the allowance for the blind, and especially the new higher age allowance for those aged 80 or over, in line with this Government's institution of a pension as of right for all over 80, which was resisted by the last Labour Government, despite many attempts to bring it in.

Because of my responsibilities as PPS to the Minister for Health, my hon. Friend the Member for Braintree (Mr. Newton), I perhaps should confine to a warm welcome my comments on those aspects of the Chancellor's Budget which relate to the DHSS.

Some Opposition Members have complained that the Chancellor has not introduced various increases in public expenditure. I remind them yet again of the increase of nearly £5 billion which the Chancellor introduced with the public expenditure White Paper in the autumn.

I could say much more, but I am conscious that there are at least two more hon. Members who wish to speak this evening. This has been a good Budget for business and for the individual. I believe that it will be modestly beneficial in creating jobs. I am certain it will be invaluable in securing existing jobs, especially those provided by small family companies such as my own.

9.49 pm

Mr. Michael McNair-Wilson (Newbury): I can hardly be the Member for Newbury, with its famous racecourse, without wanting to say at least thank you to the Chancellor for removing the tax on on-course betting. I hope that it will encourage people to come to that racecourse and enjoy the pleasures of racing. That will be good not only for the racecourse but for Lambourn in my constituency, where so many excellent race horses are trained to such high standards.

There can be few Chancellors who have had the opportunity which was presented to the Chancellor this afternoon of being able to bring forward a Budget in which he could restore income to people's pockets without affecting the broad thrust of economic policy. The fact that the Chancellor has been able to do that speaks volumes for the effective way in which he has handled the economy.

I am particularly delighted that my right hon. Friend has been able to reduce the basic rate of income tax by 2p and raise tax thresholds. Pre-Budget speculation from all shades of political opinion in the House endorsed the assessment that the Chancellor brought into effect, namely, that he had sufficient revenue for a massive redistribution. The only question that arose—I suspect one inspired as much by electoral considerations as by reality—was whether he should use that redistribution to reduce the burden of tax or to increase public spending. In choosing to reduce the burden of tax I think that he made the right choice.

The argument that a tax cut will simply stoke up a consumer boom, which in turn will suck in increased imports, seems to miss the point of tax cuts. The country is heavily taxed, whether in terms of direct taxation, value added tax or through national insurance contributions. We know that in wage negotiations the effect of tax and the likely effect of inflation have been dominant considerations which have led unions, particularly those in the public sector, always to ask for large pay rises on the basis that inflation would erode them after a short time.

I suggest that a reduction in taxation will be what the Chancellor said it would be—a true incentive toward wage restraint. Lower direct tax will reduce the pressure for unreasonably high wage settlements, particularly in the public sector. By that I do not suggest for a moment that the public sector should not get reasonable wage increases. But we are now in a different atmosphere in which those negotiating public sector pay rises will be able to recognise that they should not have to allow for high inflation and the effect of high taxation, and that they can ask for more reasonable wage increases.

In those terms, I also welcome the tax inducement in the Chancellor's proposals for profit-related pay. Like the reduction in the basic rate of tax, that must assist our competitiveness if it encourages people to hold down wage claims. As competitiveness is one of the most important factors in employment, I disagree totally with the claim of the Leader of the Opposition that there is nothing in the Budget for the unemployed. We must take account of the seven years of steady growth in the economy and the recovery in the manufacturing sector of industry. It has still perhaps some way to go before it reaches the level that we want to see, but there has been recovery from a restructured industry. Those facts and the downward pressure of wage claims that will result from the Budget will help to keep industry competitive and thus enable us both to hold current markets and to gain new markets.

Who in the House would deny that if we can gain new markets for industry we can find new jobs for our people and real prosperity for the nation? If the Opposition tell us that that is not the case, what case would they choose to argue? I believe that this Budget is good for employment opportunities.

Those who say that a direct cut in income tax will simply stoke up a consumer boom are claiming that it will also therefore increase imports. I suggest that they are wrong. If they choose to come to my constituency they will discover that Sony has established a large factory, that Norsk Data has also a factory and that Bayer Pharmaceuticals from Germany has also set up in my constituency. That foreign inward investment has brought job opportunities that did not exist before. Those who say that an import boom is bound to follow from a cut in taxation are providing a counsel of despair. In effect, they are claiming that this country is no longer able to pick up

[Mr. Michael McNair-Wilson]

the challenge from the new demand that will arise from the reduction of taxation. They are also arguing that companies brought into this country will somehow not continue to come in to meet that demand. Far from seeing an import boom, I believe that we will see a growth in more British business.

We have become a little obsessive about referring to all—British companies. That is an old-fashioned idea. We are members of the European Economic Community and we hope for a European industrial structure. I believe that international companies should be set up in this country and elsewhere. It is important that Britain's input to those companies in this country should consist of an input of people and skills. British companies should find opportunities to do likewise abroad. That is why I welcome the fact that our overseas assets are now at such a high level.

Another advantage of the Budget is that it finds time to consider other areas of our society that are in need. Reference has already been made to the changes to be made to charities to improve what they are able to receive from companies wishing to help. We know that hospices and the vehicles that they use are to be freed from VAT, as are hospice drugs for sick people. The old age allowance is to increase and the blind allowance is to be improved. All these measures—small though they may be—suggest that the Budget is more broadly based than one that simply seeks to concentrate on any one sector of the economy.

The tax cuts to which I have referred and the other benefits in the Budget must be seen against the autumn statement, in which a further £600 million was given to the National Health Service to bring total expenditure on the Health Service up to about £19 billion, which is rather more than twice the amount that the previous Labour Government spent on the service. The autumn statement also included a further £2 billion for the education service. That means that expenditure on education is at its highest ever level. The old-age pension today is buying more than it has ever bought in the history of our people.

Mr. Foulkes: Will the hon. Gentleman give way?

Mr. McNair-Wilson: We must remember that inflation has been running at less than 5 per cent. for the past two years and looks like remaining at that level. We must therefore realise that the economy is being handled by the Government in a way that the nation has not seen for several decades—if ever. When I put all these facts together and think particularly——

Mr. Foulkes: Will the hon. Gentleman give way now?

Mr. McNair-Wilson: I think particularly of the reduction in taxation and lower inflation rates, and the effect, as I have said, will be that wage restraint will become a new reality for all those going forward with wage claims. As I have already said—but will repeat because it is so important — this nation can regain its competitiveness because of wage restraints. Because it will regain its competitiveness, we shall have a real opportunity to expand the economy in terms of extra trade, more jobs and more real prosperity, from which will come the additional money that we would all like to see go into certain sectors of the national social economy. As we know, unless this nation earns its living and has more than enough out of that living, it cannot expand what it spends and we shall not be able to have the real funds that need to go into the National Health Service, education or higher education.

It being Ten o'clock, the debate stood adjourned.

Debate to be resumed tomorrow.

AGRICULTURE

Ordered,

That the provisions of paragraph (2) of Standing Order No. 84 (Constitution of standing committees), paragraph (1) of Standing Order No. 86 (Nomination of standing committees) and Standing Order No. 101 (Standing Committees on Statutory Instruments, &c.) shall apply to the draft Revised Code of Recommendations for the welfare of domestic fowls, the draft Code of Recommendations for the welfare of ducks, the draft Code of Recommendations for the welfare of rabbits and the draft Revised Code of Recommendations for the welfare of turkeys as if the said draft Revised Codes and draft Codes were draft statutory instruments; and that the said draft Revised Codes and draft Codes be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Lightbown.]*

Part III Accommodation

Motion made, and Question proposed, That this House do now adjourn,—*[Mr. Lightbown.]*

10 pm

Mr. Richard Holt (Langbaurgh): One of the characteristics of life is that we all want to live as long as possible and to a ripe old age. However, I wonder whether everybody looks forward to his old age with the same equanimity. Some people, as they get older, are less able to look after themselves and finish up in what is called, in shorthand, part III accommodation. This is often regarded as accommodation where once people have gone in they never come out on their own two feet. Happily, today more and more people are able to live longer and sustain themselves in a much more healthy state than in the past. Consequently, not only are people in part III accommodation in there merely because they are seeing out their last days, but they can and should be able to enjoy themselves in their twilight years, although they are old, ill and frail.

My Adjournment debate was prompted when I had the privilege of visiting some part III accommodation in my constituency last November, on the occasion of the 100th birthday of one of the residents who, I am pleased to say, still enjoys a long daily walk and is still able to have a good and lucid conversation with all people who visit that establishment. I was delighted to see so many males in that accommodation. I am accustomed to finding the ladies outnumbering us by about 10:1.

This gentleman assailed me on one particular point, which I felt bound then, and I am delighted for the further opportunity now, to bring to general attention. It is that people in part III accommodation are forced into a form of pocket money penury because of the rules that dictate how much they are allowed to spend while resident in the accommodation. The amount of money is so small that it is not sufficient to allow the ambulant but old people in part III accommodation to go out, as they have done throughout their lives, at night, round to their local pub and sit there and enjoy a pint, and smoke their pipe and perhaps tell a few tales of what it was like when they were young.

It is odd that the total amount of money that the people who are resident in part III accommodation are allowed is £7·75 a week, unless they have worked hard all their lives and have an occupational pension to supplement it. They may have a war pension or an occupational injuries pension. If they have a pension that they have earned while they have been working, all of it except for £4 is taken from them, and they are allowed to supplement their £7·75 with the £4. If they have not earned that sort of pension, they are stuck on the £7·75 limit.

When the Minister replies, I should like her to support me in saying that that amount of their own money, which they have saved and worked for all their lives, should not be confiscated in that manner and that people in part III accommodation should be allowed sufficient to meet simple needs. I doubt whether, if they were given total licence, they would want to drink three, four or five pints of beer, to smoke two pipes at once or that the ladies would want to put on new make-up six or seven times a day. However, that is the limit that they are now allowed to spend.

I repeat that those old ladies and gentlemen are not prisoners. They have not been sent to part III accommodation because they have committed a crime, unless becoming old is regarded as a crime in itself. They are there because they need to be looked after. It is not unusual to find, among partners, who have lived together for many years and shared the household duties and chores that, when one passes on, the other one is incapable, of sustaining himself or herself properly when alone. Quite rightly, they are admitted to part III accommodation. However, when they are there they must not, and should not, feel that they have been sent there as if to serve out a sentence. They should not have their money reduced to the extent that they do not have sufficient for a modest extra standard of living in their latter days.

It would not seem unreasonable for the Government to review the amount of clawback so that the residual moneys that are left to the old people will enable them, if they wish, to buy a drink for someone else in the pub at night when they go out, or to buy another person a cup of tea at the café round the corner when they go out for a walk during the day. It does not seem unreasonable that that should be reviewed.

I put that point to the Ministry after my visit to the old people's home last November. I received a reply in February. I do not know whether it was hoped that my 100-year-old would have passed on by then, but I assure everybody that he is still hale and hearty and going out for a walk every day. I do not need to remind my colleagues and others who have followed these matters that one of my constituents will be going to New York, via Concorde, in August for her 110th birthday.

If people can live that long and enjoy life, why, just because they have had to go into part III accommodation, should they be regarded as second class and inferior? The pocket-money syndrome is distasteful and a further aspect of this issue which requires urgent consideration and action. Not only are those people penalised because they have worked and earned their own pension, or served in the forces and earned their own war pension, but if they have owned their own home and followed the Conservative party philosophy of thrift they are penalised over and again.

If such people have assets of £1,200 or more, which include their house which may still be unsold, they are penalised by having a notional return on their capital calculated at the rate of 25p per £50 per week. That works out at 26 per cent. Any usurer who charged 26 per cent. on capital would quickly find himself in hot water with the press and with public opinion. Yet that is what we charge people who have worked, saved and bought their home when they go into part III accommodation.

The residual assets may be a modest £15,000. We are talking not about a grand house but the sort of house that many of my constituents live in. In practice, a house valued at £15,000 would be reduced in the first year by £3,600, in the second year by £2,600, in the third year by £2,000 and so on until no value remains. What is the point of encouraging people to become home owners, to live a family life and have something to pass on, if all their savings are likely to be swallowed up in their latter years simply because they become old and frail?

Every Government since part III accommodation was introduced have known about this position and every Government have tut-tutted and said, "We should do

[Mr. Richard Holt]

something about it, but, oh dear, what?" When the disregard figure is £1 from an occupational pension and everything else goes towards the cost of being kept, the position requires review. The majority who have done nothing for themselves and, equally, find themselves in part III accommodation are sustained in full by the state. The number of those who are penalised in this way is small. They are a minority who seldom grumble or have their legitimate grievances aired sufficiently or brought to light.

I noted two specific points in the letter of reply from my hon. Friend the Minister in February. First, the Government have set up a joint working party. As we all know, that is shorthand for saying, "This is a hell of a problem, so we have kicked it into touch and, having done so, we hope to God that no one will ask us to find the ball." The answer I am given is that the Government hope to have some sort of answer to harmonise fiscal support and people in all sorts of residential care in the spring of 1987.

The working party first met in March 1986. I cannot understand how grown men and women, presumably with some intelligence because they have been put on the working party, must take so long to reach a simple conclusion about whether £1 is a reasonable figure in this day and age. I do not know of any law which forbids an interim report or prevents the Government from introducing the recommendations of an interim report. But I know that this matter leaves a sour taste in my mouth. Some of these elderly people, for no reason, are finding that all they have lived and worked for is being eroded, while those who have not bothered to look after themselves, to save, to enter into a pension scheme or take out some personal pension plan and who share the same accommodation are in a different position.

It is equally difficult to understand why the Government have different figures for people in part III accommodation provided by local authorities and for those who live in private residential homes in the private sector. Why should somebody in the private sector be allowed more pocket money than somebody who is not? If they go out together and have a drink, the landlord does not say, "I will charge you more and you less." He charges the same amount of money.

Secondly, I was rather disturbed—indeed, offended—by one aspect of the communication that I received, which says:

"But even if the discretion is not exercised"—

that is a discretion for the local authority to supplement the personal allowance out of the rates—

"there is nothing to prevent residents from supplementing their allowance from any capital they may possess."

I read that as meaning that if I am old the Government are saying that I may spend my money if I so wish. I hope to goodness that I am entitled to spend my own money. I should like to think that everybody is entitled to spend his own money if he so wishes. None of us should be hidebound by what was introduced in 1948. That was something to be euphoric about in the welfare days of 40 years ago, but it is time now for a review. It is not a time for the Government to hide behind working parties. It is time to recognise that the cost of living has risen considerably over 40 years. To suggest that we still do not make any special recognition of those who enjoy war pensions—in which I must declare an interest—is an insult to those who have obtained a war pension as a consequence of their service to their country.

The eyes in the House tonight may not be many, but the ears of the world will be listening for the Government to say that they have taken on board this anomaly; that they recognise the injustice and unfairness of the present situation; that to grow old is not a crime and to save money to spend in old age should not be something for which we should be penalised; that in the end there will be equal treatment of all people, and if one has saved money one will not suffer consequently.

Information that I have received suggests that the major weakness in the existing scheme is that the person who is in the know can divest himself of the greater part of his fortune, and will hence be obliged to pay only the minimum. That is not the proper way of going about things. I shall listen with interest to hear how the Government will tackle this problem.

10.17 pm

The Parliamentary Under-Secretary of State for Health and Social Security (Mrs. Edwina Currie): I should like to congratulate my hon. Friend the Member for Langbaurgh (Mr. Holt) on his success in the ballot. I know how much he cares for the welfare of his constituents, as has been shown by his efforts in the debate.

As my hon. Friend rightly says, he wrote to us on 12 November. I am delighted to hear that his constituent is still in good health. Indeed, his constituent will have benefited from today's Budget, with the increase in tax allowances for the over-80s, and the excise duty on his favourite tipple remaining unchanged. Indeed, one suspects that my hon. Friend's constituents' children will have benefited from the increase in tax allowances for the over-80s as well. We are glad about that.

The overall aim of our community care policy is to enable elderly people to remain in the community, preferably in their own homes, for as long as possible. That is what they want and what those who are responsible for their care think is best for them. However, there will always be some people who are unable to live independently, even with help, and for them residential care in an elderly persons' home may be the only alternative.

Local authorities are responsible for providing residential care for any elderly person who, because of age, frailty or any other circumstance, is assessed as being in need of such care. The financial circumstances of the individual therefore do not come into it.

The number of homes and places provided by an authority is a matter for the authority. The number of people now resident in homes for the elderly who are aged 65 years or over has been rising quite dramatically. The provisional figures for 1986 suggest that the total has topped 200,000 for the first time, about 101,000 being in local authority part III homes, about 25,000 in voluntary homes and about 75,000 in private homes.

The provision of residential accommodation by local authorities was never intended to relieve people of responsibility for meeting the costs of their accommodation and upkeep, which they would have to bear if they were living in their own homes. It seems only reasonable that anyone who is able to make a substantial contribution towards the cost of his upkeep should do so. Successive Governments have supported this arrangement, which I

am sure is right. Whether current arrangements for calculating how much someone should pay are fair is another matter. It is a number of years now since the details of the scheme were revised.

Local authorities are required to determine a "standard charge" for thier accommodation, which should represent the full economic cost. The average cost of a part III place in England is about £120 per week, compared with the current board-and-lodging limit in private homes of £125 per week. If a resident is unable to pay the standard charge, the authority is obliged to assess the amount that he is able to pay and to charge at such lower rate accordingly subject to a prescribed minimum, which is currently £30·95 per week and which is to be increased to £31·60 from 6 April. The resident retains a prescribed minimum allowance for personal expenses, which is currently £7.75 and which will be increased to £7·90 from 6 April.

My hon. Friend has referred to the working party, and we are trying to devise a new charging and assessment system for part III accommodation that might take account of some of the difficulties that he has mentioned. A consultative document was issued early in 1984, and the response to its proposals could not be regarded as enthusiastic. Further action was deferred pending consideration of the use of public funds to support people in all types of residential care. That is what is currently in the hands of the joint central Government and local government working party, which is chaired by our official, Mrs. Joan Firth, and which is due to report shortly. It is not known how many residents pay at the prescribed minimum rate for their accommodation but we estimate that about 70 per cent. do so. About 20 per cent. pay a rate between the prescribed minimum and the standard charge and 5 per cent. pay the full charge.

My hon. Friend referred to disregards and picked up some of them, as I would expect, with his normal accuracy. A local authority's assessment involves a calculation of income and capital resources based on the method used until 1980 for assessing eligibility for supplementary benefit. The method is set out in part III of schedule 1 to the Supplementary Benefits Act 1976. Certain limited forms of income—for example, payments to holders of the Victoria Cross or George Cross—are disregarded in full, as well as, at the authority's discretion, other forms of income such as gallantry and service awards.

In addition, charitable and voluntary sums for a specific purpose, such as payments for holidays, can be disregarded. Other forms of income, such as war disablement pensions, are disregarded up to an aggregate limit of £4. This rule is in line with current supplementary benefit provision. Under the income support scheme, most forms of income will be taken into account in full. Additionally, there is a £4 disregard from any weekly earnings, but the number of residents affected by this is likely to be exceedingly small.

My hon. Friend is right to say that occupational pensions are now taken fully into account. They are no different from other basic forms of income, such as the state retirement pension, which has always been taken fully into account. For part III assessment purposes, the £1 disregard which was set in 1966 is still allowed.

When dealing with capital, my hon. Friend was right to say that the first £1,200 of a resident's capital is disregarded. The tariff income is assessed at 25p per week for each complete £50 of capital above that level. That means that the assessed ability to pay rises gradually and does not reach payment of the full cost of a place in a home until a substantial amount of capital—about £25,000 depending on other resources—is held.

It is recognised that residents will gradually use up their capital above £1,200 to pay towards their accommodation. Of all the concerns expressed about the part III charging arrangements, the treatment of capital has attracted the most criticism. That is principally because of the higher capital disregard—£3,000—that applies to supplementary benefit claimants. This has been represented to us as anomalous and unfair and it is one of the key issues that is being addressed by the working party to which I have referred.

The personal allowance is intended to enable residents to buy personal items such as toiletries, stationery, newspapers and other personal items. The prescribed minimum rate that has been set by successive Governments is about one fifth of the standard rate of retirement pension.

The hospital downrating of national insurance benefits reflects the fact that for long-term patients in hospital their board and lodging is provided free and their needs will normally be limited to the personal items such as I have mentioned. People in part III accommodation are essentially in no different position in that their accommodation and upkeep—if they were at home they would have to pay for themselves—is provided by the local authority. In the case of people in hospital and part III accommodation, it is not expected that the allowance should be spent on expensive items such as clothing and footwear, as those should be provided by the local authority or hospital. Of course, residents are free to choose to spend their allowance in this way if they wish.

The average age of permanent admission residents to part III accommodation is about 82 years. Many residents are unable to make much use of their personal allowance.

In many cases, that allowance simply accrues and eventually forms part of the resident's estate. One must consider whether an increase across the board would produce any major increase or improvement in welfare.

We accept that part III residents may occasionally find it difficult to meet the cost of outside social activities. That could be equally applied to anyone remaining in their home in the community on a low income. The personal allowance of people in private residential care—my hon. Friend drew attention to this — and who may be supported by supplementary benefit is £9·05. That is intended to cover any item of personal expenditure, but it includes clothing. That is the reason for the difference.

With regard to the particular interest of my hon. Friend's constituent, I checked up in the 1985 family expenditure survey and I discovered that in households with a couple or one pensioner living alone, the average expenditure on alcohol and tobacco was 5 per cent. of income—£5·80. That suggests that the £11·75 that my hon. Friend's constituent has been able to enjoy should cover at least the expenditure that one might expect if he were living at home. It is to be hoped that the gentleman's generosity and sociability is also recognised by those he meets and that they are able to buy him a round in return for those he buys.

My hon. Friend spoke movingly about the problems that can arise. I wonder how much resentment might be generated should any Government decide to ignore large amounts of capital income and whether those without such

[Mrs. Edwina Currie]

benefit, savings and foresight — and perhaps, without such fortune—might regard that as fair. The home costs the same to run whether the residents are wealthy or have nothing. Admission to part III homes is based on the need of that person for physical help and not his financial circumstances.

I hope that I have been able to answer a number of the queries raised by my hon. Friend. Many representations have been made to us on those matters. They are under consideration and we hope that we may see some improvement soon.

Question put and agreed to.

Adjourned accordingly at twenty-eight minutes past Ten o'clock.

House of Commons

Wednesday 18 March 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH AFFAIRS

Falklands Fisheries

1. **Mr. Frank Cook** asked the Secretary of State for Foreign and Commonwealth Affairs how many fishing vessels have been boarded by fisheries protection personnel in the Falkland Islands conservation zone since 1 February; and if he will make a statement.

The Secretary of State for Foreign and Commonwealth Affairs (Sir Geoffrey Howe): Seventy-four fishing vessels have been boarded by fisheries protection personnel in the Falkland Islands interim conservation and management zone between 1 February and 12 March 1987.

Mr. Cook: Does the Secretary of State agree that although fishery protection is important to the Falkland Islands economy, the broader issue of conservation is even more important for ecology? Does he agree that one should avoid the over-fishing that has taken place in the north Atlantic and resulted in the migration of seals to the Norwegian inshore fishing grounds? Are the current licensing system and the protection that is afforded sufficient to take regard of that, and will the right hon. and learned Gentleman sponsor a form of international symposium to ensure that the Falkland Islands get the best possible advice on the subject?

Sir Geoffrey Howe: I am grateful to the hon. Gentleman for his support for what we are doing. The fishery protection arrangements were established precisely to meet the conservation case that he has put. It is a matter of satisfaction to him and the House that the system is working as well as it is. Obviously, we would like to see that extended into a multilateral basis, and that is why we started our initial search for arrangements through the Food and Agriculture Organisation and would still be ready, if we could, to move to multilateral arrangements.

Sir John Biggs-Davison: Does my right hon. and learned Friend recall the whingeing, cringing predictions of international conflict and disaster by the Opposition Front Bench when the zone was first introduced? Has the zone not been fully justified and has not the Government's policy earned the thanks of the Falkland Islanders and the British people?

Sir Geoffrey Howe: I am grateful to my hon. Friend for reminding the House of that. There were, indeed, doom-laden predictions from the Opposition Benches, supported by the now benignly smiling hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) on the Opposition Front Bench. Again, it must be a matter of satisfaction to the House that the arrangements have been put in place and have worked as smoothly and well as they have done.

Dr. Godman: May I say that I have the greatest admiration for the skippers and crews of the elderly stern trawlers which are carrying out the police work? However, what consideration has been given to the replacement of those elderly vessels by, for example, two newly constructed fisheries replacement vessels of the sort built by Fergusons, which just happens to be in my constituency?

Sir Geoffrey Howe: I understand the hon. Gentleman's interest in that aspect of the matter. The main thing is that the vessels and aircraft selected for the task have been able to carry it out effectively, entirely in line with the normal pattern of fisheries promotion, with the granting of 100 licences to 50 vessels so far and a substantial revenue accruing to the system. No doubt the question of prolongation of the life or substitution of the vessels will be borne in mind by those responsible.

Mr. Foulkes: I am sorry to see the Secretary of State following his Back Benchers in jumping so prematurely to conclusions after only a few months' operation of the zone. As the Government have always said that the unilateral zone is a temporary measure, when does the right hon. and learned Gentleman expect the United States-inspired contacts between Britain and Argentina —I know that I must not call them talks—to result in a bilateral or, better, a multilateral agreement, which is the way in which any two civilised Western democratic countries ought to be concluding an agreement, instead of what is still a nerve-racking and tense arrangement that could flare up at any time?

Sir Geoffrey Howe: I have no doubt that the hon. Gentleman lives in lively expectation of that event, if only to fulfil his doom-laden forecast. I am not suggesting that he would like it for the sake of warlikeness. On experience so far, he has been shown to have made some extremely foolish and ill-founded predictions. Of course it is right to say that we want a multilateral rather than a unilateral arrangement. It is precisely that that we are seeking. It is on that basis that ideas are being exchanged. There is no secret about that. We are now awaiting a response to the ideas that we have put forward. I am sure that the hon. Gentleman, with his care for arriving at a sensible conclusion, will recognise that here particularly it is most important to follow a step-by-step approach if we are to ensure the establishment of a proper basis of understanding.

Arms Control Talks

2. **Mr. Cook** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on progress at the arms control negotiations in Geneva.

Sir Geoffrey Howe: The seventh round of the Geneva nuclear and space talks has been extended to allow further discussion of the United States draft INF treaty tabled on

4 March. The chemical weapons negotiations resumed on 3 February. We hope that it will be possible to build on the encouraging progress made last year.

Mr. Cash: Has my right hon. and learned Friend noted the desperate Houdini tactics being adopted by the Leader of the Opposition in a vain attempt to satisfy the negotiators at Geneva and the voters of this country that his party is no longer unilateralist? Does my right hon. and learned Friend agree that it proves that the firm defence policy that is being followed by the Government will produce effective, verifiable progress towards genuine disarmament?

Sir Geoffrey Howe: Like my hon. Friend, I am driven to speculate about the implications of reports in today's press about shifts in the position of the leader of the Labour party, suggesting that the Opposition are moving towards support for a zero-zero position. If indeed that is happening, one must, however belatedly, welcome the Opposition's attempt to evade the consequences of their previous disastrous policy. The logic of the Opposition's position of one-sided disarmament would be to speed up the removal of cruise missiles to encourage Mr. Gorbachev to remove the SS20s. The recognition, if it be the case, of the wisdom of keeping cruise missiles in this country to achieve success in the negotiations reveals the foolishness of the whole unilateralist approach.

Mr. Cartwright: Have Her Majesty's Government been consulted about the suggestion that American Pershing 2 missiles, which will be covered by the INF agreement, might not be removed but converted into shorter range systems? Since anything that can be converted can be reconverted, what are the implications for the difficult verification issues arising out of the agreement?

Sir Geoffrey Howe: It is because of the importance of the verification issues that the verification provisions in the draft treaty are themselves so important. It is because of the scope for variation in the capacity of the SS21s and the SS22s on the Soviet side that it is so important to achieve proper constraints on shorter range intermediate nuclear weapons. Among the constraints, the right to match, as well as everything else, has always been open to consideration.

Sir Antony Buck: Does my right hon. and learned Friend agree that, put in succinct terms, there would be no progress in the various talks if the Opposition's policies on these matters were to be pursued? None the less, does my right hon. and learned Friend agree that progress in the various negotiations is disappointingly slow? Is there no chance, perhaps with the help of our American allies, of being even more firm about these matters and getting the processes somewhat speeded up?

Sir Geoffrey Howe: I can understand my hon. and learned Friend's impatience for quick headway in the matter. He must acknowledge that, in matters of such complexity where verification and constraints on shorter range intermediate nuclear weapons are of crucial importance, it is far more important to be right than to be speedy.

Mrs. Clwyd: Will the Home Secretary explain why the Government have changed their mind on the zero-zero option by now wanting an agreement on short-range nuclear weapons while reaching an agreement on the INF instead of in subsequent negotiations, as was the Government's position between 1981 and 1986?

Sir Geoffrey Howe: There has been no change in the Government's position. If one looks back at the statements in the series of communiqués, one sees that it has always been regarded as important to secure proper constraints on the shorter-range intermediate nuclear weapons as part of the initial agreement, and, beyond that, to secure a commitment to a further round of negotiations for the rest.

Mr. Temple-Morris: Although there is now, fortunately, real hope of progress with regard to the INF and chemical weapons, does my right hon. and learned Friend agree that it is equally, if not far more, important that we should reach some sort of accommodation over strategic weapons? Does he further agree that such an accommodation will be very difficult to achieve until there is some understanding with the Soviet Union on the testing and deployment of the SDI?

Sir Geoffrey Howe: As the prospect of agreement on strategic weapons was one of the components that was endorsed by NATO at its two ministerial meetings at the end of last year, as well as at Camp David, it is clear that we should like there to be headway on strategic weapons. That may be easier to achieve if there is proper understanding of the way in which the ABM treaty is to be observed by both sides.

Mr. George Robertson: Will the Foreign Secretary confirm that the draft treaty on intermediate missiles that has been tabled by the United States at Geneva does not endorse the Prime Minister's line that catching up with Soviet short range superiority is a pre-condition for an agreement? Why is it that when this condition was not part of NATO's zero option offer in 1983 it is now so important and might easily obstruct a historic agreement that would get rid of both the SS20s and the cruise and Pershing missiles in Europe? Why does our Prime Minister, every time that there is a significant concession from the Soviet Union and the chance of a break through in arms control, insist on inventing some spurious objection to it and on moving the goal posts?

Sir Geoffrey Howe: The hon. Gentleman is doing his best with a profoundly bad brief. There is absolutely no validity in the points that he makes. From the moment that the zero-zero option was put forward in 1981 it was always accompanied by the suggestion that constraints on shorter-range intermediate weapons were necessary and part of it. As I have already said this afternoon, that position was clearly set out in the Defence Ministers' and the Foreign Ministers' communiqués of December 1986. We need to have constraints on the SRINF systems, which are capable of targeting western Europe, and those constraints need to be incorporated in any INF agreement on zero-zero. Thereafter, further negotiations must address urgently the substantial imbalance that currently exists in the SRINF.

Postal Communications

3. **Mr. Sumberg** asked the Secretary of State for Foreign and Commonwealth Affairs whether the United Kingdom delegation to the Conference on Security and Co-operation in Europe review conference in Vienna will

raise the subject of the free movement of postal communications between the United Kingdom and countries in eastern Europe; and if he will make a statement.

The Minister of State, Foreign and Commonwealth Office (Mr. Tim Renton): Our delegation has already raised this issue in debate on a number of occasions. With other Western countries, we have tabled a proposal aimed at ensuring freedom of transit of postal communications.

Mr. Sumberg: I am grateful for my hon. Friend's reply, but does he not agree that the Soviet record in these matters is a yardstick by which its general commitment to human rights should be judged? Will my hon. Friend advise our partners in Europe and at the Vienna conference that no agreement should be reached with the Soviets until the subject of the free movement of postal communications can be sorted out?

Mr. Renton: My hon. Friend is right when he says that freedom of postal communications is one area where we should be watching carefully porgress on the Soviet side. That is inherent in the implementation of the Helsinki Final Act, and we shall be pressing the Soviets continually on that point.

Mr. David Atkinson: Is my hon. Friend aware that many of the recently released Soviet dissidents have returned home in very bad health, but that Soviet law currently prevents the mailing of medical supplies to them from the West? Will he take up this matter in Vienna and also when my right hon. Friend the Prime Minister goes to Moscow?

Mr. Renton: I thank my hon. Friend for drawing our attention to that matter. I shall certainly ask our delegation in Vienna to raise it with the Soviets. When my right hon. Friend the Prime Minister and my right hon. and learned Friend the Foreign Secretary go to Moscow at the end of next week, I have no doubt that human rights abuses will be high on their list of priorities. It is one matter that I shall see is in their brief as well.

EC Budget

4. **Mr. Heathcoat-Amory** asked the Secretary of State for Foreign and Commonwealth Affairs when the EEC Council of Foreign Ministers last discussed the 1987 budget.

Sir Geoffrey Howe: The Foreign Affairs Council last discussed the 1987 budget on 26 January.

Mr. Heathcoat-Amory: Will my right hon. and learned Friend confirm that the European Community will spend about £3 billion more than its permitted revenue this year, and that the Commission's reaction to that is to try to switch to a more generous revenue system so that the budget can continue its upward path? Will my right hon. and learned Friend undertake to veto any such scheme? Will he bring to the European budget the prudence and financial rectitude for which he was famous when he was Chancellor of the Exchequer?

Sir Geoffrey Howe: I acknowledge with gratitude the tribute from my hon. Friend. He is right to remind the House of the continuing problems of securing effective control over the Community budget. He will know that our position with regard to any possible increase in resources rests absolutely on the Fontainebleau agreement, which provides that the maximum rate may be increased to 1·6 per cent. on 1 January next year, by unanimous decision of the Council and after agreement by national Parliaments. I emphasise the word may, not shall. We stand by the letter of that agreement. We see no case for going beyond it. We intend to achieve control over the budget that is as effective as my hon. Friend would like.

Sir Russell Johnston: When will the Delors proposals that budgetary contributions be based on national GNPs be discussed by the Council, and what is the Government's initial response to them?

Sir Geoffrey Howe: The Delors proposals are now under consideration by permanent representatives, having received preliminary discussion by Ministers. The Foreign Affairs Council will have its first discussion of the Commission's proposals on 27 and 28 April, on the basis of which there will be a report to the European Council. However, our position is as I have stated it. We stand by the letter of the Fontainebleau agreement, as I have just described it.

Mr. Durrell: Is it not a distortion to say that the main responsibility for Community budgetary discipline rests with the Commission? Does not the main responsibility for the problem rest with the Council of Ministers in its various guises being unwilling to impose upon itself a proper set of budgetary priorities? Is it not the case that we are unlikely to produce a permanent solution until we tackle that institutional aspect of the problem?

Sir Geoffrey Howe: I wish that it was as easy as something that could be solved by reshuffling the institutional responsibilities. The basic reason for the extreme difficulty in securing control over Community expenditure on agriculture is the same as the reason for achieving similar discipline in the United States, Japan and most other industrial countries — the problem of protecting the health of rural communities in a fashion that is compatible with the cash resources that are available. I am afraid that it will be a matter for the whole House, just as for the whole European Parliament and all those engaged in institutions, to seek further and better ways of protecting the rural environment that do not depend upon the production of food surpluses that cannot be sold and can be stored only at great expense.

Mr. Deakins: Is the Foreign Secretary satisfied, and is the Council satisfied, that the revenue side of the budget agreed by the Council recently will be adequate to produce the revenue needed in 1987? If not, do he and the Council favour a supplementary budget or a new intergovernmental agreement?

Sir Geoffrey Howe: We have made it clear in the discussions that have taken place so far that we shall not provide additional finance outside the own resources system.

Mr. Forth: Does my right hon. and learned Friend mean by what he has just said that he sticks by the triumph of the Fontainebleau agreement, with its commitment to strict budgetary discipline, and that he is not prepared to support any form of intergovernmental agreement or any other form of financing that goes outside the budget as defined and as limited by the Fontainebleau agreement?

Sir Geoffrey Howe: I said in my earlier reply that we shall not provide additional finance outside the own

resources system. There is scope for savings in the agricultural price fixing. There is also some headroom in the 1·4 per cent. ceiling. Of course, there is scope for consideration, under the Fontainebleau agreement and subject to the requirement of unanimity, of the possible increase provided for there.

Mr. George Robertson: The Foreign Secretary has come to the House before and told us all this. It is all very well his saying that he will stick to the Fontainebleau agreement, but the Community is already working at 1·6 per cent. of VAT and its accumulated liabilities now total £12 billion. If the Government were to reject the Delors package, which would put the price tag up to 2·1 per cent. of VAT, what would happen then? Even these proposals provide for an increase in CAP of 2·5 per cent. a year. Why is there such a silence from the Government about this very important crisis affecting the Community? We have had no debate, no statements from the Finance Ministers Councils, nothing except a lot of dithering. How is the circle to be squared? Where will the extra mony come from to fill the huge hole that exists in the Community's finances?

Sir Geoffrey Howe: The hon. Gentleman should really know better than to make that kind of observation. He should know perfectly well that we have put in place the budgetary discipline arrangements of the Fontainebleau agreement. They are fortified and sustained by the specific limitations of the own resources system. The limits of the room for manoeuvre are as described, with the possibility —and I emphasise the word possibility—of a 1·6 per cent. ceiling with the unanimous agreement of all member states. It is a matter of may, not must. We are entitled to look to the hon. Member for Hamilton (Mr. Robertson) for his support for the range of extremely difficult measures that are likely to be necessary if we are to secure effective control of the financing of agricultural policies.

Mr. Speaker: Dr. Blackburn. I am sorry, I meant to call Mr. Willie Hamilton. That was my mistake. I was listening to something else.

Brazil

5. **Mr. Willie W. Hamilton** asked the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the implications for diplomatic relations between the United Kingdom and Brazil of that country's decision to suspend interest payments on its overseas debts; and if he will make a statement.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Eggar): I am delighted to have the opportunity to answer the question. Although we have made clear to the Brazilian Government our regret at their decision, this has not affected our generally good relations. My right hon. and noble Friend the Minister of State, Foreign and Commonwealth Office is visiting Brazil this week and will no doubt discuss this subject.

Mr. Hamilton: Does the Foreign Office still accept the opinion that the Under-Secretary expressed in the House a week or two ago that the solution to the problem can be found only by accepting IMF conditions? That would quite clearly be impossible for the very poor people in that country. Does the hon. Gentleman not accept that the poverty of these countries is as big a threat to world peace as any nuclear weapon? Unless the problems are solved, principally, I believe, by the commercial banks accepting lower rates of interest rather than having unacceptable conditions imposed by the IMF, the problem will never be solved. What proposals will the Minister take from banks in this country when she visits Brazil later this week?

Mr. Eggar: We very much regret the decision to suspend payment of interest on commercial debt. However, debt negotiations are a matter for the Brazilian Government to discuss directly with commercial bank creditors. It is not for Her Majesty's Government to interfere, although we obviously hope that negotiations can begin very soon.

Mr. Sayeed: Does my hon. Friend agree that the best way to decrease the debt burden and increase the ability of countries such as Brazil to pay is for the West to reduce interest levels? That will occur only when they have prudently run economies.

Mr. Eggar: I very much agree with the thrust of my hon. Friend's question.

Mr. Tony Banks: Will the Minister confirm that these are strictly commercial loans between British banks and foreign agencies and Governments? Will he give an undertaking to the House that in the event of there being a major default by one of these countries it will be up to the British banks to bear the consequences?

Mr. Eggar: I gladly confirm to the hon. Gentleman that the debts that we are talking about are almost overwhelmingly commercial debts between commercial banks of Western countries and Brazil.

Sir Russell Johnston: Does the Minister agree that unless there is a major initiative by the West on these matters, perhaps based on reducing interest rates and rescheduling debts, we shall face the unpalatable alternative of even more people defaulting, following the example of Brazil and now Ecuador?

Mr. Eggar: The situation in Ecuador is slightly different, as there has been a significant natural disaster there. It is impossible to have a general prescription on this as it is a matter for discussion between the countries involved and those who hold their debts. There are a number of possible solutions and each must be considered on an ad hoc basis.

Soviet Union (Human Rights)

6. **Dr. Blackburn** asked the Secretary of State for Foreign and Commonwealth Affairs whether he is satisfied with the Soviet response to representations made by the United Kingdom delegation at the Conference on Security and Co-operation in Europe review conference in Vienna on the subject of human rights and freedom of religious rights.

Mr. Renton: No, Sir. Our delegation has vigorously raised human rights issues, including freedom of religious rights, at Vienna. We still await satisfactory answers to many of our questions, particularly from the Soviet delegation.

Dr. Blackburn: Will my hon. Friend note that there is considerable support in all parts of the House and throughout the country for the British delegation to stress the abhorrence in this country at the restriction of human

and religious rights, both Jewish and Christian, in the Soviet Union? Will he give an assurance that action will be taken on these very important issues?

Mr. Renton: I very much agree with my hon. Friend. It is important to ensure that the spotlight is focused not just on the hundreds who may be obtaining release but on the thousands still suffering either for their Christian beliefs or because, as Soviet Jews, they cannot obtain exit visas. The Vienna conference provides an opportunity, and our delegation will continue to stress this.

Mr. Janner: I thank the Government for their approach to this issue. Does the Minister agree that the release, however welcome, of people such as Josef Begun, Slepak and Ida Nudel from prison or exile is not enough and that they must also be released from the Soviet Union, even if Members of this House and their spouses are not allowed into the Soviet Union? May we expect the Prime Minister to protest about both matters when she is in Moscow?

Mr. Renton: I thank the hon. and learned Gentleman for his support. I note that he has a later question——

Mr. Janner: It will not be reached.

Mr. Renton: I hope that it will be reached. That question relates to the lack of entry visas for some parliamentary colleagues to go to Moscow, which I very much regret. I have no doubt at all that my right hon. Friend the Prime Minister and my right hon. and learned Friend the Foreign Secretary will have the whole question of human rights and the points raised by the hon. and learned Gentleman very much in mind when they visit Moscow at the end of next week.

Mr. Cormack: Does my hon. Friend accept that his last remarks will be very reassuring to most people? Will he ask our right hon. and learned Friend the Foreign Secretary and our right hon. Friend the Prime Minister to stress to Mr. Gorbachev that if he is to create an atmosphere of international trust which could be the basis for real progress in disarmament talks it is essential that proper freedoms are granted in his own territories and that Jews and Christians are allowed to worship in peace and freedom?

Mr. Renton: I am sure that the whole House agrees with my hon. Friend. It is a matter not just of securing the release of the famous few but of ensuring true and proper freedoms for the obscure many. I have no doubt that my right hon. Friend the Prime Minister and my right hon. and learned Friend the Foreign Secretary will have that in mind next week.

Mr. Anderson: Does the Minister agree that although we should continue to ensure that the Soviets pay a very heavy political price for their failure to release the 1,500 and more Christians who are in prison simply because of their religious activities, it would be wise at the same time to give some credit for the progress and positive signals since December and the release of Sakharov from internal exile? Does the Minister agree that in this, as in other matters, we should have a twin-track policy?

Mr. Renton: Yes, I think that the hon. Gentleman has a fair point. We are cautious about the developments that have taken place in the Soviet Union, but we are certainly ready to put Mr. Gorbachev's comments and promises to the test. The real issue is that glasnost should apply not just to some but to all. Only then will we be convinced that there is fundamental change in the Soviet Union.

Turks and Caicos Islands

7. **Mr. Pike** asked the Secretary of State for Foreign and Commonwealth Affairs when he expects to be able to set a date for elections for a new administration in the Turks and Caicos Islands.

Mr. Eggar: We are studying the report of the Turks and Caicos Islands constitutional commission and its recommendations. On present plans, we hope to publish the report and our response towards the end of April.

Mr. Pike: Does the Minister accept that there is considerable concern over the delay that has followed the announcement of 25 July, that everyone hopes that the timetable that the Minister has now given is adhered to, and that democracy is restored to the islands as soon as possible?

Mr. Eggar: I very much appreciate the hon. Gentleman's point, and I also appreciate the constructive attitude taken by the Labour Front Bench. We are well aware of the pressures referred to by the hon. Gentleman, and we are doing our best to reach a decision and make the necessary publication by the date in question.

Mr. Andrew MacKay: Does the Minister agree that our experience in the Turks and Caicos Islands brings into question the perceived wisdom of automatically allowing independence to small islands and other small dependencies?

Mr. Eggar: As my hon. Friend is aware, a review of our policy on dependent territories is taking place, and we have his point very much in mind.

Intermediate Range Nuclear Forces

8. **Mr. Lester** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a further statement on the intermediate range nuclear forces negotiations.

Sir Geoffrey Howe: As I told my hon. Friend the Member for Stafford (Mr. Cash) earlier this afternoon, the seventh round of the Geneva nuclear and space talks has been extended to allow further discussion of the United States draft INF treaty tabled on 4 March. Our aim remains the conclusion of a global longer range intermediate nuclear forces agreement based on zero-zero missiles in Europe and incorporating constraints on Soviet missiles in Asia and on certain shorter range intermediate nuclear forces in Europe. Effective verification will be a vital part of the agreement.

Mr. Lester: I thank my right hon. and learned Friend for his reply. As he knows, during the recent visit of the Soviet delegation to the Foreign Affairs Select Committee Professor Zaglndin suggested that we might jointly pursue the concept of adequate defence rather than that of mutually assured destruction. Has my right hon. and learned Friend done any work on that subject?

Sir Geoffrey Howe: That question raises massively wide issues beyond which it is difficult to go. We cannot escape from the conclusion that for the foreseeable future the nuclear component will be an effective and essential part

of our deterrent defensive policy, and any changes must be calculated to enhance rather than undercut the effectiveness of that defence.

Dr. Owen: In his welcome speech in Brussels the Foreign Secretary asked us to look beyond the INF agreement to the strengthening of the WEU. Why did the right hon. and learned Gentleman find it necessary to imply that the WEU headquarters should move close to NATO in Brussels, apart from the fact that he was speaking in Brussels?

Will the right hon. and learned Gentleman also tell us whether he wants Spain to become a member of, and a signatory to, the treaty and join the union? Is he worried that an expansion of the membership might detract from the capacity to discuss nuclear strategic questions, and in particular from the importance of using the framework for increased Anglo-French strategic nuclear co-operation?

Sir Geoffrey Howe: The suggestion of possible co-location in Brussels was prompted, not by the fact that I happened to be speaking in that city, but by a fact that has not escaped the perceptive intelligence of the right hon. Gentleman, namely, that the NATO headquarters are in Brussels. To have part of an organisation's institution in Paris and another part in London is not necessarily the best way of ensuring that it contributes effectively to the dynamic of the Alliance. No doubt many people will disagree with the suggestion, but it is worth considering.

The right hon. Gentleman asked about the membership of Spain and other possible applicant countries. As I said in my speech on Monday, it is most important that any expansion of membership should contribute to the cohesion and effectiveness of the WEU, which is why it is important for the WEU's existing members to be clear about their purpose and intention. I do not think that if any prudent alteration in the membership took place, it should affect the prospect of the necessary increasing consultation between Europe's two nuclear powers, the two permanent members of the Security Council, France and the United Kingdom.

Mr. Whitney: In response to an earlier question my right hon. and learned Friend referred to the need for a proper understanding between the two signatories to the ABM treaty. Can he confirm that article 13 of that treaty established a consultative committee precisely to consider questions of interpretation and that, as a result of those arrangements, that committee meets twice every year? Can he tell the House whether he has any information about disputes relating to the interpretation of that treaty, the so-called broad or narrow definition, having been raised in the consultative committee?

Sir Geoffrey Howe: My hon. Friend, with his long experience and knowledge of such matters, is quite right to draw attention to the existence of the consultative committee and to the fact that it meets to consider matters within its terms of reference. However, it is equally clear that it has not been able to resolve all the matters currently under discussion. The question of any possible change as between broad and narrow in the application of the treaty would go beyond the scope of that consultative committee.

Mr. Freeson: Returning to the original supplementary question asked by the hon. Member for Broxtowe (Mr. Lester), will the Foreign Secretary express a view as to whether the existence of about 50,000 nuclear warheads throughout the world is adequate for security, or do we need more?

Sir Geoffrey Howe: I repeat the view that I expressed in Brussels on Monday, and which I have expressed on many other occasions. There is a super-abundance, far beyond any necessity, of nuclear warheads on both sides of the European divide. That is one of several good reasons for seeking to achieve progress in arms control, including the reductions that could be made possible if we secure the present INF agreement.

Mr. Hickmet: Does my right hon. and learned Friend agree that, in negotiations with the Soviet Union on arms reductions, consistency of purpose and firmness of resolve are essential? Does he further agree that if we were unilaterally to abandon our independent nuclear deterrent or require the United States to remove cruise from Europe, we would have a position of instability in Europe and fundamentally undermine those arms negotiations? Is not the lesson that if one gives anything to the USSR, one gets nothing in return?

Sir Geoffrey Howe: It is quite clear that the prospect of progress in the INF agreement and in the negotiations that may now be before us is a consequence of the coherence and firmness of the Western Alliance and not of our willingness to embark on unilateral disarmament.

Soviet Union (Human Rights)

11. **Mr. Allen McKay** asked the Secretary of State for Foreign and Commonwealth Affairs whether he will seek opportunities to raise the question of the reunification of divided families both with the Soviet Foreign Minister and at the Conference on Security and Co-operation in Europe review conference in Vienna.

13. **Mr. Lawrence** asked the Secretary of State for Foreign and Commonwealth Affairs whether he has received any official response from the Soviet authorities to representations which he and his ministerial colleagues have made during the past six months on individual cases of abuse of human rights in the Union of Soviet Socialist Republics.

Mr. Renton: There has been no official response. But a number of cases that we have raised over the past six months have now been resolved, for example, those of Irina Ratushinskaya, Josef Begun and Alexander Ogorodnikov, who are now at liberty. We shall continue to press for further improvements in human rights and family reunification cases in bilateral contacts with the Soviet Government and at the Vienna CSCE review meeting.

Mr. McKay: Bearing in mind that there are more than 9,000 Soviet Jews who have been waiting for more than five years for permission to emigrate from the Soviet Union, will the Foreign Secretary advise the Prime Minister that, when she meets Mr. Gorbachev, she should make it clear to him that Her Majesty's Government will not be satisfied until all those Soviet Jews who wish to emigrate to other countries are allowed to do so?

Mr. Renton: I very much take the hon. Gentleman's point. When I was in Moscow in January I was promised by Mr. Kashlev, the head of the Russian delegation in Vienna, that the number of exit visas this year would

increase by an order of several magnitudes from that of last year. However, so far I notice that for February there have only been 146 exit visas for Soviet Jews, compared with more than 4,000 per month in 1979. Therefore, I am sure that my right hon. Friends will have the hon. Gentleman's point in mind when they go to Moscow next week.

Mr. Lawrence: May I, too, thank my hon. Friend for the work that he is doing in this area? May I ask him, when he next meets the Russians, to tell them that, happy as we are that they are ending their abuse of human rights in respect of a few individual cases, they cannot persuade the West that they are serious about their undertakings on peace and security which have been entered into internationally if they are breaking wholesale their international undertakings on human rights? Will he also say that, instead of doing a bit here and there to keep the West sweet, they should honour those international undertakings to the full?

Mr. Renton: I very much agree with my hon. and learned Friend. As I have said, we must now think not only about the famous few who are in the spotlight, but about the thousands who are either still in prison as prisoners of conscience for their beliefs or who have been waiting 10 or 15 years for an exit visa. My right hon. Friends will certainly have those points in mind next week.

Mr. Mikardo: While I join warmly in the appreciation expressed to the Government for their work and the work of others in this area, may I ask the Minister whether it is not the case that, in making representations in Moscow about the crime of keeping families divided, our hand would be strengthened if we stopped keeping some families divided?

Mr. Renton: The hon. Gentleman's analogy is somewhat obscure to me, but I thank him for the tribute that he paid. It is important that we should continue to put pressure on the Soviet Union over the whole area of human rights and to make certain that the promises that are now being made from the top are genuinely fulfilled to help the human rights position of the many thousands who are still suffering in Soviet Russia.

Mr. Dykes: May I, too, express appreciation for the many hours of work that my hon. Friend has put in on human rights and divided families with the Soviets? Is he aware that the fourth Member of Parliament who was recently refused a visa, namely, me, was refused on the day when a Soviet fireman was here receiving honours for his work at Chernobyl? Will he confirm that Soviet visitors, including political visitors, are free to come here on individual or official visits and that they do so frequently? Will he kindly explain to Mr. Zamyatin that the crucial difference on the divided family syndrome is that our problems arise because people want to come into the country, whereas in the Soviet Union people want to leave?

Mr. Renton: I am sorry that my hon. Friend was not able to obtain his entry visa to the Soviet Union, but I hope that he will continue to apply and, that on another occasion he will be successful. It is, indeed, ironic that it is only from the Soviet Union that literally thousands of people are wishing to obtain exit visas and to leave. There is no such record from this country or the United States. That is a point that we must continually press on the Soviet authorities, including the Soviet ambassador in London.

Mr. Mason: Is the Minister aware that in 1985, ; when Mr. Gorbachev came to office, there were 383,000 outstanding invitations to Soviet Jews from their friends and relatives to go to other countries? In his first year of office he released fewer than 1,000, last year he released 1,100, and this year the figure is about the same. Therefore, will the Minister call upon the Prime Minister to draw Mr. Gorbachev's attention to those figures? Is the Minister further aware that in January this year Soviet emigration rules were tightened to make it even more difficult for Soviet Jews to emigrate?

Mr. Renton: I thank the right hon. Gentleman for his remarks. I have already commented on the rapid fall-off in exit visas for Soviet Jews and others, particularly since the high point reached in 1979, when more than 50,000 exit visas were granted. That compares with last year's total of 5,000, of which 1,000 were for Jews. We shall continue to stress that point. I note the right hon. Gentleman's point about the change in the emigration rules and I raised it in Moscow. I was told that, nevertheless, the authorities expected a great increase in exit visas this year. We are waiting to see that happen, but so far it has not. The proof of the pudding will lie in the eating. We shall continue to press vigorously for it.

Sir Anthony Kershaw: May I add my voice to those urging my hon. Friend to explain once again to the Russian authorities that, despite some window dressing, their refusal to honour their obligations with regard to human rights will cast some doubt upon their sincerity in disarmament negotiations?

Mr. Renton: I believe that what we have to do now is accept what Mr. Gorbachev and some of his Ministers are saying with caution, but put it to the test. We have to test them—and I have no doubt that my right hon. Friends will have this in mind in Moscow next week—to see whether the major changes which they have promised they are envisaging really will happen. I certainly take my hon. Friend's point that until there is a radical change in the human rights position in the Soviet Union it is difficult to accept wholeheartedly all that they promise us about arms control.

Iran-Iraq War

12. **Mr. Parry** asked the Secretary of State for Foreign and Commonwealth Affairs what recent initiatives Her Majesty's Government have taken towards ending the Iran-Iraq war.

16. **Mr. Greenway** asked the Secretary of State for Foreign and Commonwealth Affairs what information he has received about the possibility of an end to the Iran-Iraq war.

Mr. Renton: We take every opportunity to encourage progress towards a peaceful settlement of the Iran-Iraq conflict in bilateral contacts, in concert with our European partners and at the United Nations. The Foreign Ministers of the Twelve issued a further statement on 26 January, and we are taking an active part in discussions at the United Nations. We support the constructive role played

by the United Nations Secretary-General. There are, however, regrettably, no firm indications that an end to the conflict is in prospect.

Mr. Parry: Surely the appalling loss of life, particularly among young people, calls for an immediate ban on sales to both countries? Will Her Majesty's Government continue to raise this particular question with the Council of Ministers and the Security Council?

Mr. Renton: Let me first reassure the hon. Member that, as I have said many times in the House and in answer to letters from parliamentary colleagues, the guidelines that we have had in place since the end of 1984 are strictly impartial as between Iran and Iraq. They have lost British manufacturers many millions of pounds' worth of orders, but we are scrupulously seeing that nothing is exported from this country that would significantly enhance the capacity of either side to prolong or exacerbate the war. Yes, we will certainly continue to pursue these points in both the Council of Ministers and the Security Council in New York.

Mr. Greenway: Is it not a fact that chemical weapons have been used in the war and that innocent people have been killed by them? Will my hon. Friend condemn the use of chemical weapons, both in this war and anywhere else?

Mr. Renton: What my hon. Friend says is right. A United Nations team investigated the use of chemical weapons by Iraq and reported on this to the Security Council, when the use of chemical weapons was condemned. We continue to press both sides not to use chemical weapons and we remain active in Geneva in pursuing negotiations on a total ban on the production and stockpiling of chemical weapons.

Mr. Corbyn: Does the Minister accept that his words about bringing peace in the Iran-Iraq conflict would make much more sense and be much more plausible if there were an absolute ban on the sale of arms to either side and on the sale of any precursor chemicals that could be used for the manufacture of chemical weapons? Does he not accept, further, that he would be well advised to ensure that this ban was effectively co-ordinated throughout the EC and the United States?

Mr. Renton: I find it rather hard to be lectured on this point by the hon. Gentleman. We have put an export embargo on a number of precursor chemical weapons. We have introduced a warning list, which is circulated to manufacturers, about other chemicals that could be used as precursors. Many chemicals which have a perfectly bona fide civilian use can also be used as precursors, which is one of the difficulties with a tight export regime. But we have been taking a lead on this and if all other countries were being as prudent and careful as we are about the export of military equipment there would be very much less danger of the Iran-Iraq war escalating.

Sir John Farr: May I ask my hon. Friend whether he will say something about aerial attacks on British merchant shipping using the Gulf, whether he can say anything about any new counter-measures which may be available and whether he has anything encouraging to say to the House in this respect?

Mr. Renton: Yes. As my hon. Friend will know, there was an attack by the Iranians on the MV Isomeria, a Shell gas tanker, towards the end of January. We protested strongly to the Iranians subsequent to that attack. We have since then taken care to see that the Armilla patrol is more regularly in the Gulf near the area where these attacks have been taking place, not only on the vessel that I have just named, but on other neutral merchantmen. The job of the patrol will be to help and to stay in the vicinity of British merchantmen.

Iran (Arms Supplies)

14. **Mr. George Robertson** asked the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has received on the implications for Her Majesty's Government's foreign policy of the supply of arms to Iran.

Mr. Renton: We have received a number of letters from hon. and right hon. Members and members of the public on this subject. We have no plans to change the guidelines on defence sales to Iran and Iraq. They have proved effective in implementing our policy of strict impartiality in the Iran-Iraq conflict and of not supporting the war-making capabilities of either side.

Mr. Robertson: Is the Minister aware of the concern throughout the country at the existence just across the road from this palace, at 4 Victoria street, of an office which reputedly organises over 80 per cent. of all Iran's arms imports? Is not the continued operation of this office, in the face of representations from the American Government to shut it down, an outrage in view of the Government's declared policy to end this dreadful war? Will the Minister now take resolute action to stop the activities of these "neighbours" of ours who are indulging in this evil trade?

Mr. Renton: On the hon. Member's main point, may I say that we are, of course, aware of the allegations concerning the activities of the Iranian military procurement office in London. He must understand that the arrangement from the United Kingdom of arms sales to Iran is not illegal unless the goods concerned are exported from the United Kingdom in breach of British law. There is no firm evidence of this.

As to the hon. Gentleman's general point, he seems to revel in guilt by accusation and innuendo. He appears to think that if he throws enough mud some of it will stick. There is no firm evidence for the allegations that he has made now and on previous occasions. He should learn to put the national interest before cheap scaremongering in order to make political points.

Mr. Nelson: In welcoming my hon. Friend's restatement of the Government's policy of not selling lethal arms, may I invite him to agree that we have international obligations as well as a national interest in the security of the Gulf, and that, following the increasing extent to which American policies in the middle east have become discredited, there is a real vacuum which could be filled by this country? Will my hon. Friend consider taking an initiative in that regard, but, before doing so, will he consult most closely with our allies in the region who are directly affected in the Gulf Co-operation Council, that is, the United Arab Emirates and the Sultanate of Oman?

Mr. Renton: I take my hon. Friend's point. He knows the region well. I was in the Arabian peninsula three weeks ago and my noble Friend the Minister of State for Defence Procurement is in the area at the moment. From those

visits we are well aware of the points my hon. Friend makes and of the need to work closely with the Gulf Co-operation Council to try to defuse the risk in the Gulf of the present worrying Iran-Iraq conflict spreading. We shall do all we can in that respect, with the advice of our friends in the area.

Mr. Foot: Does the hostility to the sale or provision of arms to Iran expressed by the hon. Gentleman a few minutes ago include hostility to the sale or provision of arms from the United States of America? Can the Minister tell us when last either the Foreign Secretary or the Prime Minister put that point to the President of the United States?

Mr. Renton: We are clearly talking today about our policy in relation to arms sales to Iran and Iraq. We remain in consultation with the United States and other friendly countries about what we can do to stop the spread of the conflict. This was a matter that I discussed with two Government officials from Iraq only yesterday. We shall do all that we can to see that the conflict does not spread.

United States (Trade)

17. **Mr. Stern** asked the Secretary of State for Foreign and Commonwealth Affairs if he intends to meet the United States Trade Secretary to discuss any effects of United States trade measures on the Atlantic Alliance.

The Minister of State, Foreign and Commonwealth Office (Mrs. Lynda Chalker): My right hon. and learned Friend has no plans at present to meet the United States Trade Representative or Commerce Secretary, although my right hon. Friend the Secretary of State for Trade and Industry met them in Washington on 3 March. My right hon. and learned Friend last discussed EC-US trade issues with Secretary of State Shultz in January, and will be meeting him again on 9 April next.

Mr. Stern: Will my hon. Friend or any of her colleagues take the first available opportunity to draw to the attention of any United States Ministers in the list that she mentioned the admirable document that has been placed in the Library by her right hon. Friend the Secretary of State for Trade and Industry showing the extent to which the United States aircraft industry is subsidised through military budgets? Will she ask them to stop attacking the extremely successful European aircraft industry on the basis of false figures?

Mrs. Chalker: I thank my hon. Friend for that question. He is absolutely right. The way in which the United States aircraft industry has been supported in the past should be considered carefully by those Ministers. The Airbus partners reject the allegations of unfair subsidies. We have acted, and will continue to act, in accordance with GATT. It is clear from the funding of Boeing and McDonnell-Douglas just how much United States money has been put into defence-related projects in the United States, and that must be clearly borne in mind in any discussions of such trade matters.

Mr. Foulkes: On a point of order, Mr. Speaker——

Mr. Speaker: Order. I shall take the hon. Gentleman's point of order after the private notice question.

British Rail Engineering Ltd.

3.32 pm

Mr. Peter Snape (West Bromwich, East) *(by private notice)* asked the Secretary of State for Transport to make a statement about the 1,600 redundancies announced today at British Rail Engineering Ltd. at Crewe, Derby, Doncaster and York.

The Minister of State, Department of Transport (Mr. David Mitchell): At a meeting yesterday afternoon, British Rail Engineering Ltd. informed the national officers of the trade unions concerned that it would unfortunately be necessary to make a further reduction in the staff of the new build and repair group. These changes are largely prompted by further reductions in British Rail's repair requirements for coaches and locomotives and do not reflect any new policy initiatives.

The new build and repair group has around 13,000 staff, and the BREL announcement covers a reduction of 1,400 staff by March 1988. About 1,000 of the job losses are new—600 at Crewe, 350 at York and about 100 at Derby. A further reduction of some 350 jobs at Derby had already been announced last year but is being brought forward from 1988-89 to 1987-88.

The Government fully recognise the importance of the railways. British Rail is investing heavily in modernisation —a total of £3 billion since we took office, with a further £2 billion planned for the next five years. But, as the House will recognise, modern rolling stock needs much less maintenance and repair.

Three factors flow from BR's major investment in new rolling stock. First, from the moment that BR decides to order new rolling stock, heavy maintenance on the old stock ceases. Secondly, fewer modern vehicles are needed to provide the same level of service. Thirdly, new rolling stock itself requires less maintenance, and the design is such that much of it can be done by component exchange in the depots rather than in main BREL works.

Decisions on work load and employment are matters for BR and BREL. Naturally, both I and the Government greatly regret that further redundancies are now unavoidable. I say that because we recognise the human problems and personal difficulties caused by such a solution. I understand that BREL will be seeking voluntary redundancies and early retirements wherever possible.

Mr. Snape: Is the Minister aware that his latest batch of excuses just will not wash, that 87 per cent. of British Rail's locomotives and power cars entered service prior to the Government being elected in 1979; that the Central Transport Consultative Committee, in its latest report, draws attention to what it terms "massive overcrowding on trains" and demanded large-scale new expenditure on rolling stock; that if the Government were to implement a proper programme of mainline electrification and ensured that British companies were top of the list for new orders there would be a lot more business for British Rail Engineering Ltd. and better prospects for that company in the international market?

British Rail is about to put out to tender a major order for heavy freight locomotives. Will British Rail Engineering Ltd. take part in that tendering? If so, why is it once again running down capacity? The hon. Member for York (Mr. Gregory) said on local radio this morning that he would be in the House and would raise this matter to defend the interests of his constituents. Why is he not raising it, and why am I doing it for him? [HON. MEMBERS: "Disgraceful."] It is a fact. He said it on the radio this morning.

Mr. Speaker: Order. I remind the hon. Gentleman that that decision rests with me.

Mr. Mitchell: I am sure that the hon. Gentleman will wish to check whether my hon. Friend the Member for York (Mr. Gregory) also sought to table a private notice question. That must have placed you, Mr. Speaker, in a difficulty in having to choose between two applicants.

The hon. Gentleman said that the explanation that I gave to the House about the reasons for this reduction in jobs would not wash. He cannot deny that when new rolling stock is brought into operation there is immediately no need for old rolling stock to go for heavy maintenance. He cannot deny that new rolling stock requires less maintenance than old rolling stock requires. *[Interruption.]* There is no point in the hon. Gentleman shouting and blustering. He cannot escape the fact that, when he and others call for more investment in British Rail and when I accede to those requests, it inevitably means that less heavy maintenance is required.

Mr. Conal Gregory (York) *rose*——

Mr. Speaker: Order. I must tell the hon. Member that he should not refer to any application that he may have made for a private notice question.

Mr. Gregory: I share with the whole House the sadness expressed in response to the private notice question. Redundancies are a matter of great concern to us all, including families, and I hope that we all sympathise with the families that are affected. If there have to be redundancies, will my hon. Friend give a commitment that he will ensure with British Rail Engineering Ltd. that they are on the most favourable terms possible and in line with redundancies in other nationalised industries? Concern about that has been expressed in the past.

Secondly, in his discussions with the management of British Rail Engineering Ltd., will my hon. Friend ask the company to put more resources into gaining a greater proportion of the export market in which there has certainly been a lacklustre performance?

Thirdly, given the success of bus deregulation, will my hon. Friend draw to the company's attention the possibility, as occurred some 15 to 20 years ago, of a greater amount of bus and coach heavy maintenance being undertaken to absorb the ups and downs in that sector?

This is a time of great concern and I hope that my hon. Friend will respond positively, thus reflecting the fact that the Government have invested substantially in British Rail resulting in the efficiencies that are now bearing fruit.

Mr. Mitchell: My hon. Friend asks about favourable terms for those who will lose their jobs. Certainly I shall respond to his request that I should discuss that matter with the chairman of British Rail. I know that British Rail will make every effort to find alternative employment for employees displaced from British Rail Engineering Ltd. British Rail hopes that the changes will be covered by voluntary redundancies and early retirement.

My hon. Friend asked about exports. British Rail Engineering Ltd. has put a big effort into exports, but the market is fiercely competitive. It submitted bids in 1986 for

about £185 million worth of export work and members of staff have made no fewer than 300 overseas trips in the last six months in an endeavour to obtain export business. I hope that my hon. Friend will take some reassurance from that. I shall draw to the attention of the British Railways Board my hon. Friend's point about bus maintenance possibilities.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Does the Minister recall that the Secretary of State came to my constituency as recently as 11 February and at a private meeting gave an undertaking to the Conservative party that there would be no change in the job position in BREL? Can the hon. Gentleman reconcile that with the fact that 400 recent job losses which were supposed to occur over three years occurred in less than six months? Yesterday, the chairman of BREL and of British Rail told me that another 600 jobs were to go in my constituency. How can the hon. Gentleman pretend that this is not the grossest betrayal of men who have worked hard in the industry all their lives and who have great expertise but will now be forced to tender even for work that they could do standing on their heads? How dare the Minister come here today and talk such arrant rubbish.

Mr. Mitchell: I am afraid that the hon. Lady has misunderstood what my right hon. Friend said in Crewe. He said that there was no change in the Government's policy. That is still the position. The redundancies do not arise as a matter of Government policy. They arise according to the level of demand for services provided by BREL for the British Railways Board. If the hon. Lady is as anxious as I am for work to come to Crewe, perhaps she will be a little more enthusiastic about the Channel tunnel, with all the work that it can bring.

Mr. Greg Knight (Derby, North): Although the loss of any job is to be regretted, will my hon. Friend confirm that the main problem facing British Rail Engineering relates not to new build but to the reduction in maintenance work caused by advances in new technology and a fall-off in British Rail's freight business? Will my hon. Friend speak to British Rail and urge it to give employment priority to British Rail Engineering workers who are to be made redundant?

Mr. Mitchell: I can certainly give my hon. Friend the assurance for which he asks. I shall ask British Rail to ensure that, so far as is possible, those who are made redundant at BREL are offered other job opportunities on the railways. Nearly £600 million of investment in new rolling stock has been authorised in the past three years. That has a direct bearing on maintenance requirements.

Mr. James Wallace (Orkney and Shetland): Clearly the job losses which the Minister has announced are appalling. I should like to extend the sympathy of my right hon. and hon. Friends to the communities, particularly the families, over which the cloud of redundancy now hangs.

Will the Minister confirm that one reason why Freightliner Ltd. has to close a number of depots in Scotland and in north-east of England is that it does not have resources available for investment in new rolling stock? Why are the Government presiding over a spiral of decline? Would it not be better if there was the political will to provide the resources for that new investment as this might not only stave off some of the redundancies which were announced today but put off the closure of depots which are threatened?

Mr. Mitchell: The closure of the Freightliner depots to which the hon. Gentleman refers is entirely a management matter. It was the judgment of those responsible that they would have a more efficient business which was able to win more business if they cut out some of their loss-making depots.

As for investment, the hon. Gentleman should know that I have not turned down any submission from British Rail Freight. It is for the railways to propose investment and for Ministers to respond to the proposal.

Mr. Robert Adley (Christchurch): My hon. Friend does not need to hear about my credentials as a railway enthusiast. Is he aware that I have just come from Swindon? It gives me no great pleasure to say so, but when the works there closed it was considered to be a major disaster; in fact, the work force have almost all found other jobs in that growth area in a very short time.

There is, however, one thing that my hon. Friend could do. I should be very grateful if he would look at the question of railway investment and examine the criteria laid on British Rail by the Government which British Rail has to use in deciding what investment proposals to put to the Government. Does he agree that these criteria are extremely stiff? There are many investment projects which British Rail would like to undertake but which will not meet the Government's criteria. If he would ease the criteria, we could maintain more worthwhile investment in the nation's infrastructure through the railway system.

Mr. Mitchell: My hon. Friend and I share enthusiasm for railways. I recently visited Swindon myself to see the progress being made in job creation by British Rail as it seeks to ensure that alternative employment is provided for those who lost their jobs in BREL. My hon. Friend is quite right: it has had considerable success already, and a large number of people who lost their jobs have now taken up other employment.

As to the criteria for investment, the chairman has not approached us to ask for any change in them.

Mr. Ken Eastham (Manchester, Blackley): Is the Minister aware that two years ago Mr. Bob Reid made some very boastful statements, telling the nation that he would buy 1,500 new locomotives and that everything would be rosy in the locomotive engineering industry? May I remind the Minister that, although he keeps on referring to lack of maintenance, engineers are quite adaptable and capable of changing from maintenance to new build? All these skilled men — electricians, coppersmiths, fitters, turners, and grinders — could be used on new build. Why does not the Minister do something about giving them some new locomotives to build instead of doing maintenance?

Mr. Mitchell: There are two parts to the answer. First, I do not give orders to British Rail. The British Rail chairman says to us that he wishes to invest in this, that or the other new rolling stock or to make some other major investment. If British Rail puts forward a further programme for new locomotives — we have already approved a substantial number — we would consider it very carefully. But every major investment in new locomotives will mean less heavy maintenance work.

Mr. Peter Rost (Erewash): Does my hon. Friend agree that, if Opposition Members had supported the Government's efforts to speed up the Channel tunnel link

[Mr. Peter Rost]

instead of opposing it and filibustering, more jobs could now be saved at Derby and there would certainly be more orders?

Mr. Mitchell: My hon. Friend is quite right to draw attention to the potential value of the substantial amount of orders for BREL and other engineering works arising from the Channel tunnel. As to the proportion of those orders that BREL wins, it will, of course, depend on how competitive it is.

Mr. Ron Lewis (Carlisle): Is the Minister aware that since 1979, when the Conservatives took over, British Rail Engineering Ltd. has closed roughly seven main workshops and shed about 20,000 jobs? The figures that British Rail has just announced will add to that total. Is he further aware that British Rail is now looking very closely at the west coast main line and has given notice that there will be a large number of redundancies on it, together with further closures such as at Kingmoor in my constituency? Is he proud of that?

Mr. Mitchell: Of course I am aware of the job losses and closures in British Rail Engineering Ltd. Indeed, I have taken a special interest in and followed a number of them, including Shildon, where work has been done to try to find alternaive employment. I know of the closures, but I also know that that matter is directly related to the £3,000 million spent by British Rail on modernisation since 1979. I wish that the hon. Gentleman would stop spreading false rumours about the future of the west coast mainline.

Mr. Ivan Lawrence (Burton): Is my hon. Friend aware that I have a number of constituents who work at the BREL factory in Derby and are therefore under threat, as does my hon. Friend the Member for Derbyshire, South (Mrs. Currie), who shares my concern in this matter? Would my hon. Friend consider what more assistance we might give to BREL in securing overseas contracts, particularly in the far east, by improving our aid and trade provisions, as recommended by the Select Committee on Foreign Affairs?

Mr. Mitchell: My hon. and learned Friend's final point is a different issue and I shall write to him about it. On the matter of exports, Ministers have been helping wherever British Rail Engineering Ltd. has indicated that such help would assist in clinching orders. Certainly that offer of assistance remains.

Mr. Michael Martin (Glasgow, Springburn): Is not the Minister saying exactly what he said a year ago when he announced the closure and 3,000 redundancies at the Springburn works where, at the end of the month, we will be down to 300 employees? How can he tell the House that he will try to find alternative work within the railway industry when 3,000 people in my constituency left their place of work and will never see another job in British Rail?

Mr. Mitchell: The hon. Gentleman will know that there is a substantial number of job vacancies in British Rail, but not in Scotland, and that British Rail is having difficulty in filling them. As for his comment that I am saying the same thing today as I said 12 months ago, I do not think that consistency is necessarily wrong.

Mr. Joseph Ashton (Bassetlaw)*rose*——

Mr. Dennis Skinner (Bolsover) *rose*——

Mr. Speaker: Order. I shall call the two hon. Gentlemen, provided they ask questions about railway redundancies.

Mr. Ashton: Is it not a fact that it is the Conservative party's long-term policy to privatise and profitise any part of any nationalised industry that it can, including maintenance or contracts, just as it has done with the Health Service? Can the Minister give us an assurance that this is not the first step to reducing manpower in order to let the maintenance go to private enterprise?

Mr. Mitchell: The position on privatisation has nothing to do with the job losses that British Rail Engineering Ltd. has now announced. We have asked the chairman to tell us his proposals for the future of BREL. I have no doubt that he will consider, among other options, the possibility of privatisation, but I have no report or recommendation from him at this stage.

Mr. Skinner: Is the Minister aware that the people I have been able to speak to in my constituency who work at the Derby workshops and could well be affected by the announcement today said that there was a great opportunity for the Government yesterday to formulate a Budget that would have supported the infrastructure of Britain and provided jobs and would not have thrown those people on the scrap heap? It is nothing short of hypocrisy for the Chancellor of the Exchequer to go on television last night showing charts proving that Britain was providing more jobs than the rest of Europe put together, when we have this pathetic Minister coming to the House saying that another 1,600 workers are to be put on the Tory scrap heap. The truth is that the Government have written off millions of people in this country in the past eight years, and the railwaymen are now among them.

Mr. Mitchell: The hon. Gentleman wants increased expenditure on the railway infrastructure. I remind him that the increased expenditure for which he calls is likely to lead to a smaller requirement for maintenance and to fewer jobs for the people involved. In any case, I remind the hon. Gentleman that British Rail is in the middle of a massive modernisation programme involving expenditure of about £5,000 million, £3,000 million of which has already been committed.

Mr. Snape: On a point of order, Mr. Speaker. I understand that it is not customery for an hon. Member to refer to applications that may or may not have been made by other hon. Members. For that reason, I apologise to you for raising the matter and withdraw what I said.

Points of Order

3.55 pm

Mr. Robin Corbett (Birmingham, Erdington): On a point of order, Mr. Speaker. May I ask you to make clear what responsibility you have for decisions taken by the Table Office in relation to written questions? What is the position when there is a dispute between an hon. Member and an Officer of the Table Office?

Mr. Speaker: The hon. Member concerned should, if he wishes, ask for the matter to be brought to my attention. If the hon. Gentleman has a specific case in mind, perhaps he will let me know about it.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): On a point of order, Mr. Speaker. I seek your advice. As you may know, some hon. Members have been trying for nearly three weeks to get an oral statement from the Foreign Secretary on reports of the British connection in the supply of arms and mercenaries to the Contra terrorists in central America. I have now had a letter from the Prime Minister refusing such a statement. She also arranged for a question to be put down and answered it, thereby blocking any parliamentary questions about her private meetings with Major David Walker of KMF, one of the people who have been named——

Mr. Speaker: I cannot see how this can possibly be a matter for me. It seems to be a matter between the hon. Gentleman and the Prime Minister. It is not a matter of order.

Mr. Foulkes: I am seeking your advice, Mr. Speaker, on the method by which we can get the Foreign Secretary to go to the Dispatch Box to answer questions on a matter that has become an absolute scandal.

Mr. Richard Ottaway (Nottingham, North): Further to that point of order, Mr. Speaker.

Mr. Speaker: It is not really a point of order. I shall in fairness take it, but it has not been a point of order so far.

Mr. Ottaway: Is not the real reason why we have not had a debate on central America the fact that the hon. Member for Manchester, Central (Mr. Litherland) did not turn up to ask question No. 9 in Foreign Office questions?

Mr. Speaker: Order. That may be so, but it is not for me to advise the hon. Member on parliamentary tactics. Question Time is a method of getting at such matters.

Mr. Alan Williams (Swansea, West): On a point of order, Mr. Speaker. I apologise for raising the matter before an important debate, but it would have been less appreciated if I had tried to raise it before yesterday's Budget Statement. It clearly is a matter of responsibility for you, as you implied in your reply to my right hon. Friend the Member for Morley and Leeds, South (Mr. Rees). It is essential that, before Prime Minister's Question Time tomorrow, we clarify a matter that arose from Prime Minister's Question Time yesterday. I believe that, as the Prime Minister twice misled the House on the issue of sub judice, yesterday——

Mr. Speaker: Order. The right hon. Gentleman must not allege that any hon. Member misled the House. Will he please withdraw that remark?

Hon. Members: Withdraw.

Mr. Williams: Yes, I shall do it in my own way. No doubt, as the Prime Minister inadvertently——

Mr. Speaker: No. I shall be grateful if the right hon. Gentleman would please withdraw that allegation.

Mr. Williams: I said "inadvertently" because it was inadvertent. Nevertheless, at the time, Mr. Speaker, you had to overrule the position that she took in relation to the House and for which she did not apologise. Yesterday, no doubt equally inadvertently, she again misled the House in a reply to my right hon. Friend——

Mr. Dennis Skinner (Bolsover): Twice?

Mr. Williams: Yes, twice, in reply to my right hon. Friend the Member for Morley and Leeds, South. You will recollect, Mr. Speaker, that he said that the then Prime Minister's statement on 8 December 1977 applied to allegations against the security services that were different from those that were under discussion at Question Time yesterday. At column 812 of *Hansard*, which I believe you have with you, Sir, my right hon. Friend said

> "Fresh allegations should be looked at."

He was referring to the new information that had been pinpointed by the judge in the Australian courts, to the effect that now we have a confession that there was a seditious attempt to undermine the——

Mr. Speaker: What is the point of order for me? The right hon. Gentleman must come to it straight away. What he is alleging is patently not a matter for me. I cannot be held responsible for anything that the Prime Minister may say or for what anybody else may say.

Mr. Williams: The last thing that I would try to do on an occasion as important as this would be to stand up on a non-existent point of order. I trust that you will see that it is a point of order, if you will allow me to develop it. My right hon. Friend said yesterday that we are in a new situation because there has now been a confession——

Mr. Speaker: Order. I am very sorry, but this is surely a continuation of yesterday's Question Time. What the right hon. Gentleman is saying cannot possibly be related to my responsibility for dealing with points of order. The right hon. Gentleman must relate what he is saying to a point of order, and then I shall consider whether I have any responsibility; but I cannot believe that I have.

Mr. Williams: I am not trying to repeat points unnecessarily, but my right hon. Friend made the point that now we have a confession to an act of sedition—a confession that did not exist before. In reply to that, the Prime Minister—also at column 812——

Mr. Speaker: Order. It is unfair of the right hon. Gentleman, who is on the Opposition Front Bench, to seek to involve me in an argument that took place yesterday on an issue that is not a matter for me. I cannot be held responsible for answers, or for the motives behind answers.

Mr. Williams: I should not be raising it, Mr. Speaker, if it were not a matter for you. In column 812 of yesterday's *Hansard*, in reply to my right hon. Friend the Member for Morley and Leeds, South (Mr. Rees) the Prime Minister said:

> "The right hon. Gentleman is certainly referring to matters for which I am not, and cannot be, responsible."

She later said—you will appreciate the significance of this, in terms of blocking questions—that

[Mr. Williams]

"I can take no responsibility whatsoever for matters that happened before my time." — [*Official Report*, 17 March 1987; Vol. 112, c. 812.]

If that position is allowed to stand in relation to the point that was raised by my right hon. Friend, it means that the Table Office will be unable to accept further questions relating to this matter. That is one of your direct responsibilities, Sir, as you have just ruled. It also means that the Prime Minister is precluding herself from taking the very important action that she alone can take, which is to refer this matter to the Security Commission.

Mr. Speaker: I should certainly like to clear up that matter. I am not responsible for any questions that may be asked in the House or for anything that is said here, provided that it is in order. What the Prime Minister said was perfectly in order, otherwise she would have been stopped, like any other hon. Member. The hon. Member for Birmingham, Erdington (Mr. Corbett) alleged something without being specific about it, and I said that I would look into it if he drew it to my attention. However, if the Prime Minister gave a blocking answer that is not a matter for me.

Mr. D. N. Campbell-Savours (Workington): On a point of order, Mr. Speaker.

Mr. Speaker: Is it a genuine point of order?

Mr. Campbell-Savours: I am sure, Mr. Speaker, that if I try you will rule. My point of order relates to the tabling of questions and specifically to the reply that you gave to my right hon. Friend the Member for Swansea, West (Mr. Williams). You know that I have been endeavouring to table questions about the alleged Cunard incident in 1975 and the implication of those allegations for the democratic government of this country. The Table Office has resisted those questions——

Mr. Speaker: Order. I understand that the hon. Gentleman is discussing this matter with the Table Office. He should not seek to bring it before me. I think that it would be wrong of the hon. Gentleman to raise openly in the Chamber any discussions that he is having with the Table Office. That is against all our conventions.

Mr. Campbell-Savours: I am not having discussions with the Table Office. Those discussions were completed last evening when my questions were refused. The Table Office resisted the questions on the basis that the Government are not responsible for matters that took place——

Mr. Speaker: Order. The hon. Gentleman must stick to the conventions. If he is dissatisfied with the advice that has been given to him by the Table Office, he should ask that the matter be referred to me. If he does that, I will gladly look into it.

Mr. Campbell-Savours: But, Mr. Speaker——

Mr. Speaker: Order.

Mr. Campbell-Savours *rose*——

Mr. Speaker: Order. I am sorry, but the hon. Gentleman must do as I have asked him to do.

Mr. Campbell-Savours: But, Mr. Speaker——

Mr. Speaker: Order. I must ask the hon. Gentleman to resume his seat.

Mr. Campbell-Savours *rose*——

Mr. Speaker: The hon. Gentleman must please do what I have asked him to do. I am not prepared to have private discussions with the Table Office raised in the Chamber in this way. It is against all our conventions, as the hon. Gentleman knows. He must do as I suggest. I shall not listen further to his point of order.

Mr. Skinner: On a point of order, Mr. Speaker. If you look at the records and consider the development of blocking questions, I think it is fair to say that initially they began on the basis of Ministers not wanting to answer questions for which they had no departmental responsibilities or were trivial. For example, the Prime Minister would give blocking answers to questions about ministerial broadcasts because she did not want to answer. That is how the practice developed.

I come now to a more substantial matter that applies particularly to the office that you hold, Mr. Speaker. It makes sense to have blocking answers from Ministers to prevent the tabling of questions that some would think are of a trivial nature. If the same question is put down three months hence and the Table Office accepts it, under your guidance, that is okay. But in a number of instances, of which this is one, the practice has grown up, especially under this Prime Minister, of using the blocking mechanism to stop very unsavoury matters from being raised on the Floor of the House.

I want to ask you, Mr. Speaker, a very important question in the run-up to the next election — [HON. MEMBERS: "No."] Oh, yes. Will you hold an investigation into the blocking mechanism system, with particular reference to what has been happening in recent months and years so that we can have a full report about the way in which that system is being used for purely party political reasons? The job of the Opposition in any Parliament is to test the Government. That can be read in any textbook. However, we are now being prevented from pursuing a very important political matter that relates to security, and it is important that the nation should know about it. The blocking mechanism system is being used by the Prime Minister, and in my view that is contempt.

Mr. Speaker: Order. The hon. Gentleman has made his point. He should raise it with the Select Committee on Procedure and ask it to look into the matter.

Mr. Campbell-Savours: On another point of order, Mr. Speaker.

Mr. Speaker: No.

Mr. Campbell-Savours: It is a completely different point of order.

Mr. Speaker: Order. I am not prepared to hear it.

Mr. Campbell-Savours: It is unrelated to my previous point of order.

Mr. Speaker: I repeat that I am not prepared to hear it.

Mr. Campbell-Savours: It is unrelated.

Mr. Speaker: I am not prepared to hear it.

Mr. Campbell-Savours: It is unrelated.

Mr. Speaker: I am sorry, but I am not prepared to hear it.

Opposition Budgets Bill

4.8 pm

Mr. Edward Leigh (Gainsborough and Horncastle): I beg to move,

That leave be given to bring in a Bill to require the Treasury to cost proposed budgets put forward by political parties in Parliament.

I move this motion in a spirit of comradeship to the Opposition parties—the alliance and the Labour parties. The whole House is fortunate that in my right hon. Friend the Chief Secretary, who is sitting in his place today, we have a man of great integrity. Faithfully and voluntarily he has done for the benefit of the whole nation what my Bill now proposes, but new pledges come day by day from the Opposition and we need a Bill to cost those pledges. We do not want the Tory media, about whom the right hon. Member for Chesterfield (Mr. Benn) frets so much during the long night hours, to distort the spending plans of the Opposition parties. That is why we most definitely need my Bill.

The full light of critical analysis needs to be thrown on the Opposition's spending plans. We want that analysis so that after the election, which I am sure the Conservatives will win, the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) will not be able to say what he said after the previous election:

"Nobody believed that our theories could be put into practice. Our vague hopes of achieving growth through government spending were barely understood and rarely believed."

My Bill would ensure that we could dig beneath the razzmatazz, the glossy packaging and the red rose, and find out exactly what pledge the Labour party intends to carry out and what pledges it intends to abandon.

For instance, does the Labour party intend to abandon the £360 million that it is pledged to spend on abolishing the right of all parents to spend what they want on their children's education? Will Labour abandon the pledge to spend £1,460 million on increasing overseas aid, although it must be said that that pledge strangely slipped out of the jobs and poverty package last week? Where has it gone? Perhaps the begging bowls of the Third world are to go unfilled. Will Labour honour the pledge to spend £760 million on new hospitals, although, again, that pledge seems to have slipped from last week's package? Does the Labour party recall the fact that spending on hospitals was cut by 30 per cent. under the previous Government? I know not.

Perhaps, through my Bill, we can hear about whether the Labour party intends to carry out its bribes for pensioners, although again perhaps wiser counsels will have reminded it about the sad fate of the £10 Christmas bonus under the previous Labour Government. After all, the hon. Member for Olham, West (Mr. Meacher) has a habit of shooting from the hip, so perhaps a clause in my modest little Bill can provide him with a box of matches so that he can do his sums, although in the case of the hon. Member for Kingston upon Hull, East (Mr. Prescott), that might be a bit inflammatory, so I shall not suggest that.

We might hear a little more about the pledges that the Labour party has already made on local government. We had to wait until page 11 of last week's jobs package before we saw a mention of local government. Perhaps after all the publicity of the past few weeks about the loony Left, even the forces for moderation such as the right hon. and learned Member for Monklands, East (Mr. Smith) have forgotten his description of the barmy scheme by Sheffield district council to spend real ratepayers' money on phoney jobs as

"an imaginative and workmanlike initiative."

Perhaps that was an exaggeration.

Perhaps the Labour party has realised all too late the truth of the wise words of the Audit Commission:

"Throwing money at a problem all too often simply means more waste."

My little Bill will also be able to delve deep into how the Labour party intends to borrow money for its spending plans. Perhaps the preamble to my modest Bill can contain the wise words that it is

"the Government's intention in the years ahead to reduce the share of resources taken by public expenditure. It is also part of this strategy to reduce the public sector borrowing requirement so as to establish monetary conditions which will help the growth of output and the control of inflation."

Those are not my words or the words of my right hon. Friend the Chancellor of the Exchequer. They are in fact the words of the right hon. Member for Leeds, East (Mr. Healey) in his pathetic letter to the International Monetary Fund in 1976.

Most of all, we shall have to look at the Labour party's taxation plans. Will its plans result in a basic rate income tax of over 50p in the pound? Let me quote the candid words of Mr. Blunkett:

"There will have to be a return to the higher standard rate of income tax".

Will those candid words come true? Like Walter Mondale winning Minnesota, perhaps the right hon. Member for Sparkbrook will win Sheffield. Whether he wins much else is a matter for conjecture.

Finally, I must refer to the alliance. Its members are here in the Chamber in some force. I well recall the wise words of Mrs. Shirley Williams, when she said:

"The danger for any new Party . . . is that it becomes all things to all men".

I know that the alliance does not want to fall into that trap. I am sorry to say this, but there are many weasel words in its latest policy document, "The Time Has Come". There are weasel words such as

"The Alliance parties' ambition is . . . Ultimately we would wish to . . . We would try to . . . New and improved services could . . . As a long-term goal . . . we would aim".

I am sure that with my Bill we could excise those words. It would ensure that the alliance spoke with the same candour as Dick Taverne in introducing its tax and benefits package. He said:

"You can't make an omelette without breaking eggs."

We could make sure that the wise—perhaps not so wise—words of the right hon. Member for Plymouth, Devonport (Dr. Owen) when he told the British people last year:

"Your responsibility is to forgo . . . tax cuts." —[*Official Report*, 13 November 1985; Vol. 86, c. 596.]

—are brought home to the British people.

This is a modest little Bill, which I hope will result in the British people knowing that when they go to the polls, if they are determined not to vote Conservative, they will be signing a blank cheque made payable to Her Majesty's Government to repay the tax cuts that they received yesterday. While it is undoubtedly the privilege of Opposition parties to make promises, it is their bounden duty to make only such promises as they have an even chance of carrying out. What we have from the Opposition parties is jam today and pie in the sky tomorrow.

I commend my Bill to the House.

4.16 pm

Mr. Richard Wainwright (Colne Valley): *rose*——

Mr. Speaker: Does the hon. Gentleman seek leave to oppose the Bill?

Mr. Wainwright: Yes, Mr. Speaker.

I suppose that virtually every Member of the House wishes not only political parties in the House but all hon. Members to have the best possible informaton from the most independent, reputable and reliable sources on any matter that is introduced for debate. I go further and hope that hon. Members will agree that it is most important to set out on the right foot and not to confuse the issue, as the hon. Member for Gainsborough and Horncastle (Mr. Leigh) has done. I can vouch for at least one group of Members who have gone to considerable expense to obtain an independent costing of their proposals so that the House may be fully informed.

Our procedures would need to be revised so that the Houe may have some control over Government proposals to borrow. One of the great gaps in the House's power over the Executive is that the Executive is left virtually free to borrow what it wants, often with lamentable consequences. Secondly, it would be necessary to find some way round the difficult situation created by the fact that the Crown has the sole initiative in this place for proposing to raise taxation, which means that all Opposition parties—most of us have taken advantage of it from time to time—are let off the hook because we are not allowed to propose to increase taxation as the Finance Bill goes through Parliament. Those two matters need to be put right first.

The hon. Gentleman proposed that, of all the bodies in the country with economic knowledge, the Treasury should be chosen to have that duty. That is absurd and cannot have been put forward seriously. I apologise for reminding the House, first, that the Treasury is necessarily the servant of Government. Secondly, it is the protector of the Revenue. In those capacities, the Treasury is bound to put the worst possible face on any proposals from anybody in opposition, whether a party or an hon. Member.

I cite this as evidence. It happens every year when the Finance Bill is debated. It is an annual ritual, whichever party is in power, that its obedient servants, following the course of duty meticulously, keep a score sheet of the cost of every Opposition proposal for reducing taxation. Those proposals are in fact a set of alternatives. No Opposition suppose that they will ask for all those reductions to be granted simultaneously—of course not. We know that we will be defeated on one matter, so the following week —*[Interruption.]* Conservative Members know that, so it is no good their trying to cover it up with hilarity. We come back to the charge the next week with another proposal for the Treasury — *[Laughter.]* Some Conservative Members do that every time. The Treasury, in the most simplistic way, keeps a milometer of the cost of such proposals, adds up the whole lot and every week gives Ministers a horrific figure that they duly retail in Committee. Nobody believes them. It is just part of the ritual.

I have an alternative which I am sure has occurred to most hon. Members. There are many independent economic institutes in the country, academic departments and others that are perfectly capable of costing Opposition proposals. The House should make funds available—within reasonable limits—so that independent institutes can provide information for the House. That seems to me to be very much more constructive than the obviously tendentious proposals made by the hon. Member for Gainsborough and Horncastle. I hope that the House will divide against the motion.

Question put, pursuant to Standing Order No. 19 (Motions for leave to bring in Bills and Nominations of Select Committees at Commencement of Public Business):

The House divided: Ayes 91, Noes 13.

Division No. 121] **[4.20 pm**

AYES

Adley, Robert
Ashby, David
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Beaumont-Dark, Anthony
Biggs-Davison, Sir John
Blackburn, John
Bright, Graham
Bruinvels, Peter
Budgen, Nick
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carttiss, Michael
Chapman, Sydney
Clark, Dr Michael *(Rochford)*
Colvin, Michael
Coombs, Simon
Dickens, Geoffrey
Douglas-Hamilton, Lord J.
Eyre, Sir Reginald
Farr, Sir John
Fenner, Dame Peggy
Fookes, Miss Janet
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Gardiner, George *(Reigate)*
Goodhart, Sir Philip
Gow, Ian
Greenway, Harry
Grylls, Michael
Hamilton, Neil *(Tatton)*
Harris, David
Hawkins, Sir Paul *(N'folk SW)*
Heathcoat-Amory, David
Henderson, Barry
Hill, James
Hind, Kenneth
Hirst, Michael
Howell, Ralph *(Norfolk, N)*
Hunter, Andrew
Irving, Charles
Johnson Smith, Sir Geoffrey
Kershaw, Sir Anthony
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Latham, Michael
Leigh, Edward *(Gainsbor'gh)*
Lewis, Sir Kenneth *(Stamf'd)*
Lilley, Peter
Lord, Michael
McCurley, Mrs Anna
MacKay, Andrew *(Berkshire)*
McQuarrie, Albert
Mather, Sir Carol
Mills, Sir Peter *(West Devon)*
Montgomery, Sir Fergus
Morris, M. *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Onslow, Cranley
Oppenheim, Phillip
Ottaway, Richard
Pawsey, James
Proctor, K. Harvey
Raffan, Keith
Rhodes James, Robert
Rhys Williams, Sir Brandon
Rossi, Sir Hugh
Rowe, Andrew
Sackville, Hon Thomas
Sayeed, Jonathan
Shaw, Sir Michael *(Scarb')*
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Speller, Tony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Andrew *(Sherwood)*
Stradling Thomas, Sir John
Sumberg, David
Temple-Morris, Peter
Thompson, Patrick *(N'ich N)*
Whitney, Raymond
Yeo, Tim

Tellers for the Ayes:
Mr. Ivan Lawrence and
Mrs. Elaine Kellet-Bowman.

NOES

Bruce, Malcolm
Cartwright, John
Jenkins, Rt Hon Roy *(Hillh'd)*
Johnston, Sir Russell
Kennedy, Charles
Kirkwood, Archy
Maclennan, Robert
Meadowcroft, Michael
Shields, Mrs Elizabeth
Steel, Rt Hon David
Taylor, Matthew
Wainwright, R.
Wrigglesworth, Ian

Tellers for the Noes:
Mr. David Alton and
Mr. James Wallace.

Question accordingly agreed to.

Bill ordered to be brought in by Mr. Edward Leigh, Dr. Michael Clark, Mr. Michael Forsyth, Mr. Andrew Stewart, Mr. Neil Hamilton, Mr. Ian Gow, Mr. Robert B. Jones, Mr. Tom Sackville, Mr. James Pawsey, Mrs. Elaine Kellett-Bowman, Mr. Ivan Lawrence and Mr. Eric Forth.

Opposition Budgets Bill

Mr. Edward Leigh accordingly presented a Bill to require the Treasury to cost proposed budgets put forward by political parties in Parliament; And the same was read the First time; and ordered to be read a Second time upon Friday 20 March and to be printed. [Bill 117.]

STATUTORY INSTRUMENTS &c.

Ordered,

That the draft Broadcasting (Extension of Duration of IBA's Function) Order 1987 be referred to a Standing Committee on Statutory Instruments, &c — *[Mr. Lightbown.]*

Orders of the Day

WAYS AND MEANS

Order read for resuming adjourned debate on Question [17 March].

Amendment of the Law

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the national debt and public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting any supply;

(b) for refunding any amount of tax;

(c) for varying the rate of that tax otherwise than in relation to all supplies and importations; or

(d) for any relief other than relief applying to goods of whatever description or services of whatever description.—*[Mr. Lawson.]*

Question again proposed.

Budget Resolutions and Economic Situation

[Relevant documents: European Community Document No. 10155/86, Annual Economic Report 1986-87 and the unnumbered document, Annual Economic Report 1986-87 (final version as adopted by the Council).]

4.31 pm

Mr. Roy Hattersley (Birmingham, Sparkbrook): There is one aspect of the Budget on which I am sure that the Chancellor and I are in complete agreement — the opportunity that it provides for the two major parties to show how wide is the gulf that now divides them. The alliance will no doubt take refuge in the abandoned trenches of no man's land. We believe that at the next election the voters must be offered a clear alternative, so we shall not counterfeit agreement where none exists, opposing tax cuts before they are made but supporting them once they are in the pay packets. We believe that the Budget is wrong—socially wrong, economically wrong and, in its neglect of the unemployed, morally wrong—and we propose to say so.

While I am on the subject of the alliance, I should take this opportunity to offer my congratulations to the right hon. Member for Glasgow, Hillhead (Mr. Jenkins) on his victory last Saturday. Labour Members were never in any doubt about his success. As the creator of the SDP, he must have been irresistible to what Matthew Arnold described as the "home of lost causes". In any case, I understand that there was considerable apprehension in Oxford that if the right hon. Gentleman failed to get the top job there he would go off and found a university of his own.

I also congratulate the Chancellor on his remarkable performance yesterday. With £6 billion to spend, he managed to make its distribution an anti-climax. Dead sheep have done better in their time. As the right hon. Gentleman knows, there was some hope among Conservative Back Benchers that the lost page of his speech — the dramatic highlight of his entire performance—contained the tax cuts for which they longed but which they were denied. Notwithstanding that, I can

[Mr. Roy Hattersley]

offer some cheer to those Tories who wanted a party political Budget and felt that they were not getting it. It was, of course, exactly what they got. The Budget was intended to buy votes, but the Chancellor has carefully targeted the voters whom he hopes to buy. The men and women who have been written off as potential Tory converts were ignored. There was nothing for pensioners without a second income, nothing for families living on poverty wages, and nothing for the unemployed. By neglecting the people who need help the most, the Chancellor has widened the desperate and destructive divisions within our society.

Mr. Eric Forth (Mid-Worcestershire): Will the right hon. Gentleman explain how the fall in interest rates, which has already begun and will inevitably continue as a result of my right hon. Friend's long-term Budget—for that is what it is — can fail to benefit the business community and therefore employment in the long run?

Mr. Hattersley: Everyone agrees — the Tory's own model agrees and every economist and institution of every point of view agrees — that if the first priority is to reduce unemployment, spreading money about in tax cuts is the slowest, least effective and least economic way of achieving that.

Mr. Forth: What about interest rates?

Mr. Hattersely: If the hon. Gentleman will bear with me for more than a couple of minutes of my speech, I shall be developing exactly that point.

Before the hon. Gentleman's wholly irrelevant interruption, I was referring to the fact that the desperate and destructive divisions in our society have been intensified and deepened by the Budget. They have been intensified in the name of prudence. The price for the reputation of prudence that the Chancellor thinks it expedient to promote is to be paid by the families on the dole, those living in houses unfit for human habitation, the sick waiting for hospital beds and the pensioners unable to pay their fuel bills. No Budget every relied so heavily on the dictum that no one with a conscience votes Conservative.

Prudence is the word that Conservative spokesmen have been advised to put into their speeches, but this is not a prudent Budget. It is not prudent to spend £20 billion per year holding unemployment at more than 3½ million. It is not prudent to sacrifice the £30 billion per year that this country would earn if those 3½ million men and women were back at work. It is not prudent to allow our housing stock, our hospitals our schools and our roads to decay to the point of disintegration. It is not prudent to squander our oil revenues. It is not prudent to encourage the reduction of manufacturing output and the collapse of manufacturing investment and to escalate the deficit in our balance of manufactured trade. It is not prudent to refuse to secure the homes of the old and the weak against the disastrous rise in burglary and robbery over which the Government have presided. I repeat, this is not prudent Budget.

Mr. Nigel Forman (Carshalton and Wallington): If the right hon. Gentleman is so converted to the mertis of genuine prudence, which I take to be the burden of his argument, what is so prudent about the Labour party's spending plans which would increase public expenditure by £28 billion at the minimum estimate?

Mr. Hattersley: "All this and more", as they say. If the hon. Gentleman and his colleagues will bear with me, they will find that I deal with exactly that point on page 78 or 79 of my speech.

I repeat, this is not a prudent Budget. More important, it is generally irrelevant to our economic needs. It is built around income tax cuts which cannot be sustained and will worsen the growing deficit in our balance of payments — a danger that the Chancellor at present finds it convenient to ignore. Even if the prospects were as rosy as the Government pretend, the Chancellor's choice of spending priorities would be wrong. It is not simply the economic outlook which demands that available funds should be invested in our future rather than used to fuel the credit and consumption boom. Short term or long term, the extra resources at the Chancellor's disposal should be concentrated on the reduction of unemployment, the alleviation of poverty and the improvement of essential services. They should have been used to build a united country; instead, they have been used to finance a failed publicity stunt.

The public expenditure White Paper, which was the curtain raiser to the Budget, was described by the *Spectator* as having fallen off the back of a lorry. The simile is now continued. We are in the middle of one of those closing-down sales that advertise their bargains with whitewash messages painted on grubby shop windows: "Everything must go. Buy while stocks last. Amazing reductions." Customers who fall for such blandishments find, when they return to complain about the shoddy character of the goods, that the hucksters have cut and run. So will it be with this Government. That is their clear intention, and that is the message of the Budget.

The tax cuts that the Chancellor announced yesterday, intensifying as they do both the credit boom and the pressure on imports, cannot be sustained. Were the Government to be returned in the general election, for which the Budget is no more than a trailer, value added tax would be increased to fill the gap left in the revenue and to reduce the consumption of imported goods. We would be left with tax cuts that help the rich the most, and those cuts would be replaced by tax increases that hit the poor the hardest. An increase in VAT is the Prime Minister's clear intention. On television in January 1984 she was absolutely explicit. She said:

> "It is the balance between indirect and direct taxation which we want to switch."

It is the pattern of Tory behaviour to cut direct taxation before elections and, given the chance, to increase indirect taxation afterwards.

Yesterday, my right hon. Friend the Member for Islwyn (Mr. Kinnock) referred to the history of Conservative tax duplicity, notably the behaviour of Mr. R. A. Butler. Hon. Members shouted then, as some are shouting now, for more recent examples. An hon. Gentleman, whom I am afraid I cannot identify as I do not know his constituency, has asked for such an example. Let me give him one. I suspect that the occasion of his election in 1979 was such an example. Before that election, the Prime Minister promised that there would be no increase in VAT. Immediately the election was over, VAT was increased from 8 per cent. to 15 per cent.

At least the Prime Minister has learnt that lesson. When pressed on television, on the radio and at press conferences, she now refuses to say categorically that she will not increase VAT if the Government are re-elected, and I understand that the Chancellor of the Exchequer was similarly evasive with journalists yesterday evening. If, now or later today, the right hon. Gentleman wishes to give a categorical assurance on the subject, I am sure that we shall listen to it with a good deal of interest and with absolute belief. Until then, it will be clear—and I believe it to be true—that the Government firmly intend to increase VAT should they be re-elected. That must be true, because the use of the Chancellor's extra revenue for tax cuts cannot be sustained. Anyone who looks at the causes of the extra revenue that the Chancellor distributed yesterday will understand that.

Let me make it clear that I do not intend to accuse the Chancellor of being lucky; luck is an essential part of our trade. But no one believes—and I do not think that the Chancellor even pretends—that the £6 billion that he has to distribute is the result of four years of careful planning. In December, the Chancellor told the House:

"I very much doubt whether there will be much scope for reductions in taxation in next year's Budget." — [*Official Report*, 17 December 1986; Vol. 107, c. 1242.]

In the present Treasury team, invention is one of the jobs allocated to the Chief Secretary, so I assume that the Chancellor was telling the truth in December. If he was telling the truth then, he did not expect the £6 billion fiscal adjustment in March; therefore, he cannot legitimately claim credit for it. He should be surprised by the sudden bonus, and, as well as being surprised, he should be worried.

That £6 billion is underpinned—indeed, it has largely been created — by four underlying factors that have made it possible for the Chancellor to reduce income tax and the public sector borrowing requirement simultaneously. Those factors should oblige a rational and honest Chancellor to take responsible decisions about how the available money should be spent. If it is used to expand the real economy, it can be turned to advantage. Only by using it for investment can we turn the temporary bonus into permanent gain. If it is frittered away on a brief spending spree, it can only intensify our underlying economic problems.

The Budget is underpinned by a bogus calculation of Government borrowing. The temporary expedient of selling Government assets is recorded as a reduction in the PSBR. We have argued in the past, and no doubt will argue again, about the wisdom and propriety of privatisation — especilly privatisation at knockdown prices, which has allowed speculators to make £2 billion in profit on the instant resale of wilfully undervalued assets. However, there can be no argument about one fact: the sale of capital assets is now being used to finance increases in consumption.

The buoyant revenues of which the Chancellor made so much yesterday are an even more short-lived and even more dangerous phenomenon. They are the product of circumstances that either cannot continue, or cannot be allowed to continue, without massive damage to the real economy. It is folly to use them for immediate spending rather than for investment in our future.

Sir Peter Hordern (Horsham): How does the right hon. Gentleman square what he has said with the rapid increase in corporation tax during the past year, which is far above my right hon. Friend's estimate and cannot be described as either temporary or bad for the economy?

Mr. Hattersley: I assure the hon. Gentleman that it is wholly temporary—at least, I hope it is. It results from two phenomena — the first is the changes in the tax regime brought about by the Government, which have now made it more likely that capital will be distributed rather than being ploughed back into industry. The other is the fact that the capital investment has been reduced, and that that reduction has produced a phenomenon about which the House should be concerned—namely, the decline in investment, especially in manufacturing. In a moment I shall give the figures and develop the case—I hope with the general agreement of the House, if not with that of the hon. Gentleman.

The Revenue collected an extra £500 million in stamp duty as a result of house price inflation and the extra share transactions that result from merger mania. The corporation tax payments to which the hon. Gentleman referred amounted to an extra £1·7 billion, but I repeat that they are not the marks of success. They are largely the result of the withdrawal of investment incentives and stock relief, and the failure to invest increased profits. The extra revenue in that sector is the direct product of a disastrous fall in the most important area of new investment. Investment in manufacturing industry has fallen to 20 per cent. below its 1979 level.

I shall give another example of that. Government income has gained almost £1 billion from increased VAT receipts on consumer durables and imports. The increase in VAT revenue creates a perfect vicious circle. That revenue is increased when imports rise. The extra revenue is distributed in income tax and the extra spending power thus engendered is used to suck in more imports. Those are the sources of revenue that the *Daily Express* yesterday described as the result of economic success. Lord Beaverbrook must be turning in his grave to learn that his old paper is congratulating the Government on promoting the exports of Germany and Japan.

Central to the increases in VAT and corporation tax receipts is the explosion in indebtedness which the Government first allowed and then encouraged. Personal debt now accounts for almost 70 per cent. of net income after tax. Indebtedness now increases by 20 per cent. a year and stands far higher than it did during the much derided Barber credit boom.

The Government are obsessively opposed to increasing public borrowing to finance investment in British industry. However, they actively encourage private borrowing to finance the purchase of German cars, Japanese videos, Italian footwear and south-east Asian textiles. The result is unfortunately recorded for all to see. It is the continual decline in Britain's balance of payments, despite oil income that has contributed at least £100 billion during the lifetime of the Government.

Let us consider the actual figures. In the 1985 autumn statement, the Chancellor predicted a £4 billion balance of payments surplus for 1986. Naturally, he brushed aside, with all his usual charm, the idea that he might possibly be wrong. Each subsequent forecast, the Budget and the 1986 autumn statement, was worse than its predecessor. There was a £1 billion deficit last year and this year the deficit was originally forecast to rise to £1·5 billion. Yesterday, the Chancellor increased his estimate of the

[Mr. Hattersley]

deficit to £2·5 billion. We have seen a £5 billion deterioration in the 1986 deficit between the 1985 autumn statement and the actual outturn.

If, in 1979, the BBC had prophesied that, despite oil, the Government would still preside over a balance of payments deficit which would grow year by year, the chairman of the Tory party would have got on his bike and pedalled round to Broadcasting house to sort out the Bolsheviks who were spreading such nonsense.

About manufacturing trade, the Chancellor cannot even simulate confidence. The manufactured trade balance has slumped from a surplus of £5 billion in 1978 to a forecast deficit of £8 billion this year.

The Government know that the balance of payments is deteriorating fast. It is impossible to imagine a more irresponsible way of reacting to that deterioration than escalating the consumer and credit boom by cutting 2p off the basic rate of tax.

Mr. Kenneth Carlisle (Lincoln): Will the right hon. Gentleman give way?

Mr. Hattersley: No, I shall not.

The folly of that choice is underlined by the inability of British industry to meet the increased demands upon it that more purchasing power will bring. Manufacturing exports are a subject on which the Government make great claims and repeat great boasts.

Mr. James Hill (Southampton, Test): They are right.

Mr. Hattersley: Yes, they are right. Manufacturing exports have risen by 15 per cent. since 1979. The only problem is that imports have risen by 48 per cent. Manufacturing trade is in deficit for the first time since the industrial revolution. Net manufacturing is negative for the fifth year running. Manufacturing output has fallen and is still lower than it was in 1979.

The first necessity of a responsible Government is to increase Britain's capacity to meet domestic demand and expand foreign sales, especially to fill the gap that will be left when oil revenues begin to run out. Once we were told that rescue would come from invisible earnings. However, now even the forecasts for invisible earnings are beginning to be scaled down.

I ask the Chancellor a question today which I have often asked him before but which, so far, he has refused to answer. What are his plans for getting the balance of payments back into surplus? What will replace the oil income? He must know that yesterday's Budget makes that gap harder to fill. It will boost the import of consumer goods and do little or nothing to improve the prospect of manufacturing industry. A brief balance of payments deterioration, in preparation for increases in manufacturing output, is sustainable. However, a continuing balance of payments deterioration, brought about by a flood of consumer durables, cannot possibly be sustained.

There are some parts of the Budget which we approve of and applaud and which I should like to put on record as receiving our support. I refer, for example, to the tax differential for unleaded petrol, the concessions to charities, the increased allowances for the blind and for those aged over 80 and the new tax allowances to assist with training. I have taken examples from the four parts of the Chancellor's speech with which we especially agreed.

Mr. Hill: What about exchange controls?

Mr. Hattersley: I hear the hon. Gentleman ask, "What about exchange controls?" I shall answer, perhaps improperly, the question that was shouted out from the Front Benches rather than the one to which the hon. Gentleman would like me to reply.

We are told that we are to have the formal repeal of exchange control. However, since the present powers are incapable of effective operation, I am not quite sure why the Chancellor chooses to bother. In the one passage of his speech that was meant to be a joke, the Chancellor asked whether Opposition Members would support repeal. I am pleased to tell him that we shall, gladly. However, we shall want a debate on the Floor of the House to draw attention to the money that has flooded out of Britain since the end of statutory exchange control and to describe the new way in which we propose to bring that money back to invest in the British economy, British industry and British jobs. However, after we have debated it we have no intention of attempting to breathe life into an already dead Act when we have a superior instrument to put in its place.

I should also like to tell the Chancellor how much we applaud his conversion on the measurement of broad money. Once it was the criterion against which all policy was tested and the centrepiece of the medium-term financial strategy, of which the Chancellor was the author. The only problem with the broad money target was that the Chancellor could never hit it. Yesterday, in a moment of rash frankness, the Chancellor described what he proposed to do about M3 and said that he would follow the "wiser" course. It is certainly wiser for his reputation.

We equally welcome the changes in VAT that the Chancellor proposed for small businesses. However, we must confess to bias because we proposed them all in last year's Finance Bill, but the Government voted them down. We welcome the sinners come late to repentance. Would that we could say the same about the Chancellor's manipulation of statistics. He told us yesterday—as he has told us so often — about the seven years of continuous growth. However, I invite him to tell the House what the average rate of growth was during those seven years. Knowing his reticence, I offer him the answers. For 1979-1986, the average rate of growth was 1·5 per cent. Including the forecast for 1987, it increased, on average, to 1·7 per cent. However, under the previous Labour Government, from 1974-1979, it was 1·9 per cent.

I am not surprised that the Chancellor chooses his statistics with such scrupulous care. I give another example. He did it again yesterday evening when he entertained the British public with what I can only describe as some interestingly creative diagrams, mostly based on the notion that if they did not record the performance of our most successful competitors, it would look as if Britain was top of the league. There are some attractions in that technique. By assiduously applying it, Yorkshire always wins the county championship, and Sheffield Wednesday the football league. However, even applying that unusual technique, the Chancellor could not bring himself to publish a table for inflation on his television broadcast. That is because, according to the Government's forecast, we are about to become bottom of the inflation league in Europe. It would have been a peculiar diagram that showed we were at the top by not having any of our competitors on it.

The Chancellor has been just as selective in his descriptions of the reasons for cutting the basic rate. The most unattractive excuse is the pretence that the basic rate has been cut because of anxiety about the low-paid. That is simply a deception. The low-paid, or at least low-paid families, would have received far more help if available funds had been used to increase child benefit. That would still have left the problem of single low-paid earners, among whom are many nurses, about whom the Prime Minister speaks so feelingly when she thinks it convenient to do so. In February she said:

"Nurses on £150 a week who have to pay £41 a week in income tax and national insurance contributions . . . pay too much."—[*Official Report*, 24 February 1987; Vol. 111, c. 134.]

Why the sudden conversion? Why the sudden concern?

In 1978-79 a nurse paid 25 per cent. of her earnings in tax and national insurance. After seven years of Conservatism she now pays 27·5 per cent. and more on VAT than previously. Today nurses' total direct tax bill is still higher than it was under Labour and they pay twice as much on VAT.

Mr. Kenneth Carlisle: Will the right hon. Gentleman give way?

Mr. Hattersley: No.

If nurses or any workers on £150 a week were the Government's genuine concern, the Government would have introduced a reduced rate band, increased allowances above the inflation rate or cut national insurance contributions. If the poorly paid were the Government's real concern, the Government would have helped the lower income groups during the past seven years, not the highest paid 5 per cent.—the only people significantly to benefit from Tory tax policy. Nurses, and indeed the low-paid in general, are being used as an excuse for making changes which are designed for and help most the highest paid. If the Chancellor and the Prime Minister asked a typical nurse to choose between across-the-board tax cuts and extra investment in the Health Service, that nurse would choose an improved Health Service without hesitation.

As the debate continues I hope that we shall be spared nonsense about lower tax rates yielding higher tax revenues by encouraging harder work. That view does not stand a moment's examination and finds absolutely no support in the study of the subject which the Government commissioned from Professor C. V. Brown. Tax yields from the high-paid have increased because primary incomes have rocketed for reasons wholly unrelated to lower marginal tax rates. The Treasury's own figures confirm that the earnings of the richest 10 per cent. have risen six times as fast as the earnings of the lowest 10 per cent. Is there any hon. Member, even on the Conservative Benches who will pretend for a moment that the big bang salaries in the City — the City salaries which the Chancellor compared with telephone numbers — have come about because of lower marginal tax rates? They have come about because of greed. Cuts in the standard rate of tax across the board are not necessary for our economy and I do not believe that they are the choice or wish of our people.

Mr. Kenneth Carlisle *rose*——

Mr. Hattersley: Every survey confirms that standard rate tax cuts are not even the priority of the highly paid. The British Institute of Management, speaking for the men and women, who, according to the Prime Minister, need extra incentives and will leave the country if they do not get them, found that three quarters of its members, anticipating this year's Budget, preferred improved services to tax cuts. The summary of its survey states:

"The principal message put forward was that managers preferred some specific increase in government spending to a cut in taxation."

I invite the Chief Secretary to answer this question directly: why was the cut in the basic rate more important to the Government than an improved Health Service and higher pensions? Why was it more important than more textbooks in schools and an end to the crisis of homelessness? Why, above all, was that cut more important than a cut in unemployment? I hope that the Chief Secretary will not further enhance his reputation for keeping the truth at arm's length with the pretence that a general cut in income tax—the general reflation, about which the Government used to be so scathing—is the best way of fulfilling their obligation to reduce unemployment.

Last month at Question Time I asked the Chief Secretary whether he found the repetition of fraudulent statistics demeaning and he assured me and the House that he did not. With his recently acquired frankness, I trust that he will now admit that the Treasury's economic model demonstrates that tax cuts are the most expensive, least effective and most economically damaging way of encouraging additional jobs.

The Chancellor talked to us about unemployment and employment yesterday and gave us some figures. I would like to ask the Chief Secretary to give today the true figures for the unemployment record that the Government can, rightly, boast. But since he would be reluctant to do that, I propose to do it for him. The Government's unemployment record does not put them in a position which justifies their denial of and refusal to accept all the advice that they are given about how unemployment can be cut.

Since the Government were elected we have lost 750,000 jobs in the British economy—more than the rest of the European Economic Community put together. The whole of the reduction in unemployment last year is accounted for by either special measures or changes in the method of calculation. The triumph which the Government proclaim and the Chancellor attempted to proclaim yesterday is the product of schemes, special measures and statistical manipulation.

The Labour party believes that the money at the Chancellor's disposal should have been used to put Britain back to work in real jobs. At a net average cost of £6 billion the unemployment register could be cut by 1 million in two years. There is now no doubt that the money is available. Yesterday the Chancellor had at his disposal easily enough to finance Labour's job programe. It is not that he could not afford to put Britain back to work; he chose not to put Britain back to work.

We set out a week ago the details of our programme, which should have formed the centrepiece of this year's Budget. The Budget should have been built around four elements. The first is an expansion of employment in the private sector, stimulated by new investment and the carefully targeted incentive of reductions in national insurance contributions in selected areas.

Mr. Tim Yeo (Suffolk, South): Will the right hon. Gentleman give way?

Mr. Hattersley: The second is the introduction of genuine skill training to make the British work force in the next 10 years the best trained in Europe and in the short term to begin to redress the scandalous neglect of training which has accompanied the seven-year cycle. The third is investment of public sector capital in new and improved houses, roads, schools, hospitals and sewers. The fourth is investment in public services — teachers, nurses and home helps.

The jobs that we intend to create are real jobs which people need and will be glad to pay for. There was a time when the Prime Minister was in favour of real jobs. Before the 1979 election in Birmingham she said that the Tories would reduce unemployment — I promise you, Mr. Deputy Speaker, that she said that, incredible though it now seems — by

"creating the conditions for real jobs, not artificial ones, so that once again the products stream from our factories and workshops whilst the customers of the world scramble over each other to buy them."

That is now the sickest joke of the Prime Minister's seven years — although I know that there is much competition for that accolade. The exact opposite of her promise is what has happened. We are scrambling over ourselves to buy foreign goods. Our factories and workshops are starved of new investment. The Government, far from relying on real jobs to reduce unemployment, rely for their propaganda on the manipulation of statistics by Lord Young's inventions. If he were truly confident of a fall in unemployment I doubt whether even he would resort to such tactics.

The most deplorable of all the schemes and inventions are the job clubs, at which young men and women are obliged to play kindergarten games as the price which they must pay for continued unemployment benefit. I will give the House an example of one of the kindergarten games as seen on television. Young men and women were required to go to the jobcentre and take it in turns to have a piece of paper pinned on their back. Then other members of the group wrote on that paper their opinion of the person wearing the label. Would the Chancellor risk that in the Cabinet?

The only positive and specific proposal for the reduction of unemployment which the Chancellor made yesterday was the quadrupling of the number of job club places. It seems that there is nothing to which the Secretary of State for Employment will not stoop in order to massage the unemployment statistics. I make it clear that we would not contemplate such schemes. It was clear when the Chancellor lost his temper on radio this morning how vulnerable he feels on this issue.

I repeat that we will create real jobs. There are thousands of projects which are essential to the economic well-being of this country and which need to be organised within the public sector. Many of them—roads, houses, new hospitals and schools — will be commissioned by public authorities from private sector contractors. The rehabilitation of dilapidated housing in Birmingham and the replacement of crumbling sewers in Manchester is real work, as is the work done by nurses, teachers and home helps. So is the work generated by new investment in the nationalised industries, not the padding of their payrolls but the new capital work which the chairmen of those industries have already told us needs to be done, which they want to do, but which they are prevented from doing by the arbitrary and artificial limits placed on their power to raise and invest capital.

Of course, the achievement of those plans obliges inflation to be kept in firm check and interest rates to be reduced. That requires that firm decisions be taken about spending and borrowing. I propose to make Labour's position clear on both subjects.

We are committed during our first two years to the job creation programme which I have described and the anti-poverty programme to which I shall turn in a moment. the anti-poverty programme will be financed by redistribution. There will be higher taxes on the highest paid 5 per cent. of taxpayers, the only major recipients of the long-promised tax cuts, recipients whose cumulative annual tax cuts now total £3·6 billion. The cost of Labour's job programme can be met out of the Chancellor's own fiscal adjustments, though, of course, it requires that borrowing be kept at the level which last year the Chancellor was happy to recommend to the House as a mark of prudence. That will keep indebtedness well below the level which is accepted by our more successful competitors. The rational measure of borrowing is the public sector financial deficit, which we will hold below 4 per cent. of national income. Indeed, under our proposals the ratio of debt to national income will fall. The increase in borrowing which we propose for the economy as a whole is the equivalent of a man on £10,000 a year borrowing an extra £150. That is why the increase in Government borrowing is a burden which most families will gladly carry in order to ensure jobs for their families, friends and neighbours.

Since the Chancellor is mumbling to me about the problems of increased borrowing, I will ask him now to answer a simple question. Is it the problems of higher borrowing that cause the unacceptable levels of interest rates? Did he cut borrowing in order to reduce interest rates? Is he still arguing that the weakness in our policy is the relationship between borrowing and interest rates?

The Chancellor says not a word. On any other occasion during the last five years he would have leapt to his feet and told us that of course everybody knows — every economic illiterate, including the shadow Chancellor — that borrowing and interest rates are intimately linked; the more we borrow, the higher the interest rates, and we must borrow less in order that interest rates can be cut. At some time, unbeknown to us, the Chancellor has been wholly converted, for it says in his own Red Book, under what is still called, poignantly, "The Medium Term Financial Strategy":

"Private sector borrowing has been rising and is now over 10 per cent. of GDP. It has clearly contributed more than public borrowing to upward pressure on real interest rates."

What is all the fuss about? Why is he not attacking the private borrowing boom that he complained about? Why is he still talking in terms of a policy which his own financial statement and Budget report now denounce?

Mr. Tony Baldry (Banbury) *rose*——

Mr. Hattersley: I hold the view that for a sustained policy of industrial investment interest rates must be reduced below the figure at which they stand today. Despite all yesterday's rejoicing, real interest rates in Britain, assuming a 1 per cent. reduction, remain higher than those in America, Japan and Germany. They are still higher than at any time before the election of this

Government. All yesterday's announcement will provide is a return to the interest rates which prevailed during the Conservative party conference. All yesterday's provisions will result in is interest rates at the level at which they stood when the Chancellor was holding them down in October in order to guarantee the Prime Minister's standing ovation. Since then he has been holding them up to ensure a good reception for his Budget, selling sterling in order to postpone the full cut of 1 per cent. until today and in consequence holding back reductions in mortgage rates in order that the good news should be associated with yesterday's Budget statement.

The Chancellor must know that we shall have persistently high interest rates whilst there remains uncertainty about our ability to move into a balance of payments surplus.

Sir William Clark (Croydon, South) *rose*——

Mr. Hattersley: Were British interest rates to be reduced to anything like those which our competitors enjoy, the pressure on sterling which a series of bad balance of payments figures is bound to create would hit us at once. The myth that the market determines interest rates has been exploded by the way in which the Chancellor held them down during the Conservative party conference and held them up before the Budget. He is still holding them at an unacceptably high level. Were he to do anything else, sterling would still collapse. We will not get the right level of interest rates without a change in economic policy. That new policy must be about the real economy, about investment, output, exports and, above all, jobs.

I repeat that in this Budget the Government have once more turned their back on the unemployed, who suffer the most corrosive form of poverty.

Two weeks ago Mr. George Will, the distinguished *Washington Post* journalist, whose enthusiasm for President Reagan is almost as great as the Prime Minister's, told me that the Chancellor had described 3 million unemployed as "manageable". Ever anxious to do the Chancellor credit, I reminded Mr. Will that when that report had appeared in newspapers the Chancellor had denied that he ever said it. Mr. Will replied:

"He said it. He said it to me."

To Labour, 3 million officially registered unemployed is not simply unmanageable but intolerable, and we will not tolerate it. Nor will we tolerate the continued poverty which is made all the more morally indefensible by the Government's claims of economic success.

If we are doing so well, why cannot we help the hard-pressed families, the pensioners and the long-term unemployed? The Chancellor by implication has already rejected, and no doubt the Chief Secretary directly in a few moments will reject, the view that the money he had to spend yesterday would have been better spent on job creation. He is therefore left with another choice. If he rejects the Labour party's plan for financing improved pensions and higher benefits by higher taxes on the top 5 per cent. of earners, why does he regard another cut—yesterday's cut in the basic rate of income tax—as more important than, for example, allowing pensioners to live in comfort and dignity? Why does he think that a cut in inheritance tax is more important than increasing child benefit?

The Labour party believes that action could and should be taken in three areas. First, the retirement pension should be increased by £5 a week for a single pensioner and by £8 for a pensioner couple. Secondly, child benefit should be increased by £3 a week; that is the most precisely targeted way of reducing family poverty, yet its real value has been allowed to fall since 1979. Thirdly, long-term supplementary benefit should be extended to the long-term unemployed. Despite all Lord Young's machinations and manipulations, the official total of men and women out of work for more than a year is higher than total unemployment in 1979. Today to the hopelessness of long-term unemployment is added the indignity of inadequate benefit.

I have no hesitation in asking the most highly paid 5 per cent. of the population to finance those three proposals. Many of the top earners would understand the necessity to do so, because they know that choices have to be made. Today there are 50,000 taxpayers with an income of more than £70,000 a year. They have benefited from income tax cuts by an annual total of £880 million. The average cut before the Budget was worth £19,000 a year; that is, £367 a week. What sort of society and what sort of Government give the rich a tax bonanza of an extra £50 a day but will not increase retirement pensions by £5 a week? The answer to that question is a Government obsessed with power and cynical about principle, a Government anxious to paper over the crack of potential economic catastrophe, at least until they get the election over.

The Economist, hardly the Labour party's friend, judges that had the Government published the honest and accurate balance of payment figures in 1986 sterling would have slumped out of control. The Government know that on existing policies their present strategy cannot be sustained. City forecaster Phillips and Drew judges that the markets are holding their breath for an early election and expects an immediate reversal of policies afterwards.

The Government are holding their breath as well. They have a majority in the House of 144. They have more than a year to run. Why then, except for the fear of economic crisis, are the Government preparing for a snap election? The tactic is transparently obvious. There is no need for the Conservative party to waste money on Saatchi and Saatchi. The slogan has alread been published—vote now, pay later.

In preparation for that, this is a Budget for the next few weeks, not for the next few years; a Budget to bribe selected voters. It offers no hope to the unemployed and no assistance to education, health, housing or pensioners. It ignores poverty. It divides the nation. On the Labour Benches we have enough faith in the public to believe that the Budget will be dismissed with contempt.

Mr. Yeo: On a point of order, Mr. Deputy Speaker. About 45 minutes ago the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) told the House in response to an intervention by my hon. Friend the Member for Carshalton and Wallington (Mr. Forman) that he would explain how a £28 billion spending spree——

Mr. Deputy Speaker (Sir Paul Dean): Order. It is clear that the hon. Gentleman is raising a point of argument, not a point of order.

Mr. Baldry: On a point of order, Mr. Deputy Speaker. Yesterday Mr. Deputy Speaker reminded House that it was traditional for the Chancellor to be listened to in silence. Does that apply also to other speeches during this

[Mr. Baldry]

debate because it was extraordinary that the Shadow Chancellor seemed totally unprepared to give way to any right hon. or hon. Gentleman. Is that simply because he is frit at being confronted by the arguements?

Mr. Deputy Speaker: Order. It is the normal convention that the Chancellor of the Exchequer of the day, when he is delivering his Budget statement, is listened to without interruption. But that does not apply to other right hon. and hon. Gentlemen whether they are speaking from the Front Benches or the Back Benches.

5.25 pm

The Chief Secretary to the Treasury (Mr. John MacGregor): The right hon. Member for Birmingham, Sparkbrook, (Mr. Hattersley) made a long, though hapless and completely unconvincing, attack on the Budget. He tried to claim that it was not prudent. No one will believe him. He said it could not be sustained. I assure him that it will be. He displayed extraordinary views when he described this party as a party that was cynical of principle. I recall that it was the right hon. Gentleman who said, "Whatever the Labour party stands for, I support." The way in which he has repudiated his beliefs over nuclear defence demonstrates that absolutely.

I can understand his difficulties. What the right hon. Gentleman cannot stomach is the thought that in the Chancellor's Budget and in the public expenditure White Paper before it we are seeing for the coming year in the most positive and clearest way the fruits of the success of our economic policies, prudently and persistently applied. Far from being transient, as the right hon. Gentleman tried to suggest, they are solidly based on good foundations and strong public finances. I repeat straight away to him that the Budget will be sustained. For what we are seeing now is an economic hat trick — *[Interruption.]* It is interesting that, because they are afraid to hear the good news, Opposition Members try to prevent anyone speaking on this side. They simply sit and shout — hardly a contribution to a serious economic debate.

The economic hat trick is a hat trick of good news. It is important to take all the items together — a £4·7 billion increase in public spending in the coming year concentrated on our high priority areas such as the Health Service, education care and support for the sick, disabled and those in need; a £3 billion reduction in the public sector borrowing requirement to maintain prudence and keep borrowing and inflation low; and a £2·6 billion cut in taxes to give back to people more of what they have earned and to provide incentives for continued economic progress. To that today we can add the 0·5 per cent. reduction in interest rates in response to the Budget and the 0·5 per cent. reduction last week in anticipation of it.

The reason that we are able to have all three is that we now have a strong economy because we have followed from the outset a clear medium-term prospectus for sound, steady finances, together with a whole bank of measures to improve our economic and industrial performance and to release the British people's energies and enterprise.

That the country is now getting the benefit of higher spending, lower borrowing and lower taxes is not due to luck. It is because we have now had six years of healthy, balanced growth, close to 3 per cent. a year on average. Year in and year out we have continued steadily upwards, building up a strength durable enough to withstand two whirlwinds—the collapse of our oil revenues and a long and costly coal strike.

In the stop-start years of the 1960s and 1970s, events of much lesser magnitude threw the economy out of kilter and brought growth to a halt. Now we are strong enough to take them in our stride.

After decades of falling ever further behind our competitors, we are beginning to show the way. In the 1960s, ours was the slowest growing of the major European economies. The same was true in the 1970s. In the 1980s, however, we have been growing faster than any of our major European rivals.

Mr. Jack Straw (Blackburn): We heard all that yesterday. Will the right hon. Gentleman explain why he only gives statistics from 1981? Does he not recognise that this country suffered the greatest slump of any country in 1980 and 1981?

If there have been six years of economic growth, why is manufacturing output still not back to its level of 1979, and why is manufacturing investment still 20 per cent. below it?

Mr. MacGregor: I am deliberately including the whole of the 1980s. The position since 1979 is quite simple, as the hon. Gentleman knows, and as we have often said in the House. We faced a worldwide recession during that period, with a heavily disabled and uncompetitive British industry that was over-manned and riddled with restrictive practices. Today all that is much changed.

A reinvigorated British industry — [HON. MEMBERS: "Answer the question."] I am coming to the point now. Company profitability is now the highest for over 20 years — the highest since 1964. Company profits are one and a half times as high as in 1980, over and above the effect of inflation. That is now showing up in tax revenues, despite a corporation tax rate that is lower than that in any other major industrial nation, although the United States is now set to emulate us.

A key reason for this success is the dramatic improvement that manufacturing companies have made in productivity. In the 1960s and 1970s, productivity growth was well below that of our competitors. However, in the 1980s our manufacturing productivity has gone up faster than that in Germany, the United States and Japan.

Mr. Nick Raynsford (Fulham): The right hon. Gentleman speaks of productivity. Will he now tell us about manufacturing output, and answer the question put to him a moment ago by my hon. Friend the Member for Blackburn (Mr. Straw)?

Mr. MacGregor: I am coming to that. The right hon. Member for Sparkbrook tried to put the resurgence of the British economy today down to what he called a consumer boom. Once again, the facts belie such an argument. Since the present upswing began, investment has gone up by an average of 4 per cent. a year, faster than consumption and twice as fast as the European average. That pattern is set to continue, with investment and manufacturing output and exports set to rise by 4 per cent. in 1987. In this Parliament we have seen manufacturing productivity growth of over 4 per cent. a year, and manufacturing output up by over 10 per cent., with a further rise of 4 per cent. forecast for 1987. Manufacturing export volumes are up by 30 per cent.

Mr. Raynsford: Juggling the figures.

Mr. MacGregor: The hon. Gentleman well knows that I have also explained the position from 1979 to 1981. I have given the figures for the 1980s and for the life of this Parliament. They all show big increases in manufacturing productivity, investment and exports. By contrast, in Labour's upswing from 1975 to 1979, investment rose by only 1·25 per cent. a year—compared with the 4 per cent. that we are achieving—with consumption rising faster than investment. It is a bit rich—indeed, it is a travesty of the record—for the Opposition to speak as they do in their recent so-called policy document about the need to stimulate investment.

The right hon. Member for Sparkbrook is still trying to peddle a myth. I had thought that he would give it up—he has used it often before, and always been wrong—but perhaps it is all he has. The myth is that there is something fragile about the present strength, and that there is a stop around the corner. Perhaps that is because the right hon. Gentleman was so used to both problems in office. Quite apart from the fact that that has not happened in the past six years, other evidence that is independent of the Government confirms what I am saying. The last CBI monthly inquiry reported a sharp improvement in firms' total order books and export order books. Over a third of firms in the survey expected to increase their output over the coming months.

The Association of British Chambers of Commerce, not always the most optimistic of bodies, confirms the CBI view. Its latest survey reveals higher orders and more firms expecting to increase investment and employ more people. Those improvements are taking place across the country. Only last week the Engineering Employers Federation reinforced the positive outlook.

If confirmation were needed, both of business optimism and that the Budget contains the right strategy for business and jobs, it comes from the industry itself. The House will have noted that the CBI has said that the Budget is good for business and reinforces business success—just what it wanted. That is a much better barometer of the prospects for industry and jobs arising out of the Budget than anything that the opposition parties might say, because it comes from people who are actually improving our industrial performance.

No wonder then that the right hon. Member for Sparkbrook clutches at straws. He points again to the position on the current account of the balance of payments. But the Chancellor's forecast of a £2·5 billion deficit is only 0·5 per cent. of GDP, compared with an average of 1·25 per cent. of GDP under the Labour Government. It is backed by the strength of our overseas assets, which are thought to have risen to around £110 billion by the end of 1986—four times higher as a percentage of GDP than when we took office. That is bound to stand the country in good stead as long as a Conservative Government remain in office to ensure that those assets are not frittered away.

Instead, the right hon. Gentleman resorts to predictions. For some months he has been telling us that there is a crisis around the corner, and that we are about to cut and run. However, I have just told him that is not how industry thinks. His predictions have been lamentably and persistently wrong. The right hon. Gentleman is not much good with the crystal ball. His balls have a habit of breaking apart in his hands.

My right hon. Friend the Chancellor, in his speech to this House on 20 January this year—*Hansard* c. 775—catalogued the way in which, ever since the last election, the right hon. Gentleman's forecasts of gloom—*[Interruption.]* I understand why the right hon. Gentleman does not want to listen to this. His forecasts of gloom have turned out to be wrong: on inflation in 1983, on growth in 1984 and on living standards in 1985.

In 1986, casting about for another statistic to predict wrongly, the right hon. Gentleman said that there would be no significant fall in unemployment before the next election. Yet in the past six months the most significant fall since 1973 has taken place.

The right hon. Gentleman's prediction for 1987 is that the tax cuts that my right hon. Friend has just announced will be unsustainable and that when we are re-elected we shall have to reverse them. He should look at the Red Book. He will see there the strength of our finances. The only reversal—I grant that it would mean a big increase in taxes—would occur if the right hon. Gentleman, disastrously, ever got the chance to carry out his policies.

Mr. Kenneth Carlisle: Does my right hon. Friend agree that the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) was not straight with the taxpayer? My right hon. Friend's Budget reduced the average taxpayer's tax by £3 a week, but if the Shadow Chancellor ever brought in a Budget he would claw back not £3, but more likely £6 or even £9 a week from the average taxpayer.

Mr. MacGregor: My hon. Friend is right. My point was that, year after year, the right hon. Member for Sparkbrook has made predictions of gloom which have proved to be wholly wrong. The right hon. Gentleman must have been the kind of person that Noel Coward had in mind when he wrote his song

"There are bad times just around the corner".

As one of the lines tells us:

"the reds and the pinks believe that England stinks."

I shall now look in more detail at the three aspects of the economic hat trick. First, I shall deal with public expenditure. Although for reasons of public sector management and planning we announce the public expenditure plans in the autumn, it is right that in this debate we should look at them together with the Budget changes, because all are relevant for next year.

I repeat: our public finances are strong, so we have been able to plan for a significant increase in public spending next year of £4·75 billion—an increase which will be sustainable and which will not impose undue burdens on the taxpayer and the economy. The point I wish to underline is that, as in previous years, we have provided the extra resources for the programmes to which we attach the highest priority.

The biggest increase in the White Paper—and a substantial one—was for education, with extra provision across all sectors. On health, we are building on the 26 per cent. real increase in spending on the Health Service that has occurred since we took office.

Mr. Raynsford: What about hospitals?

Mr. MacGregor: We are building many more hospitals, as the hon. Gentleman knows perfectly well. We have provided next year for a further 2·8 per cent. real growth in net Health Service spending. We are building on the 20 per cent. increase in spending on the roads programme that has occurred since we took office. That programme

[Mr. MacGregor]

includes 600 miles of new motorways and trunk roads. Our plans provide for an 8 per cent. real-terms increase next year. On housing, we are able to provide for a further £11 billion of spending over the survey period, following on the 40 per cent. real-terms increase in spending on renovation since 1978-79.

The right hon. Gentleman mentioned employment and training measures. I am sure that my right hon. and learned Friend the Paymaster General and Minister for Employment will speak about those tomorrow. In the coming year we will spend about £3·1 billion on employment and training. I note that despite all the scorn poured on our measures by the right hon. Gentleman and his hon. Friend the member for Kingston upon Hull, East (Mr. Prescott) the Opposition now include in their jobs package the kind of measures that we have in the employment and training programme — a programme which is on a scale much larger than Britain has ever seen before.

Finally, our law and order programmes provide for an increase to meet the Home Secretary's commitment to increased police manpower given at last year's Police Federation conference. In that and in a number of other programmes we are building on a 40 per cent. increase in real terms in law and order spending since we took office.

That is a substantial increase in public spending but none of it is at the expense of the prudent management of our public finances. I need say little about the reduction of £3 billion in the public sector borrowing requirement. It has already been widely and favourably commented on. One newspaper this morning described the general reaction to it as "admirably prudent and confidence building".

I simply make three points. First, it is the clearest of signs to all that, within a careful and prudent course which is sustainable now and for the longer term, we have been able to increase public spending and make a modest reduction in tax. Secondly, my right hon. Friend the Chancellor has been able to get the PSBR down to 1 per cent. of GDP—its appropriate level for the longer term — and has declared his firm intention of keeping it there. Thirdly, this is in marked contrast to both the Labour party and the Liberals and SDP, whose policy proposals for the coming year, as we have heard from the right hon. Gentleman, would have resulted in substantially higher PSBRs and higher taxes. The right hon. Gentleman claims that he wants to see interest rates come down, but the policies that he advocates would push interest rates and the mortgage rate in only one direction—and that is up.

The right hon. Gentleman talked about our tax measures. I grant that we have still to reach our target. We shall reach it, but only when it is safe to do so through the continued success of our economy. The Labour party makes no bones about where it stands. It would put up taxes—and not only by the 2p reduction in this Budget. Combined with the other tax changes that it proposes it would, if it ever got the chance, in its very first Budget have a level of taxes far higher than the levels now. But that would not be all, because to meet their other spending plans a Labour Government would later have to put them up further still. The Opposition are daily making it clear that they are a high-taxing, high-spending, high-interest rate, high-inflation party with policies for a level of taxation which is far higher than when they left office.

I understand that the SDP and the Liberals will vote against the tax cuts, but as usual, what they will do after that is not clear. As usual, they will oppose a little bit and then forget it. I suspect that they do not have the courage of their temporary convictions. By contrast, we believe that lower rates of income tax are good for incentives and stimulate enterprise. We also believe in greater choice for people to spend more of their own earnings as they would wish, including on essentials.

Last year we had much debate about the choice between allowances and basic rate reductions. I believe that the case for the latter is now very much better understood. Until last year we had been concentrating on raising the allowances, so that they are now 22 per cent. higher in real terms since we took office, and the married man's allowance is at the highest level since the war. But there is a strong case, both last year and this, for concentrating on the basic rate. It is not just the starting point at which one pays tax that matters. It is also the effect of the marginal rate on every extra pound earned once one has started paying tax. It is most of all the marginal rate which has an effect on incentives.

The cut in the basic rate improves incentives for nearly 21 million taxpayers of working age, 94 per cent. of the total, whose marginal rate is the basic rate. It improves incentives for everybody paying tax at the basic rate including — and this is important — unincorporated businesses and the self-employed, while an increase of equivalent cost in the allowances improves incentives only for those people taken out of tax. Moreover, under 10 per cent. of the 1·2 million who would have been taken out of tax by such an increase are families with children. It was right to concentrate again this year on the basic rate.

We have again designed the income tax package so that it benefits as many people as possible and, as last year, we have limited the benefits for those paying the highest rates of tax. All income tax rates need to come down if we are to remain competitive with those countries which are also currently making substantial changes in income taxes—including reductions in their top rate, but we thought it right this year to give priority to reducing the marginal rate for the largest number of taxpayers. Let there be no doubt about the beneficial effect on living standards of these changes. The rates and allowance changes combined mean about £4 a week extra for married men and single people on average earnings.

The right hon. Gentleman talked about nurses. I can tell him that a nurse earning £155 a week will be £2·64 better off because next year she will pay £40·72 a week in tax and national insurance compared to £43·36 now. It was interesting to hear what the right hon. Gentleman said about that nurse, and I should like to make a number of points in response. First, he ought to take into account that in real terms the income of nurses is up by 33 per cent. compared to 1979. Secondly, he concentrated his suggestions on the reduced rate band. I should like to make three points about the reduced rate band. For the 2p off the basic rate that we are proposing the right hon. Gentleman would get a band of only £1,300 at 20 per cent. —not a very significant difference to incentives.

Thirdly, it would reduce the marginal rate for single people earning less than £72 a week. The nurse that the right hon. Gentleman talked about would find her

marginal rate reduced by that proposal. When the right hon. Gentleman's party left office there was a reduced rate band at 25p. He will recognise that ere long we shall not just have a reduced rate band at 25p, we shall have the basic rate at 25p.

The right hon. Gentleman talked about living standards. Most significantly of all, following the Budget changes the effect of wages and tax changes combined mean that in real terms the take-home pay for a married man without children on average earnings will be up since 1979 by 22·5 per cent. It will be up over 18 per cent. for the same man on half average earnings. That compares with a 1 per cent. fall and only a 2·4 per cent. increase respectively over the whole lifetime of the Labour Government.

The right hon. Member for Sparkbrook has again laboured over his claim that tax reductions mean jobs in Cologne or Tokyo—in Germany or Japan, as he put it today—rather than here. Of course, he will know that the consumer is free to exercise his choice on which goods in the shops he wishes to buy, and it is up to British industry to ensure that its goods are competitive in quality, design and price, as increasingly it is doing, so that the consumer is attracted to them. But I would ask the right hon. Gentleman to reflect also on this: wage increases put money in people's pockets just as much as do tax reductions. Is he really saying that he is opposed to further wages increases of any sort, because that, too, gives people the chance to buy goods that were made in Germany or Japan?

Indeed, I would go further. Bigger wage increases, unearned by higher productivity, make British goods less competitive and add to inflation. Tax reductions, because increasingly they should have an impact on wage demands, have the opposite effect. For a married man or average earnings this year's Budget is equivalent, in itself, to a 2·7 per cent. pay increase without adding a penny to industry's costs. The right hon. Member for Sparkbrook should reflect before he argues that again. I hope that this change will be reflected in pay bargaining.

My right hon. Friend the Minister of State will be speaking more fully in the debate later about the income tax relief to encourage the spread of profit-related pay. Those firms that already have profit-related pay schemes generally believe that they have worked well. The relief now proposed to stimulate these arrangements could be equivalent to a further 4p reduction in the basic rate of tax for a married man on average earnings whose company takes maximum advantage of the scheme with 20 per cent. of pay profit-related. I believe that this initiative will over time make a significant contribution to tackling the problems of the inflexibility of the labour market and will reinforce the many other measures that the Government have taken to make the economy work more efficiently.

There are two other major tax packages in the Budget to which I wish to refer. As a former Minister with special responsibility for small businesses, I am delighted that, as with all other previous Budgets under this Government, there is yet again a substantial small business package. This year it amounts to £115 million of revenue forgone in 1987-88 and £105 million in 1988-89, without taking account of the benefit of the income tax reduction on unincorporated businesses and the self-employed. But it is only when one looks at the complete effect of the tax changes, the totality over all our Budgets, that one appreciates the full impact. For example, the successive reductions in the small business corporation tax rate, down another 2p this year, mean that since 1979 the rate has come down from 42p to 27p. That is by any standard a distinct and substantial change.

The business expansion scheme, which has again been further improved this year, not only has helped directly to fill the equity gap for small businesses which for decades was inhibiting growth—raising over £400 million in the first three years—but has been one of a number of Government measures which have transformed the climate for venture capital investment as a whole. Between 1979 and 1985 this increased fourtyfold in the United Kingdom. Indeed, the United Kingdom now accounts for almost half the venture capital in the whole of the European Community.

But, like many of my hon. Friends, I find that one of the biggest complaints from small businesses is that of late payment of bills. I know that my hon. Friend the Under-Secretary of State for Employment—the hon. Member for Rossendale and Darwen (Mr. Trippier)—has done all that he can to persuade the large companies especially to ensure prompt and due payment of bills. This Budget now contains a substantial help from the Chancellor for hundreds of thousands of small businesses in this respect.

The House will note that in introducing his VAT cash accounting package my right hon. Friend the Chancellor has gone far beyond the proposals in our consultative document. The right hon. Member for Sparkbrook tried to claim credit for this measure by saying that it had been raised last year by the Opposition. He demonstrated his ignorance of the VAT changes in the Budget and of what the Opposition tried to do last year. I assure him that, although the Opposition raised one VAT point, they certainly did not raise this. Our consultative document proposed this change in the autumn and it is we who are bringing it forward. Provided we obtain European Commission approval, the option of cash accounting will be available to businesses with turnovers of up to £250,000—a substantial improvement over the £100,000 which we originally proposed. This covers more than 800,000 businesses—well over half all VAT registered traders.

The cash accounting scheme will mean that businesses do not have to pay VAT until they are paid by their customers. If their customers fail to pay at all, no VAT will be due, thus giving automatic relief for bad debts. The total cost of that measure in the coming year will be £100 million. I believe that increasingly the significance of this change will be appreciated and very warmly welcomed throughout the small business community.

As with small businesses, so with popular capitalism.

Mr. Raymford: Ha, ha.

Mr. MacGregor: The hon. Gentleman does not even begin to know what it means, but the enthusiasm for both is spreading fast. Popular capitalism not only is here to stay but is on the brink of transforming social attitudes, indeed society itself.

My right hon. Friend the Chancellor referred yesterday to the continued spread of home ownership, now the ambition of the vast majority of young people. He spoke of the remarkable extent to which millions more are becoming direct share owners, as revealed by recent research which the Government and the stock exchange have undertaken.

Two other important aspects of this Budget which also develop popular capitalism have not yet, in my view,

[Mr. MacGregor]

received sufficient attention. The first is the changes in inheritance tax. As my right hon. Friend the Chancellor explained, these have been concentrated on the smaller estates, particularly with the increase in the threshold from £71,000 to £90,000. This will take about a third of estates out of inheritance tax altogether. The increase in the threshold gives the greatest proportionate reduction to the smaller estates which are the least likely to have gained from the abolition of the lifetime charge last year and where the family home is often the main asset.

But its significance for popular capitalism is this: over the next decade or two, we shall see a very substantial number of families inheriting for the first time that are for them very sizeable free assets, as a result of the earlier spread of home ownership and of course, in particular, the right-to-buy schemes for council houses. That means that they will have considerable resources to invest. They will not simply have their occupational pension and perhaps very modest proceeds from a life policy. They will have the funds to invest directly, to have greater choice and to build up more substantial savings under their own control for their retirement than ever before.

Mr. Eric S. Heffer (Liverpool, Walton): Will the right hon. Gentleman give way?

Mr. MacGregor: I am sorry, but I do not have time to give way again.

This leads me to the second aspect — the pensions package in this Budget. It builds on the various measures to promote private pension provision already put on to the statute book by my right hon. Friend the Secretary of State for Social Services, but it goes further. The proposal to allow employees to make additional voluntary contributions, outside their employers' scheme, introduces a further new dimension of choice to the pension scene.

I should like to stress the wider significance of these measures. They will give everybody more choice in how they provide for their retirement. They will allow a much greater sense of ownership of pension rights. They will make it easier for people to take their pensions with them when they change jobs. They will result in more people having their own pension on top of what the state provides.

Here, too, there is a significance which clearly escapes the Opposition. In the past, all the emphasis when discussing pensioners and their future was on the basic state retirement pension; and on this the Government have more than fulfilled their commitment with an increase in April which means, over the past 18 months, an increase of £5·95 in the pension for a married man. But increasingly as we look at the position of pensioners as a whole, that basic pension will assume much less importance. Already, in 1985, the average married pensioner household had a weekly income of just over £115, more than twice the basic state pension for a married couple, which was then £57 a week. Some of the balance comes from the state earnings-related pension scheme and other state benefits, of course, but a substantial and increasing proportion comes from occupational pensions and income from savings.

As far as SERPS is concerned, a man on average earnings retiring in 1979 would have received 95p a week but his equivalent retiring in 1986 now receives £16·25—41 per cent. of pensioners had occupational pensions in 1979, 51 per cent. in 1985. More tellingly, the number of pensioner households with investment income has risen from 62 per cent. in 1979 to 71 per cent. in 1985, nearly three quarters of the total.

The Government's policies for pensioners are much more attuned to the needs of the last part of the 20th century and much more in pensioners' interests than those of the Labour party. Through the added encouragement to private pensions provision featured again in this Budget, we are extending the ability of our citizens to build up much bigger savings of their own for their old age. Through the reduction in income tax and the abolition of the investment income surcharge we are reducing for the retired the burden of tax on the income from those savings. By developing an economy with low inflation we are protecting the capital value of those savings.

This is a Budget which will help to keep inflation down, and the pensioner is a clear beneficiary from low inflation. When inflation was rampant under Labour, the gaps between increases in the state basic pension meant that a pensioner's standard of living was falling sharply every week. The pensioner's income was growing less and buying less, and his capital was dwindling away.

So this is indeed a good Budget for pensioners, present and prospective. I remind hon. Members on the Opposition Benches who ask about pensioners that under the last Labour Government the average income of pensioners increased by 0·6 per cent. a year in real terms. Under this Government the annual real increase has been 2·7 per cent.—over four times as much. They made the same promises in 1974 as the right hon. Gentleman has made today, and look what happened. It is far better to deliver than to promise and so completely to fail.

I referred earlier to Labour's so-called alternative Budget. That is what the right hon. Member for Sparkbrook is prepared to own up to. But it is only a small part of the spending plans to which the Labour party is committed. I have been keeping a careful track of statements made by Labour spokesmen since I issued a detailed list of their spending commitments last July. I have taken due note of the statement of the hon. Member for Kingston upon Hull, East in the House on 6 November that the Labour party has abandoned its pledge to introduce a 35-hour week, a minimum wage, and a policy to introduce early retirement. I am sure that it will have been of great interest to many in the Labour party to know that it has given up these pledges. But I accept it. I have, therefore, removed these from my table of Labour's spending commitments.

But not all spokesmen for the Labour party have been as careful and studied about what they say as the right hon. Member for Kingston upon Hull, East. We have witnessed a stream of further pledges from the Labour party, including pledges on pensions, energy, the Christmas bonus, a winter premium, alcohol abuse, Scottish devolution, crime prevention grants, and a pledge to increase health spending. I have to tell the House that with these new pledges — and the hon. Gentleman is nodding — taken on board and the abandoned pledges removed, the full-year cost of Labour's spending plans now totals around £34 billion. This sum would represent a basic rate of income tax of 56p in the pound or an increase in value added tax to 49 per cent. Nothing could point up more sharply the contrast in the Budget and spending policies being put before the House—at least here I agree with the right hon. Gentleman: there is a contrast.

For the Labour party it is the old story: cash in on the resources of others; cash in on the success of others. Let others earn and we shall spend the fruits; we shall go further, irrespective of the costs in taxes, borrowing and interest rates.

This Budget builds on the successes of recent years. It is good for the economy, good for business and that means good for jobs. And it is built to last.

6.3 pm

Mr. Roy Jenkins (Glasgow, Hillhead): I congratulate the Chief Secretary on being somewhat more succinct than the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), though perhaps not all that much. I will endeavour to improve on both, in that respect at least.

It would be churlish not to recognise that 1986-87 has turned out better for the Chancellor than I expected a year ago or than the City expected last October when his Mansion House speech aroused scepticism rather than confidence. Nor should one begrudge a Chancellor a bit of short-term luck. Anyone who holds the office of Chancellor—I am referring to the Chancellorship of the Exchequer, of course—has so many hazards to contend with that he is entitled to enjoy it when something goes right. As Adlai Stevenson said about flattery, "It's all right provided you don't inhale." It will be all right in this case, provided the Chancellor does not deceive himself that he has solved the underlying problems. But this is what I think he is in some danger of doing. His caution is more that of complacency than of prudence. On television last night he began by saying that the British were frightened of being accused of bad manners if they said that something was successful. I can assure the Chancellor that he is remarkably free of both aspects of this fear of his fellow countrymen.

It is also all right provided that we use the elbow room which fortune has given us in the best possible way for the future of the economy—and that, the Chancellor, in my view, has not done.

There are two main features of the Budget by which it should be judged—the reduction in income tax rates, and the reduction in public borrowing. Everything else is subsidiary, although there are some moderately important changes, some of them desirable. Neither feature exactly came as a shock to us since it had been heavily leaked for weeks past—not perhaps quite as precisely as in some previous years but certainly to an extent which would have made that famous diarist, Hugh Dalton, not only turn but gyrate in his grave with a sense of unfairness.

Both these major decisions are, on balance, mistaken. Income tax cuts would not have been our priority, and all the indications are, perhaps somewhat surprisingly, that they are not the priority of a majority of the nation either. The majority give a higher priority to jobs and to public services. It is not, therefore, a question of relentless public demand, and one must look at the economic justification, and this is extraordinarily thin. There is no question but that the impact upon unemployment is very weak per million pounds spent, or whatever other unit of management is chosen. Investment in construction, for instance, would without question produce a bigger impact on unemployment; and, almost in a causal relationship, the effect on imports, and consequently on the balance of payments, is correspondingly high.

The Chief Secretary tried to refute that by the rather surprising argument that the impact of wage increases on imports could be high too—income increases, let us say. But there is no choice between wage increases and tax reductions — at least, the connection is extremely tenuous; and if the right hon. Gentleman thinks that tax reductions automatically preclude the other, he is, from some points of view, being very optimistic.

These bring together, therefore, the small impact on unemployment and the big impact upon imports, the two glaring weaknesses in this Budget.

Mr. Baldry: Can the right hon. Gentleman help us by telling us in clear terms what basic rate of tax the Social Democratic party feels would be appropriate now and what it would introduce if it ever had any influence over a future Budget?

Mr. Jenkins: I am proceeding in what I hope is a logical order, and I will come to almost precisely that point. So often, just asking a Member to anticipate his argument instead of waiting until it comes merely wastes the time of the House. There is a good deal to be said for seeing whether it comes before one asks a question.

There is nothing directly in the Budget for jobs, and what is there indirectly is, on the whole, so tenuous as to be supportable only by asseveration and not by rational argument.

The balance of payments outlook, with a revised deficit of £2·5 billion this year, is, to say the least, insecure. However, I would not make too much of the prospect of a balance of payments deficit in itself. Indeed, our alliance proposals, although showing a better result than the Government's proposals on inflation and a markedly better one on employment, show a somewhat worse, but not dramatically worse, balance of payments outturn. It would be reasonable to go through a balance of payments deficit tunnel of several years if it took us through to a new landscape of lower unemployment and higher investment.

During the years of oil spate, as the Chief Secretary reminded us a few minutes ago, we built up great assets overseas — he said £110 billion — but put up a weak performance in both public and private investment at home. In those circumstances it would be reasonable to use some limited part of the overseas assets to float ourselves off the domestic shoals but that is not what we are offered. We are offered a drift into deficit without purpose or plan. The Chancellor talked last night about a steady hand on the tiller. That got me a little nervous. It sounded too much like one of the equally nautical but less happy utterances of my right hon. Friend the Member for Cardiff, South and Penarth (Mr. Callaghan). [AN HON. MEMBER: "He is no longer your friend."] He can be my friend. He said, "Steady as she goes," in his last Budget before devaluation and his resignation. Therefore, I do not think that income tax cuts were the correct priority this year. We shall, as we have previously intimated, vote against the relevant Budget resolution.

Sir Peter Hordern *rose*——

Mr. Jenkins: I am sure that I shall come to the point the hon. Gentleman is seeking to make if he will wait.

The Labour party has, I understand, also picked up its courage to vote against that resolution, although it failed to do so last year when we did. If the right hon. Member for Sparkbrook was in the Chamber, I should like to hear from him how he justifies that, provided it would not involve him in competing with his right hon. Friend the

[Mr. Jenkins]

Leader of the Opposition in the verbosity stakes in which the right hon. Member for Islwyn (Mr. Kinnock) yesterday established a commanding lead. I remember when Lord Attlee used to reply to Budgets in seven minutes flat with a mixture of congratulation and deflation, leaving it to Hugh Gaitskell to do the job on the second day. But those were the great days of the Labour party.

The right hon. Member for Sparkbrook announced that the Labour party will automatically reverse the tax cuts as well as vote against them. We do not say that, for very good reasons which I shall explain to the House. Circumstances will have moved on and may well have changed. After all, the Chancellor, to his surprise, finds himself £3 billion better off than he or anyone else expected in the autumn. We are not in favour of taxation for taxation's sake, still less for envy's sake, nor do we believe in pendulum politics in which one automatically reverses what the other side has done. However, we shall certainly not pledge ourselves never to increase taxation because no Chancellor of the Exchequer or would-be Government ought to do that. If the economy and the needs of the nation demanded it, we would not hesitate to do it.

Mr. Forman: The right hon. Gentleman is taking this statesmanlike approach, as he sees it, towards economic policy and failing to give the electorate any clear guidance on his policies, whether on tax cuts or borrowing. How can he expect his policy to be taken seriously if the electorate does not know where his party stands?

Mr. Jenkins: What is the hon. Gentleman's recollection about what has happened in the past? Did he think that in 1979 the present Government and the present leader of the Government set out the exact course of taxation? Does he think that the Prime Minister announced that for years to come there would be a substantial tax burden upon nearly everyone paying tax except the very rich? In my view, the only sensible and responsible thing to do is to set out one's broad approach to such matters. Income tax cuts would not have been my priority this year. We would not automatically reverse what has been done because pendulum politics is silly, but I would reserve the right, as any sensible Government ought to do, if it is in the interest of the nation as things appear at the time, to be prepared to face up to increasing taxes.

The next main aspect of the Budget is the battening down of public borrowing. That is mistaken in the present circumstances. It is, by historical standards, a severe policy. The deadweight total of national debt is already low as a proportion of GNP and the Chancellor now proposes to maintain, as he pointed out yesterday, a lower ratio of public borrowing than in any year apart from two years since 1950. Both of those years must have been mine; one was certainly mine and the other probably was too. Therefore, I start with some strength and, it might be thought, some dialectical weakness. I refute the latter immediately. The circumstances were very different, with unemployment under 600,000. Do not let us forget Keynes's parrot, and do not let us pretend that the negative borrowing requirement of 1969-70 was a prophylactic against the depredations of Lord Barber and the dethronement of the dollar. Within a year or two, under the prim guidance of Lord Barber and the end of the Bretton Woods system, we were plunging into the great inflation.

The rational as opposed to the incantatory argument for reducing borrowing to 1 per cent. of GDP and keeping it there is that it should bring about a reduction in interest rates. I would in no way underestimate the importance of lower interest rates to business. Clearly the Confederation of British Industry and other business opinion has given priority over tax reductions this year. Also, through mortgage rates, lower interest rates are extremely important to many individuals. The question is, what is the price one pays for doing it; and, more importantly, is that the only way in which such a reduction could be achieved? I think that we could have got much the same benefit, possibly more, from full membership of the European monetary system as well as a number of other advantages, although we should have joined before the recent 6 per cent. revaluation of the pound, which is undermining many of the reasons for the present favourable conditions for export, output and revenue. The prospect of knowledge of the degree of stability would also be of considerable importance to exporters' plans.

The Chancellor and the Treasury need an explicit exchange rate target to replace the complete abandonment of the sterling M3 loan stock. This morning's edition of the *Financial Times* was sharp about the matter. To some extent, the Chancellor accepts that. He is not strong enough to get his way against the stubborn and now almost solitary veto of the Prime Minister. The price we pay for such chauvinistic stubborness is having to bring own interest rates by a method that precludes many other desirable actions against unemployment and poverty, in favour of vital public services and, perhaps above all, in favour of adequate training, education and research.

A small item on the front page of *The Independent* this morning stated:

"New scientific research in British universities will be cancelled from today, for the time being.

The Science and Engineering Research Council (SERC), which funds most of the scientific research done in universities, faces a shortfall of £8m.

The Council meets later today to try to make ends meet. Just about the only option on its agenda is to stop financing new scientific research projects for the rest of the year." It is already March.

Mr. William Cash (Stafford): What about the £2 billion?

Mr. Jenkins: The £2 billion is clearly inadequate to deal with that position. The £2 billion is not directed to scientific research, either.

What is happening, as described in the article, is no way to underpin success or to safeguard the future. Can it really be argued that a PSBR of 1 per cent. rather than 1·25 per cent. is a higher priority so clear that it should be achieved at the price of damage to British science? Every leader of scientific research I have recently met—I have met rather a lot in the past few weeks—believe that that is happening under our noses.

Not only, by any stretch of the imagination, is this no Budget for jobs but it is no Budget for the growing number of the deprived in our society. I do not believe in the almost mechanical egalitarianism of the right hon. Member for Sparkbrook, but I believe — *[Interruption.]* I am not sure how much he believes. It is the duty of the state to lean firmly but unvindictively in favour of greater equality—

for the natural forces all lean the other way, and, if left untrammelled, produce results that might shock even the Chancellor's conscience. But, for eight years, the Government have leaned the other way. Two thirds of the tax concessions have been given to the top 20 per cent. The effect has been accentuated by the splurge of City and some other incomes.

The results have been predictable to nearly everyone, except the Government and their more extreme apologists. They argue that if the rich are made rich enough, some wealth will spill over to make the poor less poor. There is no sign of that happening. On the contrary, the gap has widened. The number of those below the poverty line and with little hope of rising above it has grown inexorably. Connected divides become deeper and wider — that between the employed and the unemployed, that between the north and south, and that between those who share prosperity and those to whom it looks like a closed fortress. The Budget, despite its room for manoeuvre, of which the Chancellor is so proud, does nothing to counteract that. It does not grossly exacerbate it, but it pushes it along, extending the existing evil. If I were the Chancellor, I would be deeply apprehensive for the future cohesion of our society under his policies, even if—and it is quite a big "if"—his luck holds.

6.25 pm

Sir Peter Hordern (Horsham): The right hon. Member for Glasgow, Hillhead (Mr. Jenkins) said that he saw no economic justification in tax cuts, but, later in his speech, he said that he was not against tax cuts as such because he would not abolish them if he were in a position to do so.

Mr. Roy Jenkins: I think that the hon. Gentleman has misunderstood my point.

Sir Peter Hordern: I shall give way to the right hon. Gentleman in a moment. I have not finished dealing with his speech. He clearly said—I wrote down his words—that there were no economic justifications for tax cuts, and later he said that he would not consider it necessary to reverse such tax cuts. That is perfectly understandable, but the right hon. Gentleman must be responsible for what he said. He went on to say that if he were Chancellor, he would look forward, if necessary, to some tunnels of darkness in the balance of payments through which it would be necessary to go and that, in practice, it would be necessary to use some of our overseas investments to bolster the position. I am happy to give way to the right hon. Gentleman to explain to the House how he would repatriate the overseas investments that my right hon. Friend the Chancellor yesterday said amounted to £100 billion. How would the right hon. Gentleman seek to repatriate such investments to bolster the balance of payments?

Mr. Roy Jenkins: In exactly the same way as the Chancellor will repatriate them to finance the £2·5 billion deficit this year. It is automatic. Of course, substantial assets are in reserves in the form of drawing rights. I should have thought that it is obvious that there is no problem about that. What is the difference between what I propose and what the Chancellor proposes?

Sir Peter Hordern: I carefully noted what the right hon. Gentleman said. He distinctly said, "repatriating assets."

Mr. Jenkins: I did not say that.

Sir Peter Hordern: I wrote down what the right hon. Gentleman said.

In any case, any deficit is financed automatically by borrowing overseas. That is what the right hon. Gentleman, when he was Chancellor of the Exchequer, and his predecessors consistently did. When he was Chancellor of the Exchequer the Government had to borrow a great deal of money.

Mr. Jenkins: Will the hon. Gentleman give way?

Sir Peter Hordern: I shall not give way to the right hon. Gentleman.

Mr. Jenkins: Surely the hon. Gentleman must give way.

Sir Peter Hordern: I shall not give way to the right hon. Gentleman. He must accept some comments on his speech. He may be chancellor of the university of Oxford, but that does not mean that the rest of us have to listen in total silence.

There was one noticeable absence from the right hon. Gentleman's speech. There was no mention of an incomes policy. The right hon. Gentleman should have mentioned it. It was a prime feature of the alliance parties' policy. Only the other day, he said that it was part of his economic policy. The alliance parties must face up to how they would impose an incomes policy, in the knowledge that all such policies have failed in the past, as the right hon. Gentleman, to his certain experience, knows.

How would the right hon. Gentleman, at the head of such a Government, impose such a policy without the willing support of the trade unions? As he well knows, the Labour party enjoyed the support of trade unions for most of the time in which it was trying to operate an incomes policy, and much good it did it. If the right hon. Gentleman is to say that an incomes policy would work if we were to tax any increases in pay, he and the alliance parties would have to explain to the country how they would inflict such a tax upon nationalised industries when workers get increased wages, and also explain the effect on the fortunes of industries if any such thing were to happen. The right hon. Gentleman is like the last of the Bourbons. He has learnt nothing and he has forgotten nothing while he has been a Member of Parliament.

There has been a decided improvement in our affairs. A few years ago, 365 economists wrote a letter to *The Times* protesting about the policies of my right hon. Friend the Chancellor of the Exchequer.

Mr. Neil Hamilton (Tatton): Now there are four.

Sir Peter Hordern: My hon. Friend says four, but I think that there are five. That demonstrates an enormous swing of professional economists' confidence in the Government's policies. I do not think that there has been such a change since the conversion of St. Paul.

Dr. Oonagh McDonald (Thurrock): Does that mean that the hon. Gentleman is happy to accept the joint forecast of 18 economists that the balance of payments deficit this year will be £5 billion—much bigger than the Chancellor's forecast in the Red Book?

Sir Peter Hordern: I am not and I never have been a great believer in forecasts. All the forecasts that were made in the past as a result of pressure were a great mistake. They may help some people but I do not find that they are very helpful.

Mr. Nicholas Budgen (Wolverhampton, South-West): Let us assume, for the sake of argument, that the deficit would be £5 billion. What serious consequence would that have?

Sir Peter Hordern: My hon. Friend asks a very good question that I shall deal with later.

It is incredible that economists should advise that there should be even more spending than there is at the moment. I do not believe that anybody can suggest that there is inadequate demand or inadequate expenditure at present. My right hon. Friend has now dropped M3, the money measurement, but he would not dream of concealing the fact that credit is now being extended very freely indeed. Debt in the personal sector is now about £202 billion, representing about 80 per cent. of disposable incomes. The savings ratio has decreased and is now down to 10 per cent. It is not just the quantity of credit that has been extended but the speed at which it has been extended that has created a considerable strain on our resources, which can for the most part be met only by production overseas. Therefore it was very prudent of my right hon. Friend to have such a small borrowing requirement, and I congratulate him on it.

The effect of such a small borrowing requirement is bound to have a favourable impact on interest rates. That has already happened. Therefore I congratulate my right hon. Friend further on not increasing mortgate interest relief, though he must have been very tempted to do so. I am sure that he must have been advised by very high sources to push it up. I am glad that he resisted that pressure.

Nobody can say that there is insufficient demand in the economy already. The hon. Member for Thurrock (Dr. McDonald) was right to draw attention to the forecast that the deficit on visible trade this year will be £8 billion. Some economists think that it will probably be higher. To balance the balance of trade deficit one has to take account of a much more permanent factor — the surplus on invisible trade, which is now a permanent feature of the landscape. As recently as 1985, it was £1·5 billion a year. It is now about £3·5 billion. Anybody who looks at the Red Book will see how rapidly invisible earnings are increasing. I think that they are here to stay. Apart from our very substantial invisible earnings, including overseas investments and the continuing stream of investment income, our financial services earnings have increased rapidly in the last few years. It does not help constantly to berate the City of London for its very substantial contribution to our invisible earnings.

The increase in company profits has been most marked during the last few years. Last year, company profits rose by 18 per cent., and this year they are expected to increase by 17 per cent. That has led to a substantial rise in the yield of corporation tax. It is only through the growth of corporate profits that there will be a substantial increase in investment and, ultimately, an increase in jobs. The reduction of corporation tax has had a wholly benign effect. Contrary to what was said earlier, the impact of tax reductions has a marked affect at the margin, by persuading people to work and by providing incentives to people to work.

From this strong base of profits and earnings comes a new stability and an independence that is based on home ownership, share ownership and now pension ownership. That is not before time. Moreover, this movement conforms entirely with the natural trend of social development. Anybody who has looked at "Social Trends" will have noticed that many more women are now at work—a permanent feature that is likely to increase; that many more people are now employed in the service industries; that manufacturing industry is producing more but is employing fewer people. The "Social Trends" survey asked people how they rated themselves. In terms of social class, 24 per cent. of those questioned thought that they were in the middle class, compared with 17 per cent. in the case of their parents. I do not know what that bodes for the natural constituency of the Labour party. That is a matter for the Labour party, but it has to operate on a declining trade union membership, on a declining manufacturing sector and on upward mobility of labour, all of which movements militate against the Labour party.

However, this development poses a question and a responsibility for the Government. Are we sure that we are moving in line with existing social trends? More and more deprived people, many of whom are unemployed, have been left to live in the urban priority areas as the more successful move out to middle and south-east England. In the last 10 years, the population of inner Birmingham has declined by 20 per cent., while the population of inner Manchester has declined by 25 per cent. and that of inner Derby by 20 per cent.

It is neither possible nor right to leave these problems to the local authorities. The Government's initiative in establishing a partnership between Government and private development, such as the docklands development, is wholly beneficial. I congratulate the Government on the action that they have taken. However, a great deal more needs to be done, so rapid have been the industrial changes that have taken place in the past few years.

It is essential to develop the private rented sector. It is intolerable that such divisions of prosperity between one part of the country and another should mean that it is impossible for people to move from one part of the country to another because they cannot find somewhere to live. Nevertheless, the basic question remains: is our present tax structure moving in line with the social trends and advances that we can all see?

An extraordinary change in personal ownership has been brought about by the sale of council houses and by mortgage interest tax relief. There has been an extraordinary increase in the assets that are owned by the pension funds on behalf of future pensioners. However, the cost of these reliefs, despite what my right hon. Friend the Chancellor of the Exchequer has done by reducing rates, is that taxation is levied from far too narrow a base. Therefore the rates are far higher than they should be. In other countries taxation is much lower. For example, the tax paid by a United States millionaire is only marginally higher than the reduced rate that has now been set in this Budget. In Australia, Mr. Hawke has proposed that top income tax rates should be reduced from 60 to 40 per cent. — and that is a Labour Government. All over the continent of Europe tax reductions are taking place that make our own tax rates look very much too high.

My right hon. Friend has proposed that contributions made outside employers' pension schemes should qualify for tax relief. We are moving inexorably towards greater individual discretion over pensions. We are moving away from the paternalistic practice that in the past placed such heavy penalties on people when they moved from one job to another.

In pensions as in mortgage tax relief, where house prices have rocketed, are we not underestimating the natural desire that we all possess, of providing for ourselves and for our families? Even now, with 27 per cent. as the lowest rate, is not that rate an almost insuperable obstacle to those out of work who wish to take a job? Should not that lowest rate at which taxation starts have a greater priority?

I ask the House to reflect upon the impact of high taxation upon a pensioner who has contributed all his life to an occupational pension. It can be a severe shock to find that his earnings and savings are to be taxed at the high rates that now obtain and have done for a long time. It is reasonable to ask how effective the top rate of 60 per cent, is anyway. Tax reliefs are available to taxpayers in that bracket, through enterprise zone investment, the business expansion scheme, the pension fund reliefs, the growing of trees and some classes of gilt-edged securities. Is it not now the case that it is optional how much tax a high taxpayer pays? Is it not much better to recognise the reality for what it is, draw the logical conclusion from it, drop all mortgage tax relief and tax all pension fund contributions and income in exchange for a radical, substantial and permanent reduction in income tax?

I have in mind a figure of about £10,000 million phased in over three to five years, with plenty of notice and publication, a substantial increase in allowances or child benefit, with income tax starting at 15 per cent. and the highest rate of about 30 to 40 per cent. Just such a tax reform — admittedly with more tax reliefs available — came about in the United States as a result of the President's own initiative. It was taken up later by Senator Packwood. The movement throughout Europe and in other countries is towards major tax reform. Incidentally, I should add that the tax reform in the United States was revenue-neutral. It did not demand a reduction in the yield.

There is much prejudice against change in our tax rates. There is the formidable opposition of vested interests—there are strong interests against it. But I believe that it would be of enormous appeal to the country and entirely in line with existing and natural development. It would bring much more work into taxation. It would abolish the poverty trap, and stimulate enterprise and individual responsibility. For too long successive Governments have regarded themselves as nannies, not just protecting the weak but stopping those who can look after themselves crossing the street.

It seems to me that we never go far wrong if we trust the people, and it is time that we did so, and stopped being a burden upon them and steering them into ways that we think are good for them. They can very well manage for themselves—those who are able to—and provided that we may have a strong, flexible safety net always for those who cannot, it is time that we allowed those who can manage their own affairs to do so in the way that suits them best.

6.43 pm

Mr. Sean Hughes (Knowsley, South): I should like to concentrate on the most glaring omission from the Budget and speeches by Conservative Members—the problem of unemployment and the Government's obvious lack of will power to do anything about it.

There has been a great deal of talk in recent months about two nations. When I listen to the speeches by the Chancellor of the Exchequer, the Chief Secretary and Conservative Members, I begin to think that we inhabit two different planets. Listening to the Chancellor's speech yesterday and that of the Chief Secretary today reminded me of a story in the new biography of Anthony Eden by the hon. Member for Cambridge (Mr. Rhodes James) in which he refers to the eccentric behaviour of his subject's father, Sir William Eden. Apparently he had it in his mind that every time he organised a hunt, it rained. One day when it was duly pouring down, the horses and hounds were outside and the would-be hunters were inside. Sir William came into the hall and tapped the barometer, which said, "Set Fair". So he tapped it again and still it said, "Set Fair". So he picked the barometer off the wall, opened the front door and hurled it out of the house, and said, "See for your bloody self."

There are times when those of us who have to listen to Conservative Members dredging their vocabulary for superlatives with which to congratulate themselves, feel like saying something similar to them, not least when the Chancellor intoned yesterday:

"This is a Budget built on success, and a Budget for success." — [*Official Report*, 17 March 1987; Vol. 112, c. 828.]

We should not expect any more because in each and every Budget since 1979 the Chancellor and his predecessor have made precisely that point. Let me recap. In the June 1979 Budget the Chancellor's predecessor said that the Budget would

"win a higher standard of living—for their country and for their families".—[*Official Report*, 12 June 1979; Vol. 968, c. 263.]

In March 1980 the then Chancellor said that the Government strategy was

"the best foundation for higher growth, fuller employment and a return to rising living standards".—[*Official Report*, 26 March 1980; Vol. 981, c. 1451.]

In March 1981 the then Chancellor said that the Budget would

"help redress the balance of the economy in favour of business and industry." — [*Official Report*, 10 March 1981; Vol. 1000, c. 783.]

In 1982 we heard about

"a better prospect of employment opportunities".—[*Official Report*, 9 March 1982, Vol. 19, c. 757.]

In 1983 we had

"a Budget for enterprise". — [*Official Report*, 15 March 1983; Vol. 39, c. 157.]

In 1984 the Chancellor said that there was an economic recovery

"whose underlying strength is now beyond dispute." — [*Official Report*, 13 March 1984; Vol. 56, c. 286.]

The Chancellor intoned that again in 1985, and last year he said that the Budget was

"a safeguard for the present and a springboard for the future."—[*Official Report*, 18 March 1986; Vol. 94, c. 184.]

Yet throughout that period there has been a steady inexorable rise in unemployment. On Monday this week the leader in *The Guardian* commented:

"Mrs. Thatcher needs to butter up less than 40 per cent. of the voters (not much more than 30 per cent. of the electorate) to ensure survival. The poor are always with us, but no longer needed at election time."

For the poor, we can now read poorer regions, and poorer parts of the more prosperous regions. If ever further proof was needed that the Government have written off whole regions, it is in the Budget. There is no sense of urgency, no special provision and no priority for the regions that have been blighted by unemployment.

The Government cannot escape their responsibility. The present Prime Minister has had a single party majority

[Mr. Sean Hughes]

in the House for longer than any Prime Minister since Lord Liverpool 160 years ago. It has been within her power to do something — anything — if she and her Cabinet wanted to.

For eight years the people of my constituency and elsewhere have been told that there was light at the end of the tunnel if only they could make the sacrifice now. Last night the Chancellor spoke of eight years of hard-fought gains. The trouble is that those who have had to do the hard fighting are not the people who apparently are to get the gains.

Let us look at the unemployment figures in my borough. Adult unemployment last September stood at 25 per cent. In September 1984 it was 26·7 per cent. That 1·7 per cent. change represents 1,300 people. But Knowsley is not a fluctuating market. There has been no identifiable influx of new business or industry. The 1·7 per cent. change is due partly to migration out of the borough altogether and partly to the now notorious fiddling of the unemployment statistics.

Even more damning are the statistics for youth unemployment, registered at the careers office in my borough. Let me make one comparison. In 1982 1,371 youngsters were unemployed, 2,390 were on temporary schemes and there were 14 job vacancies. In February this year the figures were almost 1,000 unemployed, more than 2,000 on temporary schemes and 12 vacancies advertised in careers offices. When I checked this morning on the latest figure, the careers officer rang around the careers offices in my borough and I was told that there was a grand total of three job vacancies in a metropolitan borough on offer to youngsters. However, the Chancellor and his right hon. and hon. Friends would refer to the figures of those on temporary schemes as proof that the Government's policies are working.

I attended a conference a year or so ago about those temporary schemes. I will not generalise or dismiss them all. However, I thought that they were summed up admirably by the apparently sane individual who informed us that they had noted 25 identifiable skills on the "pick and mix" sweet counter at Woolworth. If the Government think that youngsters are going to be taken in by such schemes, they seriously underestimate the intelligence and the potential for anger of our young people.

I have one basic question to ask. When will the unemployed in my constituency of Knowsley, South, see the benefit of eight years of Conservative Government? I am not in favour of higher direct taxation as something good in itself. However, I wish that Conservative Members would spare us the nonsense that cuts in direct taxation will increase employment prospects in areas such as mine.

Since 1979, the Government have cut the standard rate of income tax from 33 per cent. to 30 per cent. to 29 per cent. to 27 per cent. There has been a fall in the rate of inflation and in base interest rates. When shall we have a comparable real fall in unemployment? Of course Conservative Members may say that I should take other factors into consideration. As far as I can see, the basis of Government logic is that low direct taxation will provide the incentives for people to invest. However, they are patently not investing in my borough. Who will invest? If the private sector with an ever decreasing tax burden will not invest, perhaps the Government will accept their responsibility. However, the Government do not believe in their role. It is difficult therefore to follow their logic. No wonder the Leader of the House did not want to be classed as a Tory intellectual.

The Chancellor has demonstrated his concern for the morale of the well-off, the morale of the highly-paid in our society. He and his Government have patently failed to show any such concern for the morale of the low paid or the unemployed. Whatever kind of short-term electoral advantage they may see in this Budget, I believe that such divisive policies will earn for them the odium of history.

6.53 pm

Mr. John Butterfill (Bournemouth, West): I begin by referring to something in the Budget which has not previously been referred to either by my right hon. Friend the Chancellor or by my right hon. Friend the Chief Secretary to the Treasury. In fact, it is to be found buried in the annexe to chapter 4 of the Red Book, item No. 53:

"The gross margins earned by tour operators on sales of tours within the European Community will be brought within the scope of VAT with effect from 1 April 1988."

That will be very welcome in my constituency of Bournemouth and will be welcomed by hotel operators throughout the United Kingdom. For many years they have been making representations to me and other hon. Members interested in tourism to the effect that the competition that they face from certain overseas destinations which were not subject to VAT on package deals — for example, to Benidorm — was unreasonable. This measure will go some way towards redressing the balance.

However, before people get too enthusiastic about the measure, it will mean that package deals marketed within the United Kingdom and to the United Kingdom will also be subject to VAT within the European Community. It will not be completely one-way traffic. Nevertheless, on behalf of my constituents and other hotel operators, I welcome the measure.

I also welcome the changes and reforms that my right hon. Friend has made in corporation tax and the business expansion scheme. I was happy to see that they received a welcome from the Leader of the Opposition yesterday. The most important point about the reforms is the degree to which they lead towards encouraging further investment in a number of ways — for example, in training. No longer will there be a tax penalty for the provision of training by an employer whose employee will shortly be leaving him. Nor will there be a penalty on the employee.

There is also a very welcome improvement in the position for oil companies and that will be particularly welcomed in Scotland. It will also be welcomed in my constituency and in Dorset, which is becoming a major oil producer. We regard the advent of the oil industry as something of a mixed blessing. However, we are prepared to do our bit for the benefit of the nation as a whole.

Another area which I think will be particularly welcome for the provision of employment is the relief given to small businesses through the changes in VAT. Cash accounting has long been dear to the hearts of those who operate small businesses. They have felt for too long that they have been the victims of late payers and usually the late payers are larger companies. They have also been victims of the non-payers. At long last they will have some relief from their difficulties, and that will be extremely welcome. The reforms made by my right hon. Friend the Chancellor with

regard to a number of tax loopholes that are particularly relevant to international transactions and banks will also be welcomed and the revenue that they produce will be by no means insignificant.

One of my right hon. Friend's most important achievements concerns personal pensions. We all know that pension rights are dear to the entire population. However, they have been denied to many in the past because either people could not achieve those rights or they were tied to a particular scheme which might not have suited them. The changes that have been made will free them from those constraints and go a considerable way towards encouraging the mobility of labour. For those reasons, I welcome those changes along with the changes in inheritance tax which will be of great benefit to small businesses in particular.

My right hon. Friend the Chancellor has made a number of changes in the taxes on spending, in particular in VAT. Many hon. Members have welcomed the changes that have taken place with regard to welfare organisations and the provision of drugs for research and hospices. However, one particular aspect disappoints me. It would appear that the medical reliefs will not extend to those who provide veterinary services as charities. I am particularly concerned about the People's Dispensary for Sick Animals which does great work throughout the country and brings much relief to sick animals and animals in pain.

It would seem that, unless the word "medical" is to be interpreted to include the term "veterinary", such charities will not be included. I am sure that my right hon. Friend would not wish to create a situation in which a drug administered to an animal for research purposes was exempt from tax but a drug administered to an animal for the purpose of relieving pain or saving life was taxed. That does not seem a morally tenable position and I hope that my right hon. Friend will be able to remedy it.

I have mentioned the benefits that will accrue to tourism. The decision not to raise excise duty will also be of considerable benefit to that industry and will be widely welcomed. I am grateful to my right hon. Friend for that.

The Opposition have made much of the tax cuts being primarily intended to benefit the better-off, but they may care to ponder why the only group in British society who will not benefit from indexation of thresholds will be those paying higher rates of tax. As those thresholds have not been increased, higher rate taxpayers uniquely have been singled out for punitive treatment. Not enough has been made of that in the debate so far, but it is an important illustration of my right hon. Friend's thinking on the subject.

In my constituency there are more citizens over the age of 80 and even 85 than almost anywhere else in the country. The additional relief to people over the age of 80 will therefore be more welcome there than in many other places, although I know that it will be widely welcomed throughout the country. Advances in modern medicine mean that people live much longer than they did hitherto, so those benefits may be more widely felt than one might expect. The House will know that I have personally campaigned for the blind for a long time, so it was a particular pleasure for me to learn of the very substantial increase in the blind person's allowance.

The Opposition have made much of the fact that unemployment is unacceptably high. We all agree that it is unacceptably high and that we must do all that we can to reduce it. I am sure that that is common ground. The Opposition, however, sometimes exaggerate the situation by overlooking the facts relating to people who are in employment. It may be helpful if I provide some figures.

In 1974, the number of people in employment was 24,971,000. By 1979, the figure had risen modestly to just over 25 million. In 1986, the figure was 24,712,000, hardly any different at all from the 1974 figure and only 684,000 below the figure for 1979—and that after one of the worst recessions that the Western world had known. It is a great credit to the Government that in the past few years they have been able to create an unprecedented number of additional jobs. The increase since 1983 has been 940,000, and it is growing all the time. The difference lies in the enormous increase in the working population. Between 1976 and 1986 the working population of this country increased by about 2 million, so the number of jobs would have had to be increased by 200,000 per year merely to stand still.

It is also worth considering our record on inflation. The statistics are published by the Central Statistical Office and are available in the Library. Between February 1974 and May 1979, under the Labour Government, the average rate of inflation was 15·4 per cent., reaching a peak of South American proportions at more than 26 per cent. in 1975. When the Conservatives came to power, inflation fell to an average of 11·3 per cent. between May 1979 and June 1983; between June 1983 and January 1987 it was only 4·7 per cent.; and by January this year it had fallen to 3·9 per cent. Moreover, as my right hon. Friend the Chancellor has said, we expect it to be only 4 per cent. at the end of this year. That is an extraordinary achievement in a very short time despite very difficult conditions, slumps in oil prices and general uncertainty in world markets. Insufficient credit is given to the Government for that achievement.

The Opposition also seek to pretend that people are no better off than they were under the Labour Government. Average male earnings in 1979 were £101·40 per week. In 1986, they had more than doubled to £207·50. The Opposition also claim that we are not doing well in terms of GDP and output, but analysis of the facts does not bear that out. Taking the figures at 1980 factor costs to eliminate the effect of inflation, GDP in 1978 was 99·7. By the end of 1986 it had increased to 113—an increase of 14 per cent. in real terms, not a diminution as the Opposition allege. Industrial output increased by 2·5 per cent. in 1986 and the OECD forecast — not the Government forecast—is that it will be 2·75 per cent. in the current year. That is the highest in the Western world, as my right hon. Friend has said, and has been so throughout the 1980s.

The Opposition may claim that that improvement has been at the expense of capital investment in industry, which they allege has diminished. Again, the facts do not bear out their claim. At constant 1980 prices, capital investment totalled £42·7 billion in 1978. By 1985, the last year for which we have figures, it was £46·3 billion—again, a substantial real increase over the period. The Opposition say that there is no investment in industry, but that is not true. Investment in plant and machinery alone — surely the most important elements in industrial investment—has shown a dramatic increase from £13·9 billion in 1978 to £17·4 billion in 1985, again at constant 1980 prices. That is a very significant increase.

The Opposition said—they are changing their tune now—that it was wrong to abolish exchange control,

[Mr. John Butterfill]

that it would cause a flight from the pound, which would then plummet. In reality, for the three years following abolition, the pound was at all-time record highs—hon. Members will recall the time when we were getting more than $2·40 to the pound—so another Opposition myth has been blown away by reality. The Opposition also said that there would be no investment in Britain, but the effect on foreign investment in Britain is clear from the official statistics. In 1978, overseas investment in this country was £1·823 billion. By 1985, it had increased to £10·435 billion, an increase in overseas investment of 527 per cent., and it shows the confidence that overseas investors feel in this country, even if the Labour party feels no such confidence.

Exports were up 6 per cent. in the last quarter. In 1979, they were £40·6 billion. By 1986, the exports that Opposition Members said today did not exist, or had disappeared, had increased to £72·6 billion. The invisible balance during that period also rose from £2·7 billion to £8·5 billion, a substantial and worthwhile increase.

Dr. McDonald: The hon. Gentleman has a litany of statistics, and it would take us too much time to go through them one by one, but let us take the last two that he gave. The hon. Gentleman should admit that the United Kingdom share of world exports in manufactured goods fell from 9 per cent. in 1979 to 7·1 per cent. in 1985, the last year for which full statistics are available. In nine months out of 12 last year there was not a surplus but a growing deficit on invisible earnings that continued during the last eight months of last year.

We could go through every one of the statistics that the hon. Gentleman has chosen, but I note that in most cases he was careful to pick 1980 as the base year, as it gave a more favourable view of the Government's performance. If he had been honest enough to take 1979, when the Conservative Government first took office, as the base year, the picture would be very different.

Mr. Butterfill: As usual, the hon. Lady has been very selective in her choice. The base year of 1980 was chosen not by me but by that well-known pro-Tory-biased organisation the House of Commons Library. The statistics that I quoted were from a research paper prepared by members of the House of Commons Library economic research staff. They chose the year 1980; I did not do so. Presumably they chose it because they thought that it was the most representative year, and not one that would pander to the biases of either the Conservative party or the hon. Lady.

The hon. Lady has confined her remarks to the relative levels of exports of manufactured goods. We may see a relative decline in manufactured goods; indeed, I should be rather worried if we did not. The developing countries are constantly developing their own capacity to manufacture certain goods that we have traditionally manufactured.

It is incumbent on us, therefore, to move into the sphere of higher added value, higher technology and the sale of knowhow that is wonderfully exemplified by a company in my constituency called Davy McKee. It used to be the United Kingdom's largest producer of aluminium, rolled steel and steel tubing. It recognised, however, that those products were being developed by Third-world countries for themselves. All over the world countries were investing in their own capacity to produce aluminium sheet and steel tubes. Davy McKee realised, perhaps before many other companies, that if it continued to depend entirely on manufacturing here and exporting to those countries it would be out of business pretty quickly. It therefore chose to sell its know-how.

Davy McKee has built up one of the most successful companies in the world — in fact, it is the world's leading company—advising on the establishment of such manufacturing enterprises, setting them up, doing a complete turnkey package deal with the countries concerned, and then staffing them and providing training in the initial period. It has won orders from Korea, from the People's Republic of China and in the United States. That is an example of the sale of know-how. It did not appear in the hon. Lady's statistics for pure manufactured goods, but it appears on the British balance of payments. It is an ongoing enterprise with a great future, unlike the industries that the hon. Lady would like to prop up. Those industries are dying, and there is very little that we can do about it. That is why it is important that we do not concentrate parrot-fashion, as the Labour party always chooses to do, on the statistics for exports of manufactured goods. We must look at the overall trade patterns, because that is what counts at the end of the day.

The hon. Lady said that we were not doing very well with exports. I refer her again to the statistics, allowing for inflation at the constant 1980 figures that the Library chose to adopt as a fair comparison. In 1979, the figure was 99·1; in 1980 it was 100; and in 1986 it topped 122·9. That is a real increase in exports of 24 per cent. during the lifetime of this Government, something that the Opposition fail to recognise in their obsession with the claim that our industrial, manufacturing and export bases are disappearing all the time.

Let us look at the record on interest rates. London base rates are a fair example. In 1979, interest rates under the last Labour Government were 13·68 per cent. By last year they had fallen to 10·9 per cent., and today they are 10 per cent. and falling. They are expected to go into single figures within weeks, if not days. Does any of us imagine that that would have happened under a Labour, or even an alliance, Government? Of course not. We all know that we should have seen a return to the "spend, spend, spend" policy—spending other people's money—and the hyper-inflation that we have always known derives from those extravagant spending policies. Goodness knows, the hon. Member for Oldham, West (Mr. Meacher) will provide a few more of those before we are finished.

We now have a prudent Government who recognise that we have to live within our means, and that we can afford what we would all like to have only if we can earn it. That is why the figures for the public sector borrowing requirement are so important. We have been able to reduce the absolute level of the PSBR, which has come down from £9·25 billion in 1978-79 to last year's figure of £5·75 billion, and this year to only £4 billion, a level at which it is expected to remain.

What is more important is the borrowing requirement as a percentage of our gross domestic product. In the final year of the Labour Government it was 5·4 per cent. of GDP, last year it was 1·6 per cent., and this year it is only 1 per cent. That shows the degree to which we are nationally overdrawn in relation to what we earn, which must be understood by the people of this country. They

will know that at the end of the day no one can spend more than he earns. That is the Government's message—that we are now living within our means.

Mr. Richard Caborn (Sheffield, Central): What a load of rubbish.

Mr. Butterfill: Of course, the hon. Gentleman is entitled to his opinion. The Labour party has never believed in living within its means, but the Government believe in the simple principles of good housekeeping which everyone outside the House understands.

We know that there is economic illiteracy among Opposition Members and that they are dismayed at the success of the Government's policies. That is why we had such a pathetic performance from the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) earlier. He was rather below par and could not resist including cheap jibes about dead sheep. Such cheap jibes deserve comments about being savaged by Miss Piggy. However, Miss Piggy is probably a little more eloquent than the right hon. Member for Sparkbrook, and a good deal more economically literate.

7.20 pm

Mr. Willie W. Hamilton (Fife, Central): I shall comment in due course on some of the points made by the hon. Member for Bournemouth, West (Mr. Butterfill). However, I should like to comment especially on the speech made by the Chief Secretary to the Treasury this afternoon. I am sorry that he is not in his place. He is guilty of tedious repetition. He went on like a parrot about the cost of the programmes that might be introduced by a future Labour Government.

He talked about the wonderful hat trick that the Government have won. He talked about the £4·7 billion increase in public expenditure on housing, health and schools; the £3 billion to reduce the public sector borrowing requirement; and the £2·6 billion cut in taxes. That £4·7 billion increase in public expenditure was a U-turn in which the Government engaged last autumn. In any case, there is a £23 billion backlog of local authority housing repairs and a £27·5 billion backlog of private sector housing repairs. In addition to those mammoth figures, the Audit Commission estimates a £500 million backlog of school repairs. In that context, the Government's boast about public expenditure increases is peanuts compared to the problems that we see all over the country.

Having boasted about that expenditure, the Chief Secretary tried to scare the living daylights out of people by remarking on what might happen if there was a Labour Government. He said that there would be a huge increase in taxes and a massive increase in inflation. The only thing that he missed out was the threat made by Winston Churchill in 1945 that if there was a Labour Government there would be a Gestapo, a secret police, and democracy would go out of the window. I warn the Government that they should look at what happened to Winston Churchill. He said those things in 1945 about colleagues who had worked with him in the coalition Government to defeat Hitler and all that he stood for in that world war. Churchill got his rewards for making that sort of absurd exaggeration about a Labour Government and I suspect that this Government will get theirs also.

When the Chancellor appeared on television last night, he was as smooth as a second-rate, second-hand car salesman. He sought to prove and convince the British people that there was success all around them as a direct consequence of the consistent policies that the Government have pursued since 1979. His performance last night, like his performance yesterday in the House when he presented the Budget, was a massive con trick and a cruel deception of our people, bolstered by carefully selective statistics. My right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) referred to some of those earlier. On one occasion the Chancellor omitted all reference to what happened between 1979 and 1983. He started his statistics in 1983 to mask the brutal realities of our economic position, at least until the election is over.

What are the realities to the people outside? They know, and we all know, that we have greater unemployment than we have ever had in the entire history of this nation, including during the 1930s. That is the biggest social scandal in living memory. There has been massive and continuous unemployment since 1979, when the Government came into office with complete power to do exactly as they liked. We have over 2 million more people on the dole. That means an enormous waste of human resources, an enormous loss of dignity to those who are on the dole, and social and family tensions.

It was interesting and ironic that almost immediately after the Chancellor had made those boasts last night, there was a programme about an unemployed family in Peterlee, which is a new town in Durham. It is a pity that that series is shown so late at night. It showed a decent, respectable family that is torn apart by the policies that are pursued by the Government. Their only contribution towards a solution for that problem is a multitude of fiddles of the official statistics and various training schemes which do little more than tinker with the basic, underlying problem. The total cost to the nation of this social problem is about £20 billion a year.

In that programme about Peterlee last night, the family suggested that, as a result of unemployment, employers are taking advantage by offering low wages. The family had been offered a job in Trimdon, some miles away, to which they had to pay their own fares. By the time that they had done so, they would have received less than the social security benefit. Under the Government's proposals, if a claimant does not take such a job, he will lose benefit. Therefore, we are seeing a gross exploitation of that situation by unscrupulous employers, who know full well that that family does not have any realistic choice but to take those jobs on starvation wages.

The hon. Member for Bournemouth, West quoted a number of figures and I shall do the same. In 1980, which was the year he took so I shall take it too, we sold abroad £5·5 billion-worth of goods more than we imported. We depend more than somewhat on our trade with other countries. In other words, we had a balance of payments surplus. In 1983, again for the first time in our entire history, that had been turned into a deficit. By 1985, our share of world manufacturing exports had plummeted from 9·1 per cent. to 7·9 per cent., as my hon. Friend the Member for Thurrock (Dr. McDonald) has reminded the hon. Gentleman. That represents a fall of one eighth in our manufactured goods. About 2 million jobs have been lost in our manufacturing industry since 1979. Under no circumstances can that rake's progress be defined as success.

[Mr. Willie W. Hamilton]

The so-called progress has been intensified by selling what the former Lord Stockton described as the family silver — British Gas, British Telecom and Cable and Wireless, with others to follow. The Government garnered about £8,000 million from the sale of those national assets. Every Opposition Member was a shareholder in those industries and we all shared the profits of a highly efficient gas industry. But now the industries are in the hands of relatively few shareholders, if those shareholders have not already sold their shares to make a quick buck or two. They were interested, not in British Gas or British Telecom, but in making a quick profit for themselves.

In addition, the Government had a windfall in the VAT bonanza arising directly from the consumer credit boom which the Government instigated. When the Chancellor discovered that he had about £6 billion to dispose of in his Budget he had to decide how to disburse it, how to pacify the City and his Back Benchers and how to ensure that the Prime Minister would win a third successive election victory. I give him full credit for his shrewd calculation, but the way in which he presented his Budget was uninspiring. He seems to have pacified financial institutions in the City with his £3 billion reduction in the PSBR. He seemed to bribe the electorate, but not too blatantly — he had to maintain a little credibility for himself. He has reduced income tax and other taxes at a cost of between £2 billion and £3 billion. The total cost is about £6 billion.

If we in the Labour party had had that £6 billion, it would have given us almost exactly the cost of our programme to create nearly 1 million new jobs in two years. That is the choice. No objective observer would dare or care to pretend that the way the Chancellor has decided to spend that £6 billion will create anything more than perhaps 100,000 jobs, and that is probably an over-estimate. I challenge the Chief Secretary or any hon. Member on the Treasury Bench to deny those figures. Our programme has been properly costed by independent observers and we are certain that we can provide 1 million new jobs in two years with £6 billion. Those jobs would be created not least in the infrastructure. I gave figures for the type of exercise that we would engage in on housing, building, education and the infrastructure generally, which includes roads, transport, hospitals and so on.

In the past few days the Prime Minister has boasted in her interview with *The London Evening Standard* about her great record on education, but let us examine some of the evidence on that. Almost every day every hon. Member receives representations from all sections of the educational community, from nursery schools, through primary schools to secondary schools and especially from universities, complaining about the lack of resources and investment in our future. After all, education is investment in human resources and in our future ability to hold our own in a competitive world. Virtually all the evidence points to the disastrous circumstances at present facing our educational system from the bottom to the top. The report by Her Majesty's inspectors entitled "Effects of Local Authority Expenditure Policies on Education Provision in England—1984" was published on 23 May 1985 and states:

"In 1984/85, 11 (out of 96) LEAs"—

I stress that it was only 11 of the 96 authorities in England and Wales—

"were considered satisfactory or better in relation to all the major aspects of their provision for schools.

It seems unlikely that present levels (of provision) will be sufficient to enable schools to respond successfully to the national and local calls for improvements in pupils' achievements and in the curriculum."

I am the prospective parliamentary candidate for South Hams in Devon and I am receiving a constant stream of letters from people in that constituency because they are not satisfied with the service they are receiving from their present Member of Parliament. Yesterday I had a letter from the chairman of the Parents Action Group in south Brent about its primary school. I was told that the school was designed 110 years ago; that the children and staff must put on their overcoats to go to the outside toilets, and that not long ago a large piece of plaster fell from a classroom ceiling and that if the children had been there at the time, someone might easily have been killed.

The letter talks about rotten window frames and mould growing on the walls. It describes how there is not a single place big enough to hold an assembly of all the children and how there is no space big enough to provide physical education for just one class. That is the Chancellor's hallmark of success. That is not an isolated example, but could be multiplied a thousand times throughout the country. Moreover, the same applies to our hospitals and housing. Every hon. Member knows that that is true.

My hon. Friend the Member for Liverpool, Walton (Mr. Heffer), who is present, is a building trade worker. We know that 500,000 building trade workers are unemployed and that we have a massive backlog of building work waiting to be done on new houses and on repairing the old. The Government have said that they will spend £4·7 billion extra on housing, education, and all the rest put together. But the figures show that we ought to spend hundreds of millions of pounds on each of these services.

I suppose that it was the ultimate expression of the success of this Government when, just a week or two ago, they announced that prescription charges were to be put up another 20p, so that they are now 11 times higher than they were when the Labour Government went out. That is a measure of their success; that is a measure of their priorities. We believe that the supreme priority of any civilised Government in this country today must be to get those 3 or 4 million people back to work to create the wealth on which these services so much depend. We believe that we are the people to do it, that we have the policies on jobs and on the creation of wealth by the people who are now cooling their heels at great cost to the taxpayer and to their dignity and feeling of independence. We are very happy to be fighting this election on that issue primarily although not exclusively.

I have represented an area in Fife for a large number of years and it has never been in a worse state than it is in at the moment. I doubt whether, of the 70-odd parliamentary seats in Scotland today, the Tories will get more than a dozen; in fact, I doubt whether they will get a dozen, because Scotland knows where its true interests lie. I hope that parts of England will increasingly begin to realise this. We sometimes talk, rather mistakenly, I think, about the north-south division. It is not as clear as that. The peripheral areas of the country, by which I mean Scotland, the north-east, the north-west, the south-west and Wales, are the deprived areas, because there is as much poverty and deprivation of one kind or another in Cornwall and Devon and that part of England as there is

in the north-east and Scotland. There is deprivation in housing and education, deprivation in terms of job opportunities, and so on.

As the right hon. Gentleman the Member for Henley (Mr. Heseltine), the former Secretary of State for Defence, says in his new book, unless the Government are prepared to intervene more actively in the solution of those problems, they will get worse rather than better.

The challenge is there and we in the Labour party are prepared to meet it.

7.42 pm

Mr. James Hill (Southampton, Test): I shall not try to compete with the big guns we have heard this afternoon because, obviously, more and more statistics will just bewilder those attentive to this debate. I shall approach this subject as a constituency Member.

I am amazed that some Opposition Members cannot see that certain proposals in this Budget will create jobs. Jobs, after all, are what we have been told are needed. Thinking of it particularly from the point of view of my area, the concession to the North sea oil companies, whereby they can offset 10 per cent. of the costs of developing new fields against petrol revenue tax and can get tax relief for research into oil extraction, is a very interesting proposal. I say this because, although it is North sea oil that is mentioned, there is south sea oil as well. Off the Isle of Wight, BP and others have been exploring for some years. It is a very costly operation and I believe that they have found some gas and have capped some of the wells.

Some companies — Enterprise Oil, Britoil, Wood Mackenzie and others — might now think that the exploration of the coast around Southampton could go ahead. I feel certain that the sinking of wells on the mainland has been very profitable. I know that it is a very much more expensive operation to extract from south of the Isle of Wight, with all the problems of the severe weather there, and this could create some job opportunity.

We have heard one or two not very generous remarks from the Opposition about the fact that the Treasury has used some of the funds that have been raised by privatisation. One can only judge privatisation by the companies that one knows in one's own area. My personal gratitude to the Government for privatising Associated British Ports is overwhelming, because it has made a great success of the port of Southampton. The labour force has become co-operative again. From a year of no work at all in 1981 we are suddenly seeing many ships in the port. The container port is thriving under ABP and the leisure side of the port is being developed. If my colleagues in the House come to Southampton during a weekend to go over ocean village, which is a wonderful marina, plus shopping parade, restaurants and so on, they will see that privatisation does not destroy jobs, as is the Opposition's common formula, but can create many jobs.

Privatisation, of course, has been instrumental in enabling the Treasury to do more than usual. The Government are expecting in 1987-88 another £5 billion from privatisation, and I for one am grateful that this new impetus is being given to some of the institutions that were moribund and overmanned and had lost direction and the commercial cutting edge that is so necessary.

When I was looking at the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) today, I wondered whether his suit was made in Hong Kong, whether he drives a British car — I am sure he does — whether his video is English or Dutch and whether he has supported the workers of the United Kingdom in the way that they should be supported. We have dropped so easily into the habit now of buying foreign. One of the great fears expressed by the Opposition is that the 2p reduction in the standard rate will be extra money in the pockets of those who receive it and that they will automatically buy foreign goods, thus creating a balance-of-payments problem which they say could be very severe by the end of the year.

There is nothing wrong with every Labour Member, every alliance Member, and, of course, all Conservatives saying that one should buy British wherever and whenever possible. That is a practice that should be extended. I try to follow it myself, but one is bound to fail because sometimes the industries that should be there are no longer there, or have not taken the commercial opportunities to compete in the television, video, motor car and other industries.

Who is to blame us? The country has gone through an evolution. It cannot be said that it is terrible that a certain Government made 3 million unemployed; we must realise why there are 3 million unemployed. In my area, in the north-east and in the north-west, shipbuilding, ship repairing, heavy engineering and other such trades were changing overnight, perhaps because world markets were not available. Some of those companies turned to high technology, robotics or whatever. Employees were laid off and many plants were closed. If we are to support British manufacturing, we should tell people to buy British whenever possible.

In Southampton we have very little industry but many small businesses. We do not have massive steelworks, coal mines or such industries. Because we have so many small business men, when I go back to the constituency this weekend I shall be grateful for the Budget. It has been iniquitous that a person who has not yet received payment should have to pay VAT on it to the Government. I am grateful to the Chancellor that companies with a turnover of less than £250,000 will not be answerable for bad debts on VAT and that they will not be asked to pay VAT until they have received payment from their customers.

I welcome the proposal that VAT accounting should be done only once a year. Many small business men have complained to me about the enormous paperwork and which they want to cut down. If they can make their VAT returns once a year, it will be much simpler. Therefore, there is a great deal in the Budget for the small business man.

Like other hon. Members, I have been lobbied about the blind person's allowance. I am grateful that the allowance for the single blind will be raised by £180 to £540 per annum and for couples by £360 to £1,080. No one can carp at that.

We are all trying to be environmentally pure these days, so we welcome the Government's reduction of 5p a gallon on unleaded petrol. However, people should be warned not to buy unleaded petrol unless their cars have been adapted for it. Suppliers will have great difficulty keeping up with demand. No doubt the Treasury will have alerted them and it will give all possible aid to oil companies to provide unleaded petrol.

I have heard attacks on the proposal on inheritance tax. I cannot imagine why any hon. Member would wish to attack a concession which raises the inheritance tax threshold from £71,000 to £90,000. That will be a relief to

[Mr. James Hill]

the people who will inherit the money. Today £90,000 is not a great sum. If a house is involved, as well as the furniture and one or two other items, one is up to £90,000 almost immediately. Of course, if a person has no possessions it does not matter to him whether inheritance tax starts at £71,000 or £90,000. On behalf of my constituents, I thank the Chancellor for the fact that they can inherit another £19,000 without having to pay tax.

Some people seem to think that, because there are 3 million unemployed, there are 3 million ready and eager to work. However, many of them are untrained or need retraining because they have been trained in old skills. I am pleased that tax relief will be given for training. That is one answer to the problem. Any tax relief given to assist training must be good for the country and for employment.

We must welcome the Budget. When my local newspaper telephoned to ask me for my immediate impression, being as honest as all Conservative Members and many other hon. Members are, I said that I was happy. The Treasury team has not gone deliberately out of its way to give succour to people in order to buy votes. The Treasury has put forward a balanced Budget. It will get the borrowing rate down, which will be good for businesses which have to approach bank managers for money. The less we borrow, the more prosperous we will be in the long run. The message for all of us is that we must go for growth. I think that the Treasury team has that fully in mind.

I have perhaps one little carp. No doubt the Minister of State will be able to deal with it. I am among the Members who signed early-day motion 762. We are worried about the effect of VAT on free ports. We were told that a massive VAT review was taking place. Of course, we have heard a lot about it in the last two days. In his reply, or perhaps in a letter, my hon. Friend may be able to reveal whether the VAT review has made it possible for people trading within a free port not to have to go through the nonsense of preparing VAT forms or paying each other certain amounts to keep within the law.

The hon. Member for Liverpool, Walton (Mr. Heffer) will know that the free port at Liverpool is not doing well. I believe that development at Belfast has stopped completely. Prestwick is not going ahead because of this problem. Cardiff is starting with a lot of help, but unless the fiscal side is right it will not make progress. Birmingham, which is supported by Prudential insurance money, is going ahead. It is difficult to explain to people that a free port does not mean precisely what it says. No doubt the Treasury team is working on that.

We should not rush into another Budget in the autumn, although there is provision for that. Perhaps an autumn Budget would be one way of giving more assistance to areas that have been spoken about in the debate. Unless the Treasury team knows differently, I cannot see how we can delay a general election too long. It might be possible to go to the country after an autumn Budget, but I do not think we could wait much longer. If we go in June, the full benefits of this Budget will not be apparent. When we are canvassing we will have to make sure that the people on the doorsteps know what is in the Budget and realise how helpful it will be in bringing down interest rates which will in turn bring down mortgage rates. That will save pounds and pounds for the 63 per cent. of the people who are home owners.

The people are sensible. If we get the message right, they will realise that we are trying not to buy their votes but to get the country on course and booming for the next decade. Then the Treasury team will be proud of yesterday's Budget.

Several hon. Members *rose*——

Mr. Deputy Speaker (Mr. Harold Walker): I can see seven hon. Members trying to catch my eye. Unless speeches are shorter, some of them will be disappointed.

8 pm

Mr. Terry Fields (Liverpool, Broadgreen): If ever there was a case of the morning after the night before, it is today, both here and around the country. Although the champagne bubbles may still be rising in the City and among the country's ruling class — even among the companies run by some Conservative Members — we must contrast them with the flat beer of ordinary, decent working people in my constituency.

Travelling home last night and coming to work this morning on the buses, I talked to bus drivers, conductors and ordinary, decent people about the implications of the Budget. Their analysis is that the Budget has left them cold. They know that it is an election gimmick and that the Government are attempting to throw dust in the eyes of ordinary working people to confuse them with largesse and make them believe that the country has resolved all its problems.

The reality has been exposed by the euphoria in the bosses' press this morning, which showed clearly that the bosses and the press are extolling the virtues of the Chancellor and the Treasury. However, there is little or nothing in the Budget for working people.

The people whom I represent pose the question, "What will the Budget do for the people of Liverpool?" What will it do for pensioners, for students in higher education who are desperate for decent grants to educate themselves for the future? What will it do for the hospital services, the disabled and the homeless? The answer is, "Little or nothing."

In Broadgreen, 8,550 people are unemployed. The January figure for Liverpool as a whole was 55,683—all decent people who are willing and able to work and who have been deprived of that right. On offer for our people is the Government's much-vaunted restart scheme, which is their major initiative for tackling unemployment—yet the entire programme contains not a single element of job creation. A pilot test of nine British towns shows that out of 28,175 people interviewed, only 295 were placed in proper employment—a total of 1 per cent.

Nationally, the figure is even lower; it is down to 0·8 per cent. Worst of all is the position on Merseyside. The halfway figures showed that out of 38,771 people interviewed, only 238 were placed in jobs—a tiny 0·6 per cent., or six in every thousand.

On average, the Government have spent on Merseyside £170,000 on bogus schemes to take people out of the dole queues, to massage the figures and to leave those people high and dry without benefit as a result of the crisis in the system.

What will the budget do about the hospital closures in my area? Figures from the Department of Health and

Social Security show that between 1979 and 1985 the Mersey regional health authority suffered a 16 per cent. cut in the number of hospital beds, a loss of 3,815. Further analysis of the figures showed that the Mersey regional health authority had lost 20 per cent. of its obstetric and gynaecological beds, 17 per cent. of its general and surgery beds and 16 per cent. of its general medical beds.

Those figures, horrific as they are for those desperate for treatment, give the lie to the Government's claims that the National Health Service is safe with them. No wonder that people are dying while waiting for treatment, when fewer beds than ever before are available. That is clear proof from the horse's' mouth that hospital provision has been deteriorating ever since the Tories came to power, and it contradicts the Government's pre-election propaganda campaign.

Statistics about beds are meaningless at the sharp end. What will the Government do about those whom I represent? On Sunday night I spoke to a man in his sixties who I thought had been ignoring me for 12 months. People might say that he should have been ignoring me, but he had not been.

That man has been virtually blind with cataracts for the past 12 months. Recently, he went to the hospital to implore the doctors for treatment. They told him that if he came back in the middle or at the end of 1988 they would deal with his problem. In desperation, his family considered going private—so, for a fee of £50 for a five-minute interview with a specialist, he was told that he could be done on the following day. That specialist was probably trained by the National Health Service. He said that my friend could come back the following week, but that it would cost him—£1,500 for one eye, and £3,000 for both eyes. In addition, he would be charged £20 a day or £120 a week for in-patient care.

What shall we tell people in Liverpool and other places who are deprived of hospital treatment: that yesterday's Budget will enhance their life styles? We should not just wring our hands about the problems facing working people. We should explain to them not only why the situation has developed but, more importantly, how to resolve their problems — the problems of ordinary, decent people, not those of Conservative Members.

The Government engineered this Budget payola in three ways. Oil revenues have partially revived recently, with prices temporarily rising from $15 to $18 a barrel. There has been a boom in consumer spending, with people buying imports, as has been mentioned in the debate. That has been financed by credit, by loans and, in some instances, by bogus mortgages. VAT receipts have rocketed by 10 per cent. during the past year and company profits have continued to rise, mainly in the service industries and the finance sector. That has enabled the Government to raise extra revenue from the profits tax, which is up by 5 per cent.

Workers' incomes have risen by an average of 6 per cent. during the past year, but the Chancellor's receipts have increased by an extra 10·5 per cent., more than compensating for the 4 per cent. increase in spending that the Government gave out by way of more bribes last November. The Chancellor, having made the taxpayer pay £4 billion more than expected, thinks that he will kid the nation into believing that the Government, despite its disgraceful record in the areas that I have catalogued, is generously handing the money back in the form of tax cuts. The reality is that the Chancellor is trying to bribe us with our own money.

Before the Budget, hardly anyone supported the idea that the Chancellor should cut taxes. The CBI and the Right-wing London Business School economists said that it would be better to spend the entire revenue on subsidies to industry, improved transport facilities, sewers and communications, to help production and create jobs. Even the City, the dominant finance ring of capitalism, was not keen on tax cuts. It was worried that a boom in consumption would drive up inflation and threaten sterling's exchange rate. It is not surprising to find the CBI paying its due respects to the Chancellor today, because he has succeeded in improving conditions for the better off.

Only two days ago we found that Lucas Aerospace was pulling out of the CBI because that organisation has been solely conditioned to service industry in Britain; Lucas Aerospace is in manufacturing because it astutely realises that only through manufacturing industry can we have any wealth creation and a hopeful future for our people.

Only the Prime Minister and the loony Right of the Tory party are in favour of cuts in taxation because they see it as an election winner. They believe that further cuts in the burden of taxation on the high income groups can boost the economy and create unemployment, but the reality is that over the past seven years the tax handouts to the rich and the business interests have been invested not in industry but abroad.

Further tax cuts will largely benefit the rich and we shall see that in the months ahead. Obviously, however, tax cuts will also help the poor, and I am in some difficulty with my Front Bench over the policies that my right hon. Friends are pursuing. They talk about putting the tax back on to the taxpayer but people on low pay who are benefiting now from tax cuts would have to be looked after. My Front Bench would immediately withdraw the extra benefits that those people have received through tax cuts, but the people in Broadgreen do not want to know too much about that. Clearly, taxes are already too high for average working people and any cut is welcome.

Obviously the Tories hope to fool the people into believing that this Budget heralds a turn around in Britain's economic fortunes. Temporarily, the Government may be successful in their endeavours, but we have to tell working people that if they read *Hansard* for the report of debates that we had in the House on 18 November 1986 and as recently as 20 January this year they will see that hon. Members in all parts of the House presented a picture of decay and of collapse in the economy quite frightening in its implications for the capitalists and their political representatives. In the course of Commons debates, all the ammunition has been provided to show that British capitalism is in a state of terminal decay. In the debates the Prime Minister's supporters were allied to the City and to capital.

Unlike previous Tory Governments, this Government represents a section of the capitalist system that is based on finance — the banks, the insurance companies, services and the City of London. The long-term crisis in British capitalism has been enormously aggravated by the Government's measures. About 20 per cent. of manufacturing industry has disappeared since 1979. British manufacturing trade has moved from a £4·5 billion surplus in 1981 to a Government estimated deficit of £7·5 billion

[Mr. Terry Fields]

this year. Lloyds bank predicts that by 1990 Britain will have a balance of trade deficit in manufactured goods of over £13 billion. That is the reality of the crisis. The Government can patch it with candy floss by opening laundries and hotels—but unless Britain has a sound economic base as a trading nation it will fall further and further behind its competitors.

During the time that all this has been happening, there has been a massive drop in Britain's share of world manufactured trade. Almost six years into a boom—if we listen to the Government—manufacturing output is now 4 per cent. lower than it was in 1979. Who is trying to kid whom in these exchanges in the House? Conservative Members barracked my right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) and said that he was under estimating Britain's performance. He quietened the House when he said:

"To be fair and honest, I must admit that four other countries have a worse record than ours for manufactured output since 1979. Those countries are Fiji, Argentina, Senegal and Barbados." — [*Official Report*, 20 January 1987; Vol. 108, c. 770.]

That is the league that we are in, the country that was once the workshop of the world. Conservative Members tell us that we should be proud of our service industries. A service industry needs a manufacturing base to service and we do not have that base. Investment back into industry is an important feature of capitalism, but even Conservative Members do not understand that. They fail to learn the lessons that investment back into industry of the surplus extracted from the labour of the working class is the engine of capitalism.

Even when the leasing of machinery to industry is taken into account, there has been a drop of 18 per cent. in manufacturing investment since 1979. The collapse is reflected in almost every industry from motor cars to shipping and to machine tools. It is not just the smoke-stack industries of coal and steel which have faced collapse. My right hon. and learned Friend the Member for Monklands, East (Mr. Smith), speaking about the information technology industry, said:

"A substantial part of our deficit in the balance of trade in manufactured goods comes from so-called sunrise industries. The figures for recent years show a pathetic record. In 1979 the deficit in office and data processing trade was £227 million. Last year it had risen to £670 million. In electronics engineering, the deficit in 1979 was £164 million and in 1985 it was over £1 billion".

My right hon. and learned Friend then quoted the Ashworth report, saying:

"'A sunrise industry is being eclipsed before it has even arisen . . . we are failing to the point where we cannot maintain key technologies . . . on present trends we will not have an independent broad based IT industry by the end of the decade.'"—[*Official Report*, 18 November 1986; Vol. 105, c. 460-61.]

The Government face the collapse of our industrial base with equanimity. Reflecting the pressure of finance capital, they naively expect that so-called service industries will arise to replace the destruction of the manufacturing base. In the long run this spells disaster for British capitalism and, more specifically from my point of view, for the working class. In common with a big section of the capitalist class the Prime Minister has forgotten that the production of real wealth comes from manufacturing and that services ultimately rely on manufacturing industry. For an economy to become absolutely dependent on service industries, candy-floss industries, is like taking in other people's washing, as the right hon. Member for Old Bexley and Sidcup (Mr. Heath) said. The House of Lords inquiry into overseas trade clearly showed what service industries are all about.

I am always pleased to hear Karl Marx mentioned in any discussion of economics. His teachings are sadly lacking in British politics and have a lot to offer, certainly to my party, on the way forward during this crisis of capitalism which is there for all to see. Not long ago the hon. Member for Wyre Forest (Mr. Bulmer) said:

"Marx described the drive to monopoly as the Achilles' heel of capitalism and we have seen a huge growth in takeovers. In 1983 they were worth £2·3 billion, in 1985 the figure was £7 billion and for the first six months of 1986 it is £8·4 billion".

The hon. Member dolefully declared:

"It is hardly healthy to see many large companies preferring to trade in other companies rather than developing their research programmes and producing new products". [*Offical Report*, 18 November 1986; Vol. 105, c. 492.]

Not only British capitalism but world capitalism is heading for another recession. A small news item in the *Daily Telegraph* today says:

"America's foreign trade deficit soared to an unprecedented 140·57 billion dollars last year, confirming its status as the world's largest debtor nation".

In the face of that world crisis and world recession, British capitalism is now the sickest of the sick capitalist nations and will face a worse situation than its competitors. That is the situation that will confront the Government who win the next general election. It took the right hon. Member for Chesham and Amersham (Sir I. Gilmour) to say recently:

"There is, therefore, a great deal of consolation for the Opposition and the alliance in the fact that they are going to lose the next election. There will be a nasty crisis in the next Parliament and the opposition parties can count themselves lucky that not they but my right hon. Friends"—

the Tory Cabinet—

"will be dealing with it."—[*Official Report*, 18 November 1987; Vol. 105, c. 500.]

We need to draw the necessary conclusions from an analysis of the deep-seated crisis within the capitalist system. Capitalism is incapable of taking the productive forces forward. I did not join the Labour party to manage capitalism. I did not come to Parliament to represent working people and to come to terms with managing capitalism. Only the Socialist transformation of society and a nationalised economy with a democratic Socialist plan of production can avoid the nightmare of massively increased unemployment and a sharp reduction in the living standards of working class people.

Unless the Government's policies are rejected in the next general election by the millions of working people looking to the future, especially on behalf of youth, we can look forward to a period of degeneration the likes of which we have never seen. We need a Labour Government striving towards Socialism. I am convinced that the electorate will respond in kind.

8.21 pm

Mr. Charles Morrison (Devizes): The hon. Member for Liverpool, Broadgreen (Mr. Fields) said early in his remarks that there was not a single element of job creation in the Budget. That is a travesty of the facts. I can only imagine that he either did not hear or has not read what my right hon. Friend the Chancellor said. Nevertheless, I agree with him that there is scope for more to be done to

reduce unemployment. For my right hon. Friend to announce in the autumn statement an increase in public expenditure of £4·75 billion and then in his following Budget to be able to knock 2p off income tax while at the same time reducing the PSBR by £3 billion below the previous year's budgetary figure is not, on the face of it, all that bad. Some people have referred to the Budget as a pedestrian Budget. It may not have had the excitement of the Champion hurdle, but if we can at least take small steps in the right direction and keep our feet, we are making progress. Not everyone can make that claim, as we all recall, having experienced the last Labour Government. It needs the considerable imagination of the Opposition to pretend that this is an electioneering Budget.

I am not sure what an electioneering Budget in present circumstances is, since the British people are sending out signals — if the polls are to be believed — implying a preference for public expenditure over tax cuts. That makes the design of a traditional so-called "election" Budget very difficult, so I am glad that my right hon. Friend has not tried to make such a Budget. Instead, given the money which he had in hand, I suspect that the balance between increasing public expenditure and taxation cuts was not far wrong. Despite the opinion polls' view that people are somewhat averse to tax cuts, I suspect that, in reality, few will object to paying 2p less in income tax. On top of that, I welcome the raising of tax thresholds. I was delighted to hear of the increased age allowance for those over 80 and the increase in the allowance for the blind.

None the less, I must express a shade of disappointment that my right hon. Friend the Chancellor was not able to cut the rate of national insurance contributions on low earnings for both employers and employees. To have done that would have increased take-home pay and created employment. Equally, to have cut contributions on higher earnings would have added to industry's competitiveness. Part-time work could have been further encouraged by a higher earnings disregard coupled with a low earnings benefit to top up incomes to at least the unemployment or supplementary benefit levels.

Although it may be a little perverse to look a gift horse in the mouth, I consider that these ideas on contributions and benefits have a higher priority than income tax cuts. But I am unreservedly delighted by the help that the Government are giving small businesses. My right hon. Friend the Chief Secretary has referred to the postponement of payment of VAT until bills have been paid. This will be a great boon, just as will be the lightening of the heavy hand of bureaucracy in regard to certain other aspects of VAT. I am convinced that the increase in the ceiling of retirement relief for capital gains tax and in the rate of business relief for inheritance tax will be of great benefit to the future of small businesses and will lessen the worries of small business men.

I have a small but not unimportant regret that my right hon. Friend the Chancellor was not able to respond to the representations and requests of the National Farmers Union, the CBI and the Agricultural Engineers Association which urged that unincorporated businesses should benefit from 100 per cent. capital allowances on the first £10,000 of investment in plant and machinery. I am sure that, if my right hon. the Chancellor had been able to do that, it would have been of great benefit not only to farmers, whose concerns are of particular relevance in my constituency, but to all those who supply them with capital goods. Such action would have provided another helpful boost to the rural economy, which is not in the best of shape, as we all know. However, small and large businesses will benefit equally from the further cut in interest rates.

Manufacturing industry is always important, but it is even more so in the future as our main source of wealth creation as well as the means by which, more and more, once again we shall have to pay our way in the world. The balance of payments current account deficit hangs around like a black cloud foretelling, if not disaster, at least the threat of difficulties as oil revenues are reduced. Invisibles will continue to improve — of that I have no doubt — partly because of our overseas investment, but also because of the City of London. Thank heavens for the City, even if there should be no cheers for a very small number of its inmates. Without a stronger manufacturing base, the threat of difficulty in the balance of payments will turn into real difficulty.

The state of British industry can be summed up broadly as being better than for a very long time, but there is not enough of it. That is self-evident on two counts at least. First, we should look at the huge wastelands in many of our old industrial cities. Against that background, it is not surprising to learn that our industrial base has been reduced by between 5 and 6 per cent. since 1979. Secondly, we should take note of the fact that manufacturing output is still less than it was during the three-day week in 1974. In January 1974, the index of output for manufacturing industry was 106·9. In January 1987—these figures were issued yesterday—it was 103·9. What is more, the figure for January 1987 is well below the overall figure for 1979, which was 109·5. This situation cannot be right and urgent action is needed to stimulate still further the re-growth and redevelopment of manufacturing industry.

Of course, the solution lies partly in the hands of industry which must continue to improve its efficiency and competitiveness; but this matter is far too important to leave to industry alone. Government have a very important part to play. I would like to see the establishment of more development agencies or development corporations, but in the short term the Government must give industry a further boost.

Why not start with still more infrastructure schemes? We know how much more is needed in the way of new housing and house repairs, let alone roads and other programmes. Why do we not do more to match the remarkable programmes for hospitals or prisons, for example, with still more for housing? And let us not forget the local authority capital balances amounting to somewhere in the region of £6 billion, lying idle, frozen and sulky. I know, of course, that there is justifiable opposition within the Government to the thought of huge new council housing estates being developed, but why not allow the relief of some of these balances as long as they are used for joint schemes, for example, with housing associations or building societies, or with the private sector for a variety of types of housing? With a little imagination it could all be quite possible. It could boost the building industry and indirectly a lot of other industries besides. It could reduce unemployment and meet the housing needs of many more people.

If that action required an addition to the public sector borrowing requirement of £1 billion or so, I am not convinced that it would have dire consequences for interest rates. As what I am suggesting amounts mostly to capital expenditure, I suspect that the market would not react unfavourably. In any case the Chancellor has stated his

[Mr. Charles Morrison]

support for a PSBR equal to 1 per cent. of gross domestic product. However, if *The Times* today is to be believed — I am the first to admit that it is not always to be believed — under the heading "PSBR plunges to £100 million" it states:

"The cumulative PSBR for the first 11 months of the financial year was just £100 million, compared with £2·7 billion at the same stage a year ago and £7·8 billion in the corresponding period of 1984-85."

Of course, the twelfth and last month of the current financial year could present a very different picture but hardly so different as to make up the annual figure to £4 billion.

I suspect — and very properly the Chancellor said yesterday — that he would have wished to be prudent and careful about his assessment of the outturn of the PSBR for the current year; but on the basis of the evidence in *The Times* it seems quite likely that it will be a good deal less than he suggested. Given also the Chancellor's optimism about the course of the economy for next year, on the basis of this year's experience, the PSBR for 1987-88 could quite possibly be minimal.

It may well be the ultimate objective to balance the books, and that would be entirely proper. But if we did, I hope that it would be at a time when unemployment was infinitely lower than today. Thus it seems to me well within the scope of responsible Government to give manufacturing industry, and therefore employment, still greater encouragement.

I have reserved my personal three cheers for the Government for the end of my speech. If for no other reason—there may be many others—the Chancellor will go down in history with one sizeable group of people as the man who abolished on-course betting duty. He estimates that his munificence to racegoers, racecourses and, as a result, one way or another, most people in the racing industry, will cost about £20 million. I hope sincerely that his generosity will be rewarded by an equivalent increase in revenue from off-course betting duty. Indeed it is well within the bounds of possibility that that will happen. If it does, as chairman of the parliamentary racing committee I might feel justified in coming along and asking for some further bounty. But in the meantime, I would like to express to the Chancellor the thanks of the racing world.

This Budget passes another furlong marker in the marathon race towards economic success. I must admit that I would like to see the race run a little faster, since, however much better we are doing in this country, many of our competitors are doing at least as well and some better still. Even so, we are improving and so is our stamina. For that the Chancellor of the Exchequer can take considerable credit.

8.36 pm

Mr. Richard Caborn (Sheffield, Central): I can agree with some of the remarks of the hon. Member for Devizes (Mr. Morrison) — in fact, there was a tinge of realism coming through, at least when he was talking about the infrastructure and the development of our wealth-creating base, particularly in manufacturing. It was welcome because there has been little reference by Tory Members to the wealth-creating base.

I listened very carefully to the Chancellor's statement yesterday, particularly for its effect on my own constituents, who unfortunately, in an inner-city area like Sheffield, Central, have borne the brunt of the Government's economic policy and have been victims of a similar industrial policy. Rather than giving hope for the future in both the short and the long term, the statement reinforced our social divisions and our divided nation, and underlined once again the mentality of the rat race.

Unemployment in my area is, on average, more than 30 per cent. and in pockets of the constituency about 50 per cent. The constituency has now been awarded first prize for having the highest number of under-25s unemployed in the United Kingdom. So disillusionment, despair and despondency abound in the constituency. If the Government create the conditions for the rat race, for greed and selfishness, there is a human reaction. The crime rate figures announced on Monday are a by-product of such a society. The Chancellor should move out of the ivory towers of the Treasury and see the devastation that his policies have caused in many of our inner cities.

The very good and thorough report commissioned by the Church of England "Faith in the City," ought to have been been taken on board by the Chancellor and the Government because it laid down an agenda for revitalising many of our communities. Unfortunately, once again, when they have a golden opportunity to do something about it, the Government have gone in the opposite direction. It was very unfortunate that the chairman of the Conservative party rubbished the report prior to its publication by calling it a Marxist document.

The Budget may well have been received with open arms in the City, but what is new about that? Every Budget introduced by this Chancellor has been accepted by the City. I can assure the Chancellor, however, that it has not been accepted by industrialists, who are highly critical of the way in which the City has treated manufacturing industry, particularly in the north. They cannot understand how the Government can gloat about modern capitalism where one takes the wealth of the nation and gets people to invest in paper money when there are real needs for investment in the manufacturing base, which is where the finance should have gone.

In Sheffield we have been developing an employment plan for the future. It was the subject of some ridicule by the hon. Member for Gainsborough and Horncastle (Mr. Leigh) when he was moving his ten-minute Bill this afternoon. It seems that it is now a crime for local authorities to consider seriously how they can develop employment plans, not just within the local authority itself but in partnership with industry, commerce and the retail trades. Conservative Members seem to see that as a crime and a subject for ridicule.

Our plan in Sheffield is to create 25,000 jobs in a two-year period. That would include 7,200 with the local authority, 3,700 with the public sector and 5,500 on training schemes. The private sector would have 5,000 in manufacturing, which would be a spin-off from that investment and there would be 3,000 in the service sector.

The cost of unemployment in Sheffield is now running at more than £300 million per year. That money is taken from the taxpayer and given to keep people idle. In Sheffield 47,000 people are registered as unemployed, but there are 8,000 on community programmes and youth training schemes, 3,000 women who are not registered and 3,000 men over 60 who do not register. Therefore, the unemployment figures are considerably worse than they would appear.

In developing the plan for Sheffield we have taken cognisance of the decline of the manufacturing base. That has been horrific since 1971 when nearly half the city's working population of 281,000 were employed in manufacturing. Ten years later that 139,000 had declined to 90,000 and we are now left with only 58,000, out of the 225,000 employed in Sheffield, who are employed in manufacturing, and there are about 200 job losses per month within the manufacturing base.

We have looked realistically at how we can work out, with a Government who are prepared to co-operate with local government how the money can be expended not only on employment but to develop infrastructure, provide better services and obtain a more compassionate society.

The 7,500 jobs directly under the local authority's control would cost about £100 million in the first year because £50 million would be on revenue and £40 million on capital. In the second year, which would be mainly revenue, it would cost about £52 million to put those 7,500 people back to work. The spin-off and the multiplying factor from that in the private sector, as I have already explained, would not just employ people but create wealth in itself.

We have worked out the employment cost and implications. Probably more important than that, a city such as Sheffield is trying to develop its infrastructure so that it can take us into the 21st century. That could well have been assisted by the Budget yesterday but, in fact, the Chancellor has turned away from it.

For example, combined heat and power is a development for which we have just signed the contract. Unfortunately, we had to go to a Scandinavian company for it. This will not only create 250 jobs but there will be 25 local firms involved in manufacturing for part of the project. It will provide lower heat costs not just for residents but for industry and it will use our energy resources much more economically. That is an example of an area of energy infrastructure that we had hoped the Chancellor would take cognisance of and encourage in terms of its application for energy resources as well as its employment implications.

On the matter of transport infrastructure, we hope that we will be able to develop an inland customs clearance, including the new Channel tunnel if and when it comes on stream, and try to regenerate the industrial infrastructure by attracting investment so that people who are producing in those areas can get the goods to the continent much more quickly. Unfortunately, Labour Members have had to extract from the Government in Committee the fact that they should start considering the development of inland customs clearance. Although the Government have not taken the responsibility themselves, at least they have charged that to British Rail and hopefully there will be some movement in that direction.

The electrification of the midland main line is an important feature for the north of England. We want communications with the capital as quickly as possible. Today the Minister of State, Department of Transport announced that British Rail Engineering Ltd. is to lay off 1,600 workers. Improved infrastructure would have a marked impact on BREL, GEC and many other major manufacturers in the United Kingdom. The development of an airport is also part of the development of the transport infrastructure.

Moving from the centre of Sheffield down the valley, called the lower Don valley, we are developing, again in co-operation with the private sector, the polytechnic and university, a science park and an infrastructure where small and medium-sized businesses can take off. We want something like £120 million over the next five years to develop that sort of infrastructure. That area will attract investment. We will be able to move into new technologies and apply those new technologies to the manufacturing base that still exists and give that some assistance so that hopefully it becomes more competitive.

That project alone could produce some 10,000 jobs over the next 10 years. If the Chancellor had been able to deal with the infrastructure even in the manner that has been called for by his hon. Friends, we would have seen a marked difference in unemployment and, in the longer term, it would have attracted investment. Many of the projects I have outlined, which can be multiplied across the United Kingdom, could have been assisted and developed much more quickly if the Chancellor had taken that opportunity.

Conservative Members talk about a working relationship with local government and private finance. A few weeks ago, Sheffield city council was nearly prevented by the Government from developing 2,000 houses for which it had arranged finance from the private and public sectors. We had obtained agreement that two thirds of those 2,000 houses would be at rents commensurate with the local authority rents. The Government attempted to stop that going through because of their vindictiveness and at 5 o'clock on a Thursday afternoon they made the announcement that if the deal was not signed by midnight on that night the 2,000 houses would be stopped. They also stopped other joint ventures of that nature going ahead. That could not only have meant 2,000 homes but could have meant many building jobs and we believe that it would have gone on to further developments.

One other part of the Budget which has been referred to by Conservative Members on a number of occasions concerns small and medium-sized businesses. I was at the European Investment Bank a few weeks ago and I asked why small and medium-sized businesses in the United Kingdom did not take advantage of the EIB's loan arrangements and the new Community instruments. I was told,

"It is very simple, Mr. Caborn."

The Financial Secretary to the Treasury issued a press release in 1984. The right hon. Gentleman stopped the changes to the exchange rate risk guarantee scheme when he was at the Department of Trade and Industry. The press release of 18 December 1984 states:

"Suitable transitional arrangements will be worked out with new Community instruments agent."

That was after he stopped the exchange rate risk guarantee scheme.

We are discussing small businesses — £20,000 to £50,000 arrangements. I asked how many companies were affected by it in 1984. There were 129 allocations, and we in the United Kingdom received £17·5 million for them. In 1985, there were 163 allocations, worth £37 million. I thought I would ask the Chancellor about the situation. In 1986, from the high of about £30 million to £40 million, a facility has been made available by the Community through the European Investment Bank and the Community instrument. In 1986, only six loans were made by the EIB. There was none through the new Community

[Mr. Richard Caborn]

instrument. We got a grand total of £1·9 million. That is because of the right hon. Gentleman's action when he was at the Department of Trade and Industry.

What worries me even more is that the new Community instrument mark 4 is coming on line. This matter was discussed in Committee. A document entitled "Command 1986 (723)" states:

"The Government also notes in connection with the proposals relating to loan facilities for medium sized enterprises, at the December meeting the Council of Economic and Finance Ministers reached a common position of the new Community instrument mark 4. As proposed by the Commission, there will be new financial arrangements of 1,500 million ecu, which is £1,100 million."

Today I got the answer. First, the Department of Trade and Industry has cut that amount by half, and I have yet to check it out. More than that, £1,100 million has been made available, and it looks as though little will come to the United Kingdom. The best that we can get from a parliamentary answer is that it is not yet possible to estimate what proportion will come to the United Kingdom.

That shows clearly that the Government are not prepared to support, in an amenable way, small to medium enterprises. Indeed, they are not prepared to support local authorities, such as mine in Sheffield, of which I am proud. It is trying not only to assist the people of Sheffield but to revitalise the manufacturing base which, at the end of the day, creates wealth. Unfortunately, the Chancellor has missed a golden opportunity to revitalise and help the people of the United Kingdom.

8.53 pm

Mr. Graham Bright (Luton, South): I hope that the hon. Member for Sheffield, Central (Mr. Caborn) will not mind if I do not comment on his speech. I shall hammer on as fast as I can, as time is short.

I welcome and support the Budget. It offers an opportunity to sustain the economic recovery through steady growth and low inflation. That is important. The rise in our output and productivity in investment and exports bears comparison with that of any of our competitors. Indeed, we have seen a significant increase in the number of new jobs. My hon. Friend the Member for Bournemouth, West (Mr. Butterfill) quite clearly demonstrated that. The reduction in public borrowing is right in the present circumstances. Its effect has been and will be further to reduce interest rates. That is vital if the costs of industry and commerce are to be reduced. I know from experience in my business how much high interest rates deter investment. A fall in interest rates is particularly important for small firms. It will help them to invest and generate employment.

A lot is said about investment and the need to invest, but there is a difference between large and small firms. The more that capital is invested into a large firm, the more that investment goes into high technology and advanced manufacturing processes, which often means not an increase in the number of jobs but a loss of jobs. Small companies, which often have products and services that are designed for local and specialist markets, are labour-intensive. It is through encouraging them that the major proportion of new jobs will be created. Certainly, the track record of small businesses has been important in creating nearly 1 million new jobs.

One of the great bugbears of small firms is the burden of bureaucracy. Submitting accounts for VAT, especially when customers have not paid or may be about to go bankrupt, has been, to say the least, an absolute nightmare for many small companies. It is a major step forward for them to be allowed to pay VAT only when their bills have been paid. That relief from bad debts is long overdue and will be much appreciated by small companies. The introduction of optional annual accounting for businesses will also be welcomed. There will be far less hassle for small firms and a tremendous saving in administration, to say nothing of the saving of accountants' fees. Accounts can now be prepared just once a year. It will give an opportunity for properly prepared accounts to be submitted to customs and excise authorities and ensure that VAT is paid correctly. There will not be the to-ing and fro-ing that went on in the past.

As my hon. Friends will know, the reduction in the small firms' rate of corporation tax will be widely appreciated. In fact, any reduction in taxation will help their profitability and, I hope, their ability to reinvest. I should like to have seen—I know that my right hon. Friend the Financial Secretary to the Treasury will recognise this old cry—the Government look at the possibility of a graduated scale for small companies, or at least some threshold similar to that relating to income tax, before small companies start to pay corporation tax. That would be much appreciated and would encourage tiny firms to invest further.

There is still the problem that I have mentioned before of the small firm trying to beat the taxman by rushing out at the end of the financial year and buying unnecessary things such as a new giant desk or a new car, when such money should be reinvested. I should like to see an opportunity for small companies to roll over corporation tax. They lack the ability of large companies to transfer money from company to company.

I make a constituency point that has nothing to do with small businesses. It concerns the motor car industry. We hoped that some of the 10 per cent. special car tax would be taken off motor cars. That would have helped Vauxhall to sell more cars. At present, when the mark is high, we would not have been able to say that we were sucking in many more cars from Europe. It would have given an opportunity for British Leyland, Vauxhall and Ford to manufacture cars here.

If they are to prosper, small firms know that they must depend on their own efforts. The support of the workforce is often the critical factor. For that reason, I am particularly pleased by the Budget's provisions for profit-related pay. My own company already operates a profit-sharing scheme. Many firms operate such schemes, and they have proved to be very successful. The profit-sharing scheme is a catalyst for improving productivity and pay. I am convinced that the extended proposals that were announced yesterday will prove to be effective in stimulating and rewarding employees.

The simplified pension schemes that are to become available to small firms are equally important. Without a flexible labour market, without occupational and geographical mobility, small firms are inevitably constricted in the benefits that they can offer to employees. The pension proposals will help to ease that problem.

However, small firms are not just organisations with a life span of a single generation. They are often—perhaps even typically—family enterprises that are destined to be

handed on to children and grandchildren. It has never made sense to penalise such small businesses and to compel their sale by imposing heavy taxes on those to whom they are transferred.

Therefore I welcome the rise in the threshold for inheritance tax to £90,000 and the more generous treatment that is to be afforded to shares held in unquoted companies. That will help to relieve the burden on small companies, and the prospects for those companies being passed on intact to the next generation will be markedly improved.

There is no doubt that small businesses will benefit from the Budget. I have no doubt, either, that the economy as a whole will benefit from it. Careful measures that promote growth without stoking up inflation are what Britain needs. Dramatic and unfulfillable promises reflect no credit on those who make them. They offer no real, long-term solutions.

The Government have chosen the careful, prudent course. It was the only defensible route for them to take. I commend my right hon. Friends for their decision and I shall support them.

9 pm

Mr. Conal Gregory (York): I believe that the Budget is very warmly welcomed in the country, including in York, particularly for the help it gives to small businesses, as my hon. Friend the Member for Luton, South (Mr. Bright) has just said, in encouraging the spirit of enterprise and recognising the needs of the elderly.

In particular, I wish to draw the attention of the House to the introduction of tax relief on profit-related pay. The tax exemption — up to 20 per cent. of total pay, or £3,000, whichever is lower — should be a boost to those who wish to see their firms prosper through greater efficiency. In effect, the proposed tax relief could mean that up to 4p comes off the basic rate of income tax. That, coupled with yesterday's announcement of a 2p reduction in the standard rate of tax, will take people even further out of tax.

Profit-related pay is a natural progression of the Conservative case to ensure that those who put most into a company secure the fruits of their labours. As an example, one of the first management buy-outs, National Freight, recently reported that the value of each share had risen to a staggering £41. The development of profit-related pay should remove the pressure on the round of automatic annual pay rises. That should be seen against the background of the strongest economy since the second world war. Personal tax cuts, coupled with lower mortgages, will give individuals a higher real disposable income.

The starting rate of income tax in the United Kingdom is still too high and it is well above the rates in competitor states. No wonder that there is a spirit of enterprise in the United States of America, with a starting rate of 11 per cent., in France, with a starting rate of 19 per cent., and in West Germany with a starting rate of 22 per cent. Therefore the Chancellor's move to continue the reduction in the basic rate by 2p is warmly welcomed. A rate of 27p is well down on the 33p that was inherited from the Labour party.

The sound management of the economy under a Conservative Government has allowed the state to take a lower proportion of people's earnings and savings. The right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) constantly goes on record as saying that Britain is heading for a sterling crisis—almost as though he is willing one. I am glad to see that the markets think differently and that they disregard the increasing irrelevance of Socialist policies.

As for individuals, I praise the understanding that has been shown for two groups who are particularly vulnerable, the elderly and the blind. Those who are over 80, many of whom will have used their savings, will appreciate the new age allowance, amounting to £3,070 for single people and £4,845 for married couples. The other group, the blind, will welcome the rise in their allowance to £540, which is three times above the level that applied when this Government took office.

There were, however, certain omissions from the Chancellor's statement. I shall briefly refer to them, and if my right hon. friend the Financial Secretary to the Treasury is unable to respond to them in his wind-up speech, I hope that he will write to me in due course.

First, there is surely a case in equity for reducing relief on mortgages to the standard rate. Furthermore, as the Conservatives are the natural party of the family, we should ensure that relief cannot be doubled by two unwedded individuals applying for one mortgage when a married couple are effectively penalised.

Secondly, as a further move to help the lower paid, the Government should build on the welcome but modest changes in the 1985 Budget by extending the 5 per cent. employee national insurance deduction rate. Currently it applies to weekly earnings up to £60. Such a move would encourage many more to seek work and find it beneficial. Otherwise the "Why work?" syndrome will continue. I hope that our ultimate objective is to merge PAYE and national insurance systems of deduction, which will simplify administration, particularly for small firms.

Thirdly, on the heritage of the nation, the Treasury could introduce tax credits when capital taxes are discharged with art treasures. For example, in 1977, Lord Coke tried to meet a tax liability of around £1 million by offering the Leonardo da Vinci "Codex Leicester" valued at £1·5 million. He asked for the balance to take the form of credit against future family taxes. That suggestion was rejected. The Leonardo went abroad and was lost to the nation.

Last year the Beatty family could have met its tax obligation by surrendering a Van Gogh painting entitled "Sunflowers". That summer image could now grace the national gallery of Scotland, but instead it has been sent to auction. It is much more likely that it will leave the United Kingdom to reside in Japan or the Getty museum in the United States. Surely the Treasury has nothing to lose with tax credits, and the nation gains.

I am delighted that the Chancellor has joined us, because this is a personal aspect. He said that he intended to make no excise changes in alcoholic drinks. Surely a sector was omitted. I believe that my right hon. Friend slaked his thirst yesterday with a cooler—a combination of wine and a soft drink. I imagine that it was ready-made and not pre-mixed and packaged in a can or bottle. If it had been, it would have attracted a high rate of tax—as penal as wine not exceeding 15 per cent. by volume.

If one takes seriously the problems associated with alcohol, the Government should encourage consumption of lower strength beverages. I suggest that a new rate of duty covering the 2 per cent. to 7 per cent. alcoholic range,

[Mr. Conal Gregory]

is introduced to cover that sector, which has emerged as a separate group, and which is so delightful for our Front Bench.

In making those specific suggestions, I in no way wish to detract from the Government's success in investing in this country's infrastructure or in encouraging others to do likewise. The people of Britain and of York in particular see that solid investment, whether it is capital expenditure on roads, with improvements to the A1 and the building of the York outer ring road; on health care, which is up £42 million in the Yorkshire region for next year, which is 5·8 per cent. up over the current year; on railways, which have received £3,000 million of investment since the Conservatives took office, including £600 million in new rolling stock in the past three years; on education, with the best pupil-teacher ratio ever; and on job creation, with 1 million new jobs created since the general election — a faster rate of increase than all the EEC countries put together.

Like many oil producers, the United Kingdom has deliberately been pursuing a policy of competitive exchange depreciation. The Prime Minister deserves credit for this. Last year the pound's trade-weighted value fell by more than 10 per cent. and sterling reduced by over 20 per cent. against the countries of most industrial companies. We are the only major country the export volume of which is rising. Japan and the United States are flat, while West Germany and France's exports are falling. That is the background to the Budget.

The United Kingdom cannot afford a candy-floss economy, as the Socialists plan. Just imagine the effect of Labour's £34 billion pledges, which would mean raising the basic rate of tax, as we have heard tonight, from 27p right up to 56p in every pound, or to a VAT rate of just under 50 per cent. That would be a yoke that would stifle enterprise. Only the Conservatives can ensure that Britain stays great. The Budget builds on past success and looks forward constructively to the future.

9.9 pm

Dr. Oonagh McDonald (Thurrock): Conservative Members have described the Budget as cautious or prudent. However, it seems to me, after looking at what the Chancellor has done with the resources available, that it is a nervous Budget. He has set aside £3 billion to reduce the expected PSBR from £7 billion to £4 billion. The markets and the press expected a £1 billion or possibly a £2 billion reduction in PSBR. Why is there such a large provision? From the Bank of England's reactions to the markets over the past few days, it is clear that it is not convinced that everything is right with the British economy or with the exchange rate. The Bank of England was therefore reluctant to lower interest rates in advance of the Budget. First there was 0·5 per cent. cut, which was reluctantly admitted, and now today only another 0·5 per cent. cut. That was the amount expected before the Budget was announced with its unusually low PSBR. That 1 per cent. cut in interest rates over the past few days still leaves our real interest rates higher than all our major industrial competitors.

The Chancellor's actions reflect his fears. What are those fears? *[Interruption.]* I can hear the Chancellor muttering away about the 1983 election and once again perpetuating the myth that somehow or other the Government are not responsible for the years between 1979 and 1983. He must face up to the fact that the Government are responsible for eight years of damage to the British economy. It is no good the Chancellor muttering in a patronising fashion. We all know the truth about what has happened in the past eight years.

What are the fears about? Are they about hot money flowing in and out? Are they about exchange rate instability or are they about the growth of bank lending? The figures for February will not be announced until tomorrow. Is it true that there is a sudden surge in bank lending that has delayed any further interest rate cut?

The Red Book, which in some ways is extraordinarily honest this time, given the Government's record in these matters, states:

> "Private sector borrowing has been rising and is now over 10 per cent. of GDP. It has clearly contributed more than public borrowing to upward pressure on real interest rates. These trends are likely to persist".

Expressed as it is in bland language, it nevertheless states the truth. The Government are determined that consumer spending shall continue to grow and that it will be fuelled by consumer credit until the election takes place. Then, of course, if we are unfortunate enough to have to face another Tory Government, consumer credit will be curbed. That has fuelled the high interest rates from which we are now suffering and it has led to the anomaly that last year manufacturing investment actually fell while consumer spending continued to rise. That means that once again British manufacturers, through lack of investment, are unable to fulfil the demands of the continuing high rate of consumer spending.

Cutting PSBR in that way is the only option open to the Chancellor. He referred to the Governor of the Bank of England's Loughborough speech of last autumn in his Budget speech yesterday. However, the Chancellor did not admit that the Governor had quite plainly told him that the broad money target was no longer feasible and that the Chancellor had better make up his mind on that issue quickly so that the target could be abandoned and with it the last vestiges of monetarism. The Chancellor must now rely solely on PSBR, and with that the City demanded its pound of flesh and the Chancellor gave it two pounds.

That prevented him, in his attempt to reduce the PSBR for the next financial year, from carrying out tax cuts which, judging from engineered leaks, he presumably wanted to make. He wanted to cut higher tax rates and to go down to a 25p standard rate straight away rather than promising us that rate yet again. He wanted to raise the mortgage tax relief ceiling. He has not been able to do any of that. Apparently he has not been able to do what he wanted. He has not been able to do anything of real benefit for the economy and he has not been able to do anything for the unemployed.

The size of the public sector borrowing requirement and the cost of the 2p cut in the standard rate of income tax show what resources were available to the Chancellor. Those resources could have been used to create real jobs, but the Chancellor chose to use them in such a way as to prevent the creation of full-time jobs. In his Budget speech there was scarcely a measure aimed at bringing down unemployment and creating jobs. There was no sense of any real concern about the unemployed. The Chancellor continues to believe that tax cuts will stimulate the economy and create jobs — a view that has been thoroughly rubbished by the Opposition in today's debate.

The Chancellor is, however, extremely sensitive about the fact that his Budget does nothing to create real jobs. In his interview on the "Today" programme this morning, the Chancellor made it clear to Brian Redhead that to be concerned about real jobs apparently means being a member of the Labour party. He is quite right, as the Labour party is concerned to create real jobs. The Chancellor and his party have no concern about that at all. They prefer to fiddle the figures and pretend that part-time jobs and the double-jobbing of the past couple of years represent a decrease in unemployment. The Chancellor refuses to consider the figures for the number of people in employment, which still have not reached the levels of 1979. That is the point at issue.

The Budget is a fearful Budget because the Chancellor is afraid of developments in the markets and the deteriorating balance of payments. According to the Red Book, the balance of payments deficit will be £2·5 billion up on the £1 billion estimate given in the autumn statement and the £3 billion surplus in 1985, turned into a deficit of £1 billion in 1986, with a deficit of £8 billion in visible trade. The Red Book suggests that the deficit may disappear in the next year, but that depends entirely on the improbable view that the import of goods and services will fall from the expected 7 per cent. this year to 3 per cent. in 1988, and there is absolutely no good reason to believe that. The balance of payments figure is deteriorating because our output is lower than it was in 1979, our investment is 20 per cent. down on 1979, and although exports of manufactured goods have risen by 15 per cent. the level of imports has risen by 48 per cent. since 1979.

The Government show no concern whatever about the growing deficit in manufactured goods. They pretend that the deficit can be hidden by a surplus in oil — a diminishing asset — or by a surplus in invisibles. They ignore the fact that last year there was a cumulative deficit in invisibles. In each of the eight months from May 1986 there was a recorded deficit in invisible earnings, as well as a deficit in March of that year. We can no longer assume that the growing deficit in manufacturing goods will be covered by a surplus in invisibles or in oil. The only way to tackle the problem of the balance of payments deficit is a proper long-term strategy for jobs and for manufacturing industry. There is a growing demand for consumer goods, but those goods must be provided by British industry. It is a question of goods being competitive not only in price but in quality. That too, will demand investment in manufacturing industry.

What the Chancellor has dismissed as utterly unimportant, three successful manufacturers insist is vital in the interviews they gave to the *Financial Times* yesterday. Mr. Haskins, the chairman of Northern Foods, believes that it is the growing

"investment gap between Britain and other developed countries that counts."

He stated:

"'The level of investment is too low. Industry is revaluing old assets through takeovers rather than pumping money into new assets.'"

It is only when better investment in manufacturing industry takes place that British industry will be able to supply consumer demand with the sort of goods it wants at the quality and price it wants. That is the commitment that the Labour party has, but which the Government manifestly do not have, when they have shown——

Mr. John Carlisle (Luton, North): One of the hon. Lady's colleagues visited a car factory in a foreign car.

Dr. McDonald: Belonging to a Conservative Member perhaps? It would certainly not belong to me or any of my hon. Friends, who take care to buy British cars. We are patriotic, whereas the Government are determined to allow the export of investment capital abroad to create jobs there rather than here.

Mr. Carlisle: Will the hon. Lady give way?

Dr. McDonald: No, I shall not give way; it is not worth it.

This Budget has offered nothing for jobs, investment and certainly nothing for the low-paid. The Prime Minister has continued to talk about poverty ever since she quoted, in the most sickening way possible, the prayer of St. Francis of Asissi on the doorstep of No. 10 when she was first elected in 1979. Ever since then, when she has talked about the people in the bottom half, who pay too high a proportion of their income in tax, or when she has talked about nurses, she has let it stop at talk. Nothing has been done to reduce the burden of taxation on the low-paid. At every turn we can see that that is the case.

Even with the choices before him in this Budget, the Chancellor chose to take 2p off the standard rate of income tax instead, for example, of using those resources to increase personal allowances, beyond indexation, by 10 per cent., which would have taken a million of the lowest paid out of taxation. Of course, that was the option that the Chancellor set aside because he was determined to concentrate on taxation. Instead, he knocked that money off the standard rate, knowing full well that that means that it will bring a tax cut, when taken together with indexation, of £8·60p a week for someone on twice average earnings. For someone on five times average earnings, it will mean £9·27 a week compared with a reduction of £3·92p a week for someone on average earnings.

During the past eight years the top 5 per cent. have not only had the highest pay increases—in real terms, of 22 per cent.—but they have also increased their share of post-tax income, which has increased from 12 to 15 per cent., if we take tax and national insurance contributions together. Under this Government despite the apparent tax cuts, the proportion of tax paid by those on the lowest pay has increased, and the proportion of tax and national insurance paid by those with the highest incomes has decreased. The entire tax system has been carefully manipulated—we see that year after year in the Finance Bill—to give benefits to the rich at the expense of the poor. That has been the sole purpose of the tax changes.

I noticed that in presenting his Budget the Chancellor commented that a man on average earnings would benefit by about £3 a week from the tax changes. That comment made me wonder how the majority of the electorate, women, would benefit from the Budget. On examination, I found that women will come off worse. Women on half average earnings and even those on average earnings have all suffered an increase in the burden of tax and national insurance once again since 1979. Few women benefit under this Budget.

Women in full-time work earning less than £123 a week constitute nearly 3 million workers and women in part-time work earning less than £3·25 per hour number just over 3 million. Altogether, 6 million of a work force of 9 million women, whether in full-time or part-time work,

[Dr. McDonald]

benefit little from the 2p off the standard rate of income tax. It is interesting that in what is supposed to be an election year the Chancellor chooses to ignore the majority of the electorate. He will find that he pays the price for that sooner or later, whenever the Prime Minister summons up the nerve to go to the electorate. *[Laughter.]*

Mr. Peter Lilley (St. Albans): The hon. Lady is laughing.

Dr. McDonald: I am laughing at the prospect of women giving the thumbs down to the Government who are led by our first women Prime Minister, who has deliberately reduced benefits to women, altered conditions of employment to their disadvantage, allowed, through the abolition of the wages councils and fair wages resolutions, women's wages to fall and allowed this Budget, in which 6 million women at work will benefit far less than men. That is what I am laughing at.

There was much talk about the notion of independent taxation for married women, but no plans for that have been mentioned in the Budget. For many married women child benefit is extremely important as they take the prime responsibility for bringing up children, yet the Chancellor has given them all of 15p a week extra per child. I have no idea what he imagines they are supposed to with that. It would not even buy a packet of Smarties and it would certainly not buy anything useful, such as food or clothing.

I then looked at the age allowance and assistance given to pensioners in general and women in particular. Women between the ages of 60 and 64 must still wait for the age allowance, despite receiving the old-age pension at the age of 60, so nothing has been done to help that particular group of women. Despite the changes in taxation over the past eight years, single pensioners continue to pay £1·28 a week more in tax than they did under the Labour Government. Naturally, we welcome any concession for any disadvantaged group, but the over-80s are still paying more tax. Under the Labour Government, single people over 80 paid 68p a week and married couples £1·45. With all those resources at his disposal, the Chancellor could find room to give only 80p a week more to single pensioners. Many women in that category will have expected more from the Government.

So when we look at this Budget we find that there is nothing there for most women and for most women at work. Over half the electorate have been ignored. Over half the electorate have seen for the past eight years their conditions of work and the possibility of caring for their children or for elderly relatives in the community being made much more difficult for them by the cuts in community care and health services. They have watched the standard of education of their children being destroyed. *[Interruption.]* I not only believe that but have seen it happening in my constituency. When I attend an advice surgery, go to the shopping centre or meet pensioners in their clubs, this is exactly what I find, that they find it a much harder struggle and that it has become increasingly hard under this Government. But of course, Government Members would have no idea what it is like to struggle to bring up children and look after elderly relatives and cope with declining services.

We find that it is all part of the record of this Government—giving with one hand and taking with the other. For, just as the tax cuts come through after 17 May, people will begin to receive their rates bills, which, owing to the cuts in central Government grants from 59 per cent. in 1979 to 44 per cent. in 1986-87, have gone up, adding another 4p in the terms of income tax between the years 1979 and 1984. The rates burden has gone up in real terms over the past eight years in spite of the promise that the Prime Minister made to abolish them. Instead of abolishing rates, she ensured that they were a heavier burden on households by cutting the central Government grants.

So I know what I will find in my constituency when the Budget begins to take effect. People will say, as indeed they have said to me already, two things: "They give it to us with one hand and take it away from us with another." If the Tories get back in it will be, "We know that we shall be paying for this Budget again because we shall have what we had before—value added tax being virtually doubled to pay the price of the Government's misdemeanours." That is what my constituents say to me. That is the result of the kind of Budget that the Chancellor has introduced. That is why the Opposition reject entirely the approach of this Government, not only to our economy, but to the needs of the kind of people that we represent.

9.33 pm

The Financial Secretary to the Treasury (Mr. Norman Lamont): There have been a number of points with regard to the Budget on which both Opposition and Government Members have been able to agree. The right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) was able to welcome at least some of the measures for small businesses and the measure to help the blind—the blind allowance —which was also referred to by my hon. Friend the Member for Luton, South (Mr. Bright). On that, at least, there has been agreement, but, alas, on precious little else.

The most striking feature of the debate has been the inconsistent and confused reaction to the Budget of the Opposition parties. They have constantly shifted their ground. The right hon. Member for Sparkbrook referred to the Budget as a non-event. I think that most of the people of this country would wish that we could have more such non-events. It is not every day that we get interest rates down within 24 hours of the Budget and 2p off the basic rate of tax. If those are non-events, I am sure that the British people would like to have very many more of them.

It is striking also that the right hon. Gentleman, in giving his assessment of the Budget, made no reference to what was the verdict of the Confederation of British Industry or of the markets, both of which unambiguously and clearly indicated that they thought it was an excellent Budget. The right hon. Gentleman prefers his own judgment to that of the markets and that is why, because he has that confidence in his own misjudment, if the right hon. Gentleman ever was in power he would enjoy no confidence whatsoever from the financial markets.

The right hon. Gentleman also referred to some of my hon. Friends perhaps being disappointed at the content of the Budget and having expected that my right hon. Friend might have gone even further. I do not know whether that was what some of my hon. Friends thought but certainly the reaction of Opposition Members when they heard the Budget was immense relief that my right hon. Friend had been so prudent. In the days before the Budget we noticed the mounting anxiety of Opposition Members. They were afraid that there would be even bigger tax cuts. There was

a lot of talk in advance, especially from the alliance, about electioneering Budgets and bribes. When the Budget was out of the way that did not stop the alliance saying that we should have had a bit more and an even more generous Budget.

The hon. Member for Stockton, South (Mr. Wrigglesworth) managed to get on television. First he said that the Budget was one of election bribes; yet, a few minutes later, he said that the Chancellor had been over-prudent. How the hon. Gentleman manages to reconcile those two positions I do not know. When he proposes more spending he thinks that it is not a bribe, but when the Chancellor simply allows people to keep more of their own money, somehow it is a bribe.

Furthermore, I notice that both Opposition parties are united in telling us that tax cuts are unpopular. How we are meant to bribe the electorate with something so unpopular I am not clear.

We also had the benefit of the first speech by the right hon. Member for Glasgow, Hillhead (Mr. Jenkins) since he became chancellor of the university of Oxford. The right hon. Gentleman told me that he could not be here for the end of the debate. I am sorry that I have not had an opportunity to congratulate him on his election. No doubt he has had other matters on his mind apart from the Budget, but if he were present I would point out to him that today's speech was one of the least convincing that I have ever heard from him.

First, the right hon. Gentleman attacked the Government over the trend in the current account and then admitted that his own calculations indicated that an alliance Budget would create an even bigger deficit. He gave no explanation of the cornerstone of alliance policy — a tax-based incomes policy — which is surely an enormous administrative, bureaucratic, unworkable nightmare. If alliance Members think it so important, they owe the country an explanation of how it will work.

Some of us have harboured more than a passing suspicion that the alliance is more than content to be all things to all men. Certainly that was more than confirmed by the right hon. Gentleman's speech when he came to the subject of income tax. He was challenged to give the alliance view on what the income tax rate should be. He said that he would come to it. He did come to it but he passed on without answering it. He rather twisted in the wind when he was asked to explain how the alliance could vote against the tax cuts but could not say whether it was committed to reversing them. Again he left the impression that he was content to be all things to all voters all the time.

At least the Labour party has come clean on this and has made it clear that it is firmly committed to reversing the tax cuts not just in this Budget but in previous Budgets as well. If the right hon. Member for Hillhead and his colleagues, who pride themselves on their courage, really had courage, they would have come clean today and would have spoken frankly to the electorate. *[Interruption.]* That was a most interesting sedentary interjection. I shall repeat it for the benefit of the *Hansard* reporters. The hon. Member for Liverpool, Mossley Hill (Mr. Alton) said they did not come clean because it would amount to electoral suicide.

Mr. David Alton (Liverpool, Mossley Hill): I was referring, of course, to the characteristic of suicide associated with the Labour party.

Mr. Lamont: That is an ingenious second intervention but tomorrow's *Hansard* will make perfectly clear what the hon. Gentleman's first intervention referred to. It referred to committing electoral suicide by coming clean on policies for taxation.

The right hon. Member for Sparkbrook criticised the Budget because it did not increase spending in priority areas, because it had given a higher priority to tax cuts than to increasing public expenditure. As he said at the beginning of his speech, there is a sharp divide between the two main parties in the House. The right hon. Gentleman might at least have acknowledged that the Budget has to be looked at alongside the autumn statement, which did increase public expenditure in the priority areas of housing, education and health.

The right hon. Gentleman talked about all the money for tax cuts, but the extra public expenditure amounts to more money than has been found for the tax cuts in the Budget. Because of that, my right hon. Friend the Chancellor is well justified in saying that it is a great achievement of the Government that we have managed to increase spending and cut taxes at the same time.

The right hon. Gentleman was quick to say how he would spend the extra money that my right hon. Friend has had available to him this year. The right hon. Gentleman has much the same attitude to these extra revenues as he has to oil revenues. The Opposition simply cannot wait to get their hands on the oil revenues which they think the Government ought to spend on subsidies to industry. If there is one thing that Britain has cause to be grateful for, it is that oil revenues have been handled by this Government and not by the Opposition.

In his speech the right hon. Gentleman did not pause to ask why Government policies have been so successful in generating additional revenue. He just accepted the revenue without for one minute asking how we had managed to cut the rate of corporation tax and yet generate additional revenue. In his speech he tried to give the impression that the extra buoyancy of revenue was due to indirect taxes. The largest part of the increase in revenue comes from the corporate sector, from corporation tax. It is as a direct result of the Government's economic policies that we have this buoyancy in revenue. The extra revenue in corporation tax has been based on the increased profitability and the increased productivity of British industry. That is where it comes from. The right hon. Gentleman says that he would spend it and knows how to spend it, but he will not get the chance because if he ever tried to implement his policies that revenue would not be there.

My hon. Friend the Member for Horsham (Sir P. Hordern) spoke about wider share ownership and privatisation. The Government policies of encouraging wider share ownership have been extremely successful. My hon. Friend may know that we also have new evidence about just how successful we have been in extending share ownership.

I know that the hon. Member for Sedgefield (Mr. Blair) is interested in the survey commissioned by the Treasury and the stock exchange to which my right hon. Friend the Chancellor referred in his speech. That survey is now available in the Library and it shows that share ownership has trebled since 1979. About 8·5 million people, almost 20 per cent. of the adult population, now own shares. The

[Mr. Lamont]

increase in share ownership has been widely spread across social groups, with the most marked increases being among the less well off.

The spread of share ownership in the United Kingdom is fast approaching that in the United States, where perhaps 25 per cent. of adults now own shares. Of the 5·5 million new shareholders, the great majority have bought shares as the direct result of Government policies, notably the outstandingly successful privatisation programme and the incentives provided for employee share schemes.

When my right hon. Friend the Chancellor referred to the spread of share ownership, the House noticed how the hon. Member for Liverpool, Walton (Mr. Heffer) reacted by shouting out, "So what?" That is a sad commentary. the hon. Gentleman is a symbol of the Labour party, which is utterly unaware of the changes taking place through share ownership, through profit sharing and through people buying shares in privatisation issues. These are enormous, far-reaching changes to which the Labour party is utterly indifferent and which it plays no part in furthering.

Privatisation has been a key element in the Government's policy. Indeed, the last year, with the privatisation of British Gas and the flotation of the Trustee Savings bank, has seen the creation of as many new shareholders as there were existing shareholders when the Government took office in 1979.

We shall continue to build on this success, especially through further Government share sales. We have already announced our intention to privatise Rolls-Royce in the spring, followed by the British Airports Authority in the summer. In addition, the Government's policy is to sell their minority shareholdings in companies as and when circumstances permit. Among these holdings — the Opposition might be interested in this—are about 578·5 million shares in BP, nearly 32 per cent. of the total. As part of this policy, I am now able to announce that, subject to market conditions, the Government will sell this remaining shareholding in BP during the 1987-88 financial year.

Our measures to promote employee share ownership have met with similar success. It is here that the benefits of share ownership are clearest. It is where people can identify with the company with which they work. There has been a spectacular growth as a result of the measures which we have taken. There are now more than 1,200 all-employee share schemes, against 30 in 1979.

My right hon. Friend the Chancellor referred to a number of changes in the business expansion scheme.

Mr. Norman Buchan (Paisley, South): Will the right hon. Gentleman give way?

Mr. Lamont: I wanted to comment on the business expansion scheme and shipping because my right hon. Friend the Chancellor announced a number of changes and I have one minor announcement to make. Last year we extended the business expansion scheme to ship chartering, and there have been signs of interest in it. However, there are still some doubts about what a ship chartering company has to do to satisfy the BES requirement that its trade must be carried out wholly or mainly in the United Kingdom. We are considering how the existing statement of practice can be revised to resolve these doubts and the Inland Revenue is consulting the General Council of British Shipping about this. We hope to reach agreement soon and to publish a revised statement of practice.

Last year, on Budget day, my right hon. Friend the Chancellor published a Green Paper on the "Reform of Personal Taxation". The Government invited comments from organisations, representative bodies and members of the public on the ideas discussed in the Green Paper. The response to the Green Paper has been disappointingly thin. Although the majority of those who responded to the Government's invitation expressed themselves in favour of transferable allowances, the Government do not yet feel that there is sufficient support to take a decision now to go ahead with so far-reaching a reform. Nevertheless, the Government consider it important both that the tax system should give women a fair deal and that the tax penalties in marriage should be removed, so we will be considering the matter further and will be exploring whether there is any satisfactory halfway house to the approach in the Green Paper.

The right hon. Member for Sparkbrook criticised the Government for giving so much of their tax cuts through reductions in the basic rate, but we have deliberately structured this year's tax changes so that the benefits are aimed at the vast majority of ordinary taxpayers. If we had decided to leave this year's tax regime in place for 1987-88, taxpayers with incomes below average earnings would have contributed 29 per cent. of the total income tax yield, but, as a result of our proposals, this group will receive some 37 per cent. of the total income tax reductions in the Budget. By contrast, those on more than twice average earnings would be paying some 32 per cent. of the income tax yield if we had left the 1986-87 regime in place, but will be receiving only some 21 per cent. of the total income tax reductions.

The further reduction of 2p in the basic rate means that in total the basic rate is now six points lower than when we took office. Hon. Members on the Opposition Benches have expressed scepticism about the incentive effect of 2p off the basic rate, but this needs to be seen in the context of a succession of Budgets and of the fact that we have managed to get the rate down from the 33p in the pound that it was when we first came to office. In addition, everyone in every income group, no matter what their level of earnings, now pays less in income tax and national insurance contributions combined than would have been the case if we had kept the previous Labour Government's tax regime in place and simply adjusted it for inflation. That is an absurdly flattering comparison for the Opposition because the truth is that they never would have adjusted the allowances for inflation. They completely failed when in government to do so. But what we are saying is that even if they had done that the tax regime today for every single income group is lower than it would have been if we had simply carried on adjusting their income tax regime for inflation.

Mr. Buchan: Will the Minister tell me the taxation element for those below taxation levels as a result of 15 per cent. value added tax? What is the proportion that they pay?

Mr. Lamont: The hon. Gentleman will have realised that my comments were about those who pay tax. I will come to his point, but in no way was what I said contradicted by the hon. Gentleman's intervention. For

every income tax group we have reduced the tax burden that would have been borne if we had simply kept the Labour regime as it was and adjusted for inflation.

As for the hon. Gentleman's comments about indirect taxes, which Opposition Members sometimes like to add on to direct taxes in order to argue that the tax burden has been increased, the key point is that real take-home pay, calculated after taking into account indirect taxes, has risen since 1978-79 at all levels of earnings.

Dr. McDonald *rose*——

Mr. Lamont: I will give way in a minute.

My right hon. Friend the Chief Secretary made it very clear today that not just people on average earnings but people on below-average earnings have benefited from a much faster rate of increase in take-home pay than they ever had when the Labour party was in power.

Dr. McDonald: The hon. Gentleman's use of average figures is entirely misleading. The top end of wage earners have had a real increase of 22 per cent. over the years between 1979 and 1986. However, at the bottom end the increase has been a mere 2 per cent. The use of average earnings gives an entirely misleading impression, because it does not show that many people on below average earnings have seen very little increase in real earnings since the Government took office.

Mr. Lamont: I am sorry that I gave way to the hon. Lady because she in no way met or refuted the point I was making, which is that people on average earnings, in their take-home pay after tax and after taking account of indirect taxation, have done much better under this Government than they did under the Labour Administration.

My hon. Friends the Members for Horsham, for Bournemouth, West (Mr. Butterfill) and for Luton, South referred to the provisions for occupational pensions in the Budget. I am sure that they are absolutely right that the announcement made by my right hon. Friend the Chancellor about personal pensions will be extremely important in making available occupations pensions to those 10 million people who are not in schemes at present. It will also be an invaluable aid to job mobility which is so important.

My hon. Friend the Member for Southampton, Test (Mr. Hill) referred to and welcomed the measures to help the oil industry in the Budget, of which there were two: the cross-field allowance and the relief for research related to oil extraction activities. The House will know that we have already brought forward the repayment of some £300 million of advance petroleum revenue tax so that we have, in a number of ways, attempted to ease the burden of adjustment that has fallen on the oil companies.

Opposition Members have said that this is a Budget that does nothing for unemployment. They talk about the Budget and employment as if a Budget for the economy and a Budget for employment were separate things. If the Budget is good for the economy, it is good for employment. It has been the verdict of the markets and the CBI that it will be good for business and for industry. That means that it will ensure that the favorable trend for employment that we have seen in the past few months will continue.

Opposition Members have sought to argue that my right hon. Friend has provided a picture of the British economy that is over-optimistic and over-rosy. I was interested to read an article in *The Guardian* by the hon. Member for Great Grimsby (Mr. Mitchell) who advised his party to wake up to the fact that the outlook for the British economy is now much better than it has been before. He said:

"the actual prospect is rosier; an opportunity for growth rather than a prelude to the disaster for which we have so assiduously prepared . . . So, far from slipping into a balance of payments disaster, Britain is probably riding a J-curve. Exports are rising; imports, currently, are not".

The article states:

"Labour should stop crying wolf."

I think that the hon. Member for Great Grimsby is right. Opposition Members do themselves no good pretending that the economy is stagnating when it is not and pretending that output is not increasing when it has increased way above the levels the Labour party achieved when it was in office

Opposition Members talk about manufacturing. That is important but it is only one component of total output in our economy. Less than a quarter of the labour force are employed in manufacturing. Labour Members like to live in a world in which they think that shipbuilding is more important than financial services or other services. They do not recognise the new industries and services that are beginning to be created and which are appearing. That is why it is perfectly true, as my right hon. Friend the Chief Secretary said, that whereas in the 1960s and 1970s Britain was bottom of the growth league, today we are at the top. Everything that my right hon. Friend the Chancellor said in his Budget speech indicates that that process will continue. We have a solid base for success. The economy of the country is strong in a way that it has not been for years.

Debate adjourned.—*[Mr. Lightbown.]*

Debate to be resumed tomorrow.

Liverpool (Financial Situation)

Motion made, and Question proposed, That this House do now Adjourn.—*[Mr. Lightbown.]*

9.59 pm

Mr. David Alton (Liverpool, Mossley Hill): I thank the House for the opportunity to raise on the Adjournment the problems of the city of Liverpool. It is not my intention to rake over the entrails or to try to rewrite an Agatha Christie whodunnit. There is no real point in using this debate to apportion blame for the serious problems that Liverpool faces. All I wish to do in the context of the judgment made in the other place last week concerning the disqualification of 47 Liverpool councillors is to offer the view, which, I think, is shared by other hon. Members, that many of the councillors were highly motivated people, some of whom I had the privilege to serve alongside for eight years when, 15 years ago, I was elected to Liverpool city council. The motives of people such as John Hamilton are certainly beyond question. If there is anything that the Government are able to do to prevent the personal bankruptcy of such individuals, I sincerely hope that they will do it. No further useful purpose will be served by vindictive actions being taken against the councillors.

The other point that I wish to make at the outset of my remarks—which also echoes comments that have been made by the Bishop and the Archbishop of Liverpool and the Moderator of the Free Churches—is that this is not a moment for recriminations or for people to indulge in yet more confrontation. It is a time when partnership is required to try to redress the serious and deepseated problems of Liverpool. In a statement at the weekend, these remarkable churchmen said:

"Electors should keep in mind the need to choose Councillors who, whilst persevering in their long-term party political aspirations, may be willing in the difficult years ahead to cooperate across party barriers for the good of the City as a whole. Only with a majority of such Councillors can the City achieve sufficient stability to secure the confident partnership and collaboration of central government."

I am certain that the partnership and collaboration that they talked about should be the theme and the key of the comments heard in the Chamber tonight.

The significance of the debate is not that it will solve problems but that it will demonstrate that a partnership and a willingness to co-operate exist. Certainly that willingness exists on the Opposition Benches. I know that the hon. Member for Blackburn (Mr. Straw), with whom I have talked before the debate, will make many comments with which I can certainly associate myself, and in turn, I hope that he will be able to endorse my comments. Together, we can find common ground whereby we can pursue objectives that will be for the good of the people of the city of Liverpool. I am sure also that if the Government are prepared to listen with an open mind and to show a more flexible and pragmatic approach, it will be possible to find co-operation across the Floor of the House as well as on Opposition Benches.

Politics is a risk-taking business. The hon. Member for Blackburn and I will no doubt be criticised for seeking to co-operate. There are always people who will say that there can be no room in politics for trying to find common ground. Yet, given the scale of the problems in the city of Liverpool, nothing other than co-operation will find solutions to the problems of our city. People will expect an appropriate response from the Government. The situation is serious.

In the next fiscal year, there is a gap of about £50 million between the expected revenue that the city will receive by way of rates and the expenditure that has already been budgeted. The corporate debt of the city, which goes back over many years, has now reached an accumulated total of around £800 million—a staggering figure. This year, the debt charges, before subsidies are taken into account, will cost £97 million to service. Of course, they will go up further next year when the £60 million that was borrowed in the past 12 months from Swiss and Japanese bankers comes to maturity. Therefore, the debt, in relation to the population of the city of Liverpool, is considerable.

The decline in population has been phenomenal. About a third of the city's population has left Liverpool in the last 20 years. That has compounded the problem in many respects. Every time that people leave, the city loses rates and the rate support grant that goes with rates. Every time people leave, the city communities are fractured and families are split up. They leave a legacy of empty properties. There are more than 8,000 empty municipally owned properties in the city of Liverpool.

There are other factors, too. There is an increasingly elderly population. One in four are over retirement age, the fastest growing group being the over-80s. One in five are unemployed. That, too, has compounded the problem, because fewer people are in a position to contribute to the running of the city. The problem of collecting revenue has been exacerbated as companies have gone out of business and as shops have been closed. In the last 12 months £1·4 million was lost in uncollected rates because of liquidations and bankruptcies. Of the 36 metropolitan districts, the city of Liverpool has the third highest business rate, partly because there has been no rating revaluation since 1972.

These are serious problems. Paradoxically, they are further compounded by useful Government initiatives that were taken several years ago. For instance, the inner city partnership schemes, such as nurseries, which are now being funded by the city council, were set up with Government funds. Worthwhile initiatives are being placed in jeopardy because there are insufficient funds to keep them in existence.

What can be done? First, I should like the district auditor to come to Liverpool in a different capacity. I believe that many councillors would like him to conduct an efficiency audit survey. If he were to examine line by line the services of the city and if he were to consider whether value for money could be improved, or whether savings might be made, or whether more resources are genuinely required, I am sure that it would be welcomed. I hope that the Government would take seriously the independent findings of the district auditor and that they would respond positively to any suggestions that he might make.

Secondly, perhaps the Government would consider the rescheduling of loans so that debt charges could be pushed forward to later years. That would help, too. Similarly the Government should look at the way in which the rate support grant formula works, especially in areas where there has been massive depopulation. If there were a bigger response by the Housing Corporation to housing co-operatives and housing associations, useful resources could be provided for the city without the rate support grant having to be increased, which the Government might find politically difficult.

The Government could take other measures to respond positively to the city's needs. We are constantly being told that there should be a partnership between the private and the public sectors. Private enterprise has come forward with the Mersey barrage initiative. Up to £220 million of private investment has been offered. That would create jobs, which in turn would create electricity and new deep sea water facilities in the mouth of the Mersey. If such a project were to go ahead what a symbol of hope that would be to the people of Merseyside. However, Government commitment is needed. There has been some help to date, especially from the Under-Secretary of State for Energy, the hon. Member for Wirral, West (Mr. Hunt). I hope that the Government will pursue that commitment, in partnership with the local authority and with all the political parties, so that that dream may become a reality.

Similarly, the free port has been a great success. Of the six free ports that were established by the Government, the Liverpool free port has been the biggest success, but it could be an even greater success and could create more jobs, especially in manufacturing, if the VAT restrictions were to be removed. Perhaps the Government would consider that point, too.

As for Liverpool airport, the five authorities have been unable to provide for it in the next fiscal year. That means that the airport will face closure, with the loss of jobs and the loss of prestige in the area, unless there is a positive Government response.

These are not easy issues to resolve, but invective and abuse will get us nowhere. We must turn around the city's image. Glasgow did it very successfully, especially with the help of the Scottish Development Agency, but partly through genuine political partnership. A key player in that partnership must be central Government. In the city of Liverpool 500,000 people will be looking to the Government and to all hon. Members for a positive response.

Like other opposition Members, I have great confidence in the future of Liverpool. That confidence can now best be served by forgetting the past, laying aside past bitterness and working together for a future that is based on justice and fairness.

10.10 pm

Mr. Jack Straw (Blackburn): The House will be grateful to the Member for Liverpool, Mossley Hill (Mr. Alton) for seeking the debate, as well as to yourself, Mr. Speaker, for choosing it. I am also grateful to the hon. Gentleman for allowing me time to speak in it. I am glad that I am joined in the Chamber by my hon. Friends the Members for Liverpool, West Derby (Mr. Wareing) and for Liverpool, Broadgreen (Mr. Fields).

The hon. Member for Mossley Hill, in an eloquent speech, referred to the statement by Bishop David Sheppard, Archbishop Derek Worlock and the Moderator of the Free Churches, John Williamson, which was issued at the weekend. In that statement, which dealt with the future of the city, the three leading Churchmen recorded that the cash penalties imposed on the 47 rebels by the Law Lords were "without parallel" in the Government system. The three Churchmen also paid tribute to the fact that among the 47 disqualified from office for at least five years were some "very fine public servants." That is so.

Liverpool faces some most serious economic and social conditions not of the city's making. There has been the decline in traditional manufacturing. There has been the change in the nature of shipping, from loose cargoes to containers. There has been our entry to the Common market. On whatever side of the argument one stands on that, it has had the effect of shifting trade from the west to the east coast. It has led to the closure of associated factories such as Tate and Lyle. If one goes up the dock road from Liverpool to Bootle, one sees that what was once a thriving industrial dockland area is now derelict, with only three factories working. The unemployment rate is among the highest in the country. Tackling the problems of Liverpool must be at the top of the agenda of any political party. Certainly it is at the top of ours, and I know that it is at the top of the Liberal party's agenda, too.

We must look to the future, not to the past. For all its problems, Liverpool is still a vibrant community. Half a million people live there. They are not to be written off. Liverpool is the fifth largest city in the United Kingdom. There are many successful firms and enterprises in the city. Nothing annoys or depresses people more than the idea that the area has only problems and has no future to offer. As it has shown over past years, Liverpool has done a great deal to help itself and will do a great deal to help itself in future, but just as Liverpool helped to create billions of pounds of wealth in the past for the rest of the country, now is the time when it needs some help from the wealth that it created in the past to restore it and deal with its problems.

I hope very much that, when the Minister replies, he will deal with the debate in the spirit in which it has been introduced. I hope that we shall not have a catalogue of what happened in the past or of recrimination. I hope that the Minister will show understanding. The rate support grant system has penalised Liverpool more than other places because of the base line that was set in 1981 and the way in which the system of grant-related expenditure assessments does not take proper account of the unemployment in Liverpool or the problem of depopulation, to which the hon. Member for Mossley Hill referred.

We do not talk up the financial problems — £800 million of debt is a very large sum. So is the size of my mortgage, if I ever think about it. But those debts do not have to be repaid immediately. Let me put the problem into perspective. The national debt is £170,000 million, and the Liverpool population's share of it is £1,500 million. Those are large sums, but it does nobody any service, least of all Liverpool, if we suggest, wrongly, that the city is near financial collapse or bankruptcy. The city faces financial problems, and it needs Government help to deal with them.

Liverpool has always played its politics hard and no doubt that will be the case in future, not least in the local elections that are shortly to take place in which voters will have to make choices between the parties. It is right that there should now be the maximum co-operation between the parties in seeking solutions to Liverpool's pressing problems. In the past decade, Liverpool has seen the politics born of desperation. For the next decade, we want to see the politics born of hope. In creating that hope, the Government have an important role to play.

10.15 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. Christopher Chope): I congratulate the hon. Member for Liverpool, Mossley Hill (Mr. Alton) on securing this debate. It is timely in view of the change in political control of the council since this time last week.

[Mr. Christopher Chope]

The importance of the debate is reflected in the fact that there are many right hon. and hon. Members present now who would not normally be present for such a debate. I am glad that the hon. Member for Blackburn (Mr. Straw) made an intervention. I can understand why he wants to look to the future and not to the past and why he pleaded with me not to indulge in recriminations.

I will try to set out the Government's view about the problems faced by Liverpool and say what the Government can do to help and what we have tried to do in the past but encountered total intransigence on the part of the elected members of the council. It is relevant to take into account the political context in which many of these problems have been created. We should also take into account what may or may not happen in a few weeks, because the local elections in May will be a crucial test for the future of Liverpool. It is a pity that the hon. Member for Blackburn did not address his remarks to where the Labour party stands vis-a-vis the Militant influence in Liverpool.

The Government acknowledge that considerable problems face any elected representatives in administering the city of Liverpool. The city is characterised by significant economic and social deprivation. That is why it is a partnership authority for the purpose of the urban programme and it deservedly has the second highest grant-related expenditure assessment of all metropolitan district councils—over £530 per head.

However, the council is spending considerably more on services than it needs to spend. The latest year for which figures are available show that Liverpool was spending 35 per cent. more per head than the metropolitan district average. I do not think that the people of the city believe that their services are 35 per cent. better than the average. I am told that most residents regard, for example, the refuse collection service as a joke and that it is not unusual to wait six weeks between collections, despite the fact that the council employs the same number of men and dust carts for a population of 500,000 now as were employed when the population was more than 700,000.

There are areas in which an in-coming administration is able to take reasonably quick action. For example, since 1983 council house rents in Liverpool have been frozen. If in the period since then the council had increased them in line with the Government's guidelines, the council would have had an extra £8·7 million in income in the current year. The total rent income forgone since 1983 is £22·8 million.

In December 1986 the city council employed more than 31,000 staff—63 per 1,000 of the population. That is the fourth highest figure for all metropolitan district councils. The average is 53·4 per 1,000.

Mr. Robert N. Wareing (Liverpool, West Derby): If the local authority had increased the rents by the amount that the Government wished, how much would that have cost the DHSS in benefits to the huge number of the population of Liverpool who have their rents paid by Government funding through the DHSS?

Mr. Chope: The hon. Gentleman makes my point, showing what folly it is for a council to think that it is attesting its political prowess by keeping rents down when many people pay nothing towards their rents, which are met from central taxation. By forgoing those rent increases, the city council has deprived itself of a great deal of income that it might otherwise have had.

I will outline the Government's approach to the situation now. We are ready to meet city council representatives. Indeed, we were willing to meet the Labour-controlled council. My right hon. Friend the Member for Mole Valley (Mr. Baker), when he was Secretary of State for the Environment, met a deputation from Liverpool in January last year. In August, the council wrote to my right hon. Friend the Member for Cirencester and Tewkesbury (Mr. Ridley), the present Secretary of State, to ask for a further meeting. In his reply of early September, my right hon. Friend not unreasonably invited the council to provide an agenda for discussion, but such was the state of administrative chaos that characterised the running of Liverpool city council that it took five months for an agenda to be prepared. The agenda reached my right hon. Friend in mid-February, by which time the city council was on the point of making a rate for 1987-88.

As hon. Members know, the city rate is to go up no less than 14 per cent. Thanks to the Government's far-sighted control of the precepts of the joint authorities for police, fire and transport, the increase at ratepayer level is 5 per cent., but that did not prevent the erstwhile leaders of the city council from presenting it as a modest 5 per cent. increase for which they were responsible. Nevertheless, the Government are prepared to meet city council representatives. Sir Trevor Jones, now leader of the council, wrote to my right hon. Friend the Secretary of State on 12 March seeking a meeting. My right hon. Friend replied on 16 March and a meeting has been arranged for 24 March. The city council should not expect exceptional treatment, but there may well be scope for increasing Liverpool's share of urban programme resources as a result of having a more co-operative council.

As the hon. Member for Blackburn made clear, Liverpool is not alone in having a large accumulated debt. My right hon. Friend the Secretary of State made it clear in a written answer on 19 February that the Government do not stand behind local authority debt. Local councillors are elected to a responsible office and most of them do not expect the Government to be available to stand behind them or to bail them out. Liverpool's debt is also by no means exceptional. Its loan debt of £680 million compares with Manchester's £817 million and Sheffield's £575 million and is dwarfed by Birmingham's £1·3 billion. Indeed, when the Liberals left office in 1983 Liverpool's loan debt was £557 million.

I remind the House that the Government put considerable public resources into Liverpool and other inner city areas every year. Central Government assistance to Merseyside is running at well over £1 billion per year — the equivalent of 3p on income tax for the entire taxpaying population of this kingdom. Metropolitan areas as a whole stand to receive £240 million more rate support grant next year and London authorities £100 million more than in the current year. Those authorities with the greatest inner urban area problems stand to receive 24 per cent. of England's block grant next year, compared with a steady 20 per cent. per year between 1981-82 and 1985-86. Liverpool city council stands to receive some £129 million rate support grant next year—an increase of more than £6 million on its current year's entitlement.

The House should note that in 1986-87 Liverpool received in rate support grant, housing subsidy, housing

benefits, specific grants and capital grants £550 per head of population compared with £320 in Newcastle, £365 in Sheffield and £223 in Leeds. Let no one say that the Government have ignored the problems of Liverpool—or are Opposition Members saying that we should take money from other areas and give it to Liverpool when there has been so much waste of resources hitherto? The figures illustrate clearly the Government's acknowledgment of the problems of inner urban areas and our commitment to sensible levels of support to help cope with their difficulties.

There is a tendency to present Liverpool as in every way an exceptional case, and it certainly has social and economic problems. The Government recognise that the city council faces a substantial financial problem, but the problem was created in large measure by the preceding Labour administration. I hope that the new administration in Liverpool will take urgent steps to relieve the situation. There is massive scope for greater efficiency and more cost-effective administration of services.

Mr. Alton: The hon. Gentleman will recall that I suggested that if the district auditor were to conduct an efficiency audit survey highlighting areas in which savings could be made we would be prepared to abide by his findings. I also suggested that we might find areas in which more resources were required. Will the Government give the same commitment that they would be prepared to abide by the findings of the district auditor if such a survey were conducted?

Mr. Chope: The district audit service is independent of Government. It is an excellent idea that the hon. Gentleman has had to invite the district audit service to look at the services in Liverpool and find out where savings can be made. He will know that when the city council is under the control of the Liberal party or, as I hope, after May under the control of the Conservative party, if it takes the view that it needs special assistance, all it has to do is to make a submission to the Government and we will consider it.

I am sure that the Liberal councillors who now form a majority on the council are ready and anxious to demonstrate their ability and responsibility to tackle the city's problems. The Government are ready to discuss the position with them. However, I am not persuaded that there will be any public benefit in pumping yet more taxpayers' money into Liverpool as a matter of principle. The city council's problems will be resolved only by sensible local government facing up to the real world.

Mr. David Steel (Tweeddale, Ettrick and Lauderdale): Will the hon. Gentleman undertake to look seriously at the report from the church and business leaders about the changes in Government finance in the city of Liverpool? Will he look sympathically at the distortions that have unwittingly occurred over a long period?

Mr. Chope: The leaders concerned have already met the Secretary of State. I have read a copy of the report which, as yet, has not been published. It contains some points that we are carefully considering.

I do not think that I can leave this debate without commenting on the future, because the leaders of the Labour party have desperately tried to side-line Liverpool, no doubt because it is embarrassing to the Labour party when its mask is removed and its true nature exposed.

One understands from the press that there is every prospect that the Labour party will again field Militant candidates in the May elections. Much as Opposition Members may say that one should not get involved in that aspect of the debate this evening, I think that this issue is absolutely fundamental. If Liverpool finds itself with Militant Labour councillors again after the May elections, its problems will go from bad to worse.

What will the hon. Member for Blackburn do about that? Will he condemn the Militant influence in Liverpool and make sure that anybody who belongs to Militant and who is selected will be deselected, and that ordinary members of the Labour party will be able to stand in their stead? Or will he try to hide behind the veil and say that the problems in Liverpool are an isolated occurrence? I can tell him that the Militant influence is far and widespread across the country. Indeed, we are told that Liverpool's present problems resulted from a mere 15 Militant councillors; the rest were non-Militants. It is sad that people who were non-Militants should have been carried away like that. Press reports suggest that the Militants are boasting of fielding 30 candidates under the Labour banner at the next local elections—*[Interruption.]* The hon. Member for Liverpool, West Derby (Mr. Wareing) is intervening from a sedentary position, but it is important that we remind ourselves of early-day motion 738 which shows the extent to which several Labour Members take the view that the previous Labour administration in that council was absolutely marvellous. Indeed, the hon. Member for Liverpool, Walton (Mr. Heffer) has said as much—that it was the best council that Liverpool ever had.

Mr. Terry Fields (Liverpool, Broadgreen) *indicated assent.*

Mr. Chope: The hon. Member for Liverpool, Broadgreen (Mr. Fields) agrees with that comment. When will the national Labour leadership distance itself from that behaviour? Until it does, and until it ensures that the people who stand for the Labour party are not standing in Militant colours, we shall not be sure that Liverpool's problems will be resolved.

I am all in favour of constructive dialogue towards the problems of Liverpool. However, we should not lose sight of why Liverpool is in the mess that it is, and we should not allow the Labour party to hide behind the situation and to suggest that it is not like that in other places. People in Liverpool said that that could not happen there. However, they found out that it could. Citizens in other Labour-controlled cities will have to take that into account. I hope that that message will get across to the electorate in Liverpool and that they will have a much more responsible council after the elections in May.

Question put and agreed to.

Adjourned accordingly at half-past Ten o'clock.

House of Commons

Thursday 19 March 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

YORK CITY COUNCIL BILL *[Lords]*

CITY OF WESTMINSTER BILL

TEIGNMOUTH QUAY COMPANY BILL

LONDON DOCKLANDS RAILWAY (BECKTON) BILL
Orders for Second Reading read.
To be read a Second time upon Thursday 26 March.

Oral Answers to Questions

AGRICULTURE, FISHERIES AND FOOD

Farm Forestry

1. **Mr. Bellingham** asked the Minister of Agriculture, Fisheries and Food if he is now in a position to announce his detailed plans on farm forestry.

The Minister of Agriculture, Fisheries and Food (Mr. Michael Jopling): A consultation document on the farm woodland scheme was included in the "Farming and Rural Enterprise" package which we published last week. Copies are available in the Vote Office.

Mr. Bellingham: I am grateful to my right hon. Friend for that reply and also for the work that he put into the document. However, does he agree that it is imperative that the minimum broadleaved content is maintained? Is he aware that appalling damage has been done to the environment in some parts of the country as a result of the irresponsible planting of conifers in valleys and glens and on hillsides?

Mr. Jopling: I am very interested in my hon. Friend's comments as that is exactly one of the things that will be subject to consultation. Through a combination of higher incentives, encouragement and advice we hope, where possible, to orientate the scheme towards broadleaved planting.

Mr. John: Will the right hon. Gentleman confirm that the alternative land use in the rural economy scheme for farm woodland represents the total package of his scheme? Will he further confirm what he is quoted as saying, namely, that that package is intended for higher up the hills rather than the lowlands?

Mr. Jopling: Yes, the extension of the target for traditional forestry will basically be a matter for the Forestry Commission. We expect the new scheme for farm woodlands, which has been broadly welcomed, to operate in the non-cereal producing areas. It may well be that some areas that produce cereals will be offered for this scheme, and there is nothing to stop that happening. However, we would expect most of the land to come from non-cereal producing areas.

Mr. Chapman: Will my right hon. Friend sympathetically consider and, I hope, confirm that the Government's farm forestry policy should not only include the planting of broadleaved hardwoods as woods and copses, but should involve the replanting of many of our lost hedgerows, which are the seedbeds of much of our rural tree stock?

Mr. Jopling: My hon. Friend will recall that I was the Minister who stopped the grants to pull up hedgerows. Our latest information demonstrates that the grubbing up of hedgerows has been reduced to a low level. My hon. Friend will be aware that, in certain areas, we are giving assistance for the reintroduction of hedgerows and walls.

Hill Farmers (Incomes)

2. **Mr. Wallace** asked the Minister of Agriculture, Fisheries and Food what is his latest estimate of the prospects for hill farmers' incomes in 1987.

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. John Selwyn Gummer): The 11 per cent. increase in the hill livestock compensatory allowances last year will continue to benefit hill farmers this year to help to maintain the stability of their incomes.

Mr. Wallace: Has the Minister had an opportunity to read the speech last week by the president of the National Farmers Union of Scotland? He described the income trends for producers in hill and upland areas as "appalling and derisory". What is the Minister's response to that? When will producers in the upland areas have the change of fortune that the Government have been so swift to promise, but so slow to deliver?

Mr. Gummer: I wonder whether the hon. Gentleman has noticed that in 1986-87 the net farm income per farm in less-favoured area cattle and sheep farms was equal to the index for dairy farms and better than all other sectors. That hardly tallies with what he has said.

Sir Peter Mills: Does my right hon. Friend realise that hill farm incomes will continue to drop in the future unless something is done about the green pound? The tremendous importation of meat from Germany and Ireland has meant that the return to the farmers from British beef is at its lowest ebb for a long time. Something must be done about the green pound.

Mr. Gummer: I am sure my hon. Friend will agree that that matter affects the whole of the beef industry. The green pound affects the whole of agriculture, not merely the LFAs. I was addressing myself specifically to that point. My hon. Friend is, however, quite right in saying that British agriculture is in difficulty because of the effect of the green rates. We shall be discussing that in the first two days of the price fixing. The British Government have very much in mind the concern of the whole industry to see that there is fair competition with the rest of Europe. I think my hon. Friend will agree that the recent movements of sterling have helped to some extent.

Mr. Campbell-Savours: What about the incomes of hill farm producers of lamb, particularly those in the Lake District? Will the Minister give an undertaking that no hill farm producer of lamb whose farm has been subject to contamination as a result of the Chernobyl incident will lose money, and that he is insulated against any losses that arise from that incident?

Mr. Gummer: I hope that the hon. Gentleman will at least admit that, unlike any other country in Europe, we have done a great deal to compensate people in the hills after that incident. It is curious that there is never a single word of gratitude from the hon. Gentleman for the enormous amount that has been done by the Government to help people in this unfortunate circumstance. After three stages of help to the farmers concerned, we are now discussing the matter yet again with the NFU to see what else we can do to help. There is no question but that the Government's record is extremely good in that area.

Mr. Home Robertson: Notwithstanding all that the Minister has been saying, does he not accept that the December agreement will aggravate the serious situation that faces a number of upland beef producers in Britain? In particular, can he not recognise the harmful effect of unfair competition from imports from the Republic of Ireland? Will he take any initiative either to support the British beef sector or to curtail the discriminatory advantages that are currently enjoyed by producers in the Irish Republic?

Mr. Gummer: The hon. Gentleman must accept that I have said clearly that there are problems because of the difference in green rates. I am not disguising that. But I remind the hon. Gentleman, when he brings out his catalogue in that way, that the effect of those measures on the beef producer in Britain was considerably less than in any other country in the European Community, including the Republic of Ireland, where the fall in the carcase price was considerably greater than in this country.

Food Aid

3. **Mr. Spencer** asked the Minister of Agriculture, Fisheries and Food what are the latest amounts of food products authorised for release under the European Economic Community food aid scheme.

Mr. Jopling: The most recent figures of authorised releases from intervention stores represent almost 50 million packs of butter and almost 8 million portions of beef. Charitable organisations are purchasing milk and butter from commercial sources, and claims for about 110,000 pints of milk and 840 tonnes of cheese have so far been received by the Intervention Board for Agricultural Produce.

Mr. Spencer: Will my right hon. Friend condemn the carping criticism from some quarters that the charities have not been distributing the food quickly enough? Does he not feel that that is an insult to the splendid effort of thousands of voluntary workers, who have distributed so much food to so many most needy pensioners?

Mr. Jopling: My hon. and learned Friend is absolutely right. The House should congratulate the charitable organisations that have co-operated in the scheme, for which there was a tentative estimate for the European Community as a whole of £35 million at the outset of the scheme. In the outcome, we expect that the scheme will cost about £35 million — the same amount — in the United Kingdom.

Mr. Chris Smith: Will the Minister explain why that particular method of distribution was chosen? Many pensioner groups, organisations and charities in my constituency have not been able to get any of the food. Many pensioners in my constituency have not had the chance of getting any of the assistance. Why has that chaos attended upon the introduction of the scheme?

Mr. Jopling: To use the word "chaos" is absolutely absurd, as the answer to the previous question clearly shows. The charities have co-operated extremely well together. If the hon. Gentleman has in mind certain charities that would be interested in joining the scheme, I hope that he will direct them to some of those charities — of which there are a good many — that have been taking the lead.

Mr. Key: Notwithstanding the welcome that has been given to the scheme, will my right hon. Friend do his very best to ensure that never again is such an intolerable burden of distribution placed on the voluntary agencies, which have received a stream and torrent of abuse from angry pensioners and their relatives? That is quite unfair.

Mr. Jopling: My hon. Friend will recall that it was the decision of the Commission in Brussels that the distribution of the food should be made by charitable organisations. That decision was not in our hands.

Mr. Madden: What financial help are the Government giving to the charitable organisations that have faced an enormous burden in distributing butter and beef? Will the right hon. Gentleman give an assurance that no charitable organisation's day-to-day activities will be put in jeopardy, either now or in future, as a result of expenditure that it has incurred through the distribution? Will he give a clear undertaking that in any future distribution clear and precise information will be issued through the local media so that all needy people are given a reasonable opportunity of knowing what is available, where it is available and when it will be available?

Mr. Jopling: Very many of the charitable organisations have said that they regard this work as a great opportunity because they are so closely in touch with people who could best benefit from the food. We told the charities from the outset that the costs of final distribution to recipients were for the charities and that no Community or national funding was available.

Mr. Stokes: Is my right hon. Friend aware that it is absolutely right to use the voluntary agencies to distribute the food? However, is he further aware that it is hard for hon. Members to discover exactly what is happening in their constituencies? May we have some help about that?

Mr. Jopling: My hon. Friend will, I think, be aware of the main charitable organisations that have been taking the lead in these matters. However, I shall be very glad to let him have the addresses of some of the charities in his part of the west midlands, although I suspect that he may know some of them very well already.

Mr. Lawrence: Is my right hon. Friend aware that two particular problems have emerged in my area? First, the distributing charities have great difficulty in being able to cook or provide cooked meat, so that very few pensioners

are getting the meat. Secondly, as long as it is unlawful to mark the pension book, there is no way of ensuring that the same people are not going from charity to charity to get more and more of the free distribution.

Mr. Jopling: My hon. and learned Friend should recall that such difficulties were really inherent in the Commission's decision that the charitable organisations should be responsible for distribution. I think that on the whole the charities have done incredibly well in performing the service at very short notice.

Mr. Randall: What is the estimated total cost to the voluntary and charitable organisations of supporting the food aid scheme? Is it not a disgrace that organisations such as the Salvation Army and Age Concern have to use their own scarce resources when FEOGA and the Commission have so much money to play with? I understand that local authorities are also involved in this work. How many authorities are involved, and why?

Mr. Jopling: Far from having money to play with, the Community is likely to overrun its budget by 3½ billion ecu next year. We explained to the charities at the outset that the final distribution costs would be for them. They went into the scheme with great enthusiasm, but they knew exactly what the rules were when they started.

Land Use

4. **Mr. Dorrell** asked the Minister of Agriculture, Fisheries and Food if he is now in a position to announce his detailed proposals on alternative land usage.

Mr. Jopling: As already announced, the Government have published a set of documents entitled "Farming and Rural Enterprise" which include details of my proposals on alterantive land use. Copies are available from the Vote Office.

Mr. Dorrell: Is my right hon. Friend aware that the document is extremely welcome? Does he agree that it is important to realise that agriculture is not necessarily synonomous with food production and that there are many alternative crops and uses for agricultural areas which could make a major contribution to the rural economy? Does he further agree that the policies of his Department, as well as planning policies, must be sufficiently flexible to allow those opportunities to be exploited?

Mr. Jopling: We are extremely conscious of that. That is why part of the package deals with capital grants for farm diversificaton. We are also extremely interested to see whether non-food uses can be found for agricultural produce. Certainly I believe that in the next few years there will be considerable growth in the use of sugar for various industrial processes.

Mr. Skinner: Is not the truth of the matter that the Government statement about further use of land was the result of a battle within the Tory party between the city spivs and the farmers currently occupying the land, a battle which the city spivs and speculators won and the farmers lost?

Mr. Jopling: As so often, the hon. Gentleman is not really up to date. He never tires of telling us about his friends the city spivs buying up land. As the statistics show that in recent years farm land prices have fallen, anyone speculating in agricultural land may have had his fingers burnt.

Sir Hector Monro: Does my right hon. Friend accept that his imaginitive new policies have been very well received, especially by the National Farmers Union in Scotland, which realises their value in relation to upland land? Will he also proceed as much as possible along the lines of environmentally sensitive areas, which offer great hope in areas of scenic beauty? Is he aware that if EEC money can be put into those areas it will be very welcome?

Mr. Jopling: We announced in the document that we would be doubling the funds. I cannot say how many new areas we shall be designating, but we have already designated nine across the United Kingdom. I am grateful for the welcome that my hon. Friend and, indeed, hon. Members in all parts of the House have expressed for the environmentally sensitive areas.

Mr. John: Given the importance of the document, will the House have an opportunity to debate it, or have the press conferences exhausted the Minister's appetite for the subject?

Secondly, if the Secretary for State for the Environment says that planning permission on agricultural land will be as difficult as ever to obtain, why do the guidelines need to be changed?

Mr. Jopling: The hon. Gentleman knows as well as I do that the business of the House is a matter for my right hon. Friend the Leader of the House, but I am happy to pass on what the hon. Gentleman has said. As it is Thursday, there will be a business statement later.

Beef

5. **Mr. Maclennan** asked the Minister of Agriculture, Fisheries and Food what representations he has received regarding the prospects for beef producers in 1987.

Mr. Gummer: I have received a number of representations from farmers and industry organisations about the prospects for United Kingdom beef producers in 1987, particularly in the light of the inter-relation between the dairy and beef sectors.

Mr. Maclennan: Is the Minister aware that his Department's complacency about the industry's predicament is a cause of great dismay to farmers? Is he aware also that the gap between the total return and the target price for beef in this marketing year is about £69 million? What does he intend to do about the green pound devaluation? How much does he propose to seek above what is proposed by the Commission?

Secondly, what is the Minister's intention with regard to the suckler cow premium? Does he intend to pay the maximum amount allowable and also to seek a substantial increase in the forthcoming price review?

Mr. Gummer: How can the hon. Gentleman talk about complacency in the first part of his question when, in the second, he refers to two changes that the Government have brought about for that sector? First, we ensured that there was the opportunity of increasing the suckler cow premium and, secondly, we achieved a devaluation of the green pound in the wake of the green punt devaluation. This shows that the attitude that the hon. Gentleman claims for the Government is false.

Thirdly, the hon. Gentleman might have reminded himself that the Government ensured in the negotiations that the British beef industry emerged from them with a better deal than that of any other country in Europe. The hon. Gentleman shakes his head. But he does not know the facts or the figures and he constantly complains.

Mr. Harris: I welcome what my right hon. Friend has said and agree with much of it. Does he accept that currently beef production is probably the most vulnerable sector of agriculture? Will he go to Brussels and bring about a real further reduction in the value of the green pound to correct the situation of recent months?

Mr. Gummer: My hon. Friend is right. The beef sector has a number of problems. Not least there is concern about the effect that the culled cows will have on the market during the changes in the dairy quota regime over the next two years. We shall be negotiating to get the best deal we can for Britain, and this will be a major matter for our concern. I am sure that my hon. Friend would not expect me in advance of negotiations to tell those with whom I am negotiating what my bottom line is. The hon. Member for Caithness and Sutherland (Mr. Macleannan) thinks that I should, but he has never negotiated successfully in his life.

Mr. Livsey: Does the Minister agree that the beef settlement in the December agreement was a complete disaster for British beef producers and that the only way to put that right is a double-figure devaluation of the green pound, and nothing less? Will he give us that assurance, please?

Mr. Gummer: The hon. Gentleman has not examined the figures. The effect on France, Germany, the Netherlands and Ireland is considerably worse than on this country. The hon. Gentleman cannot say that the settlement was disastrous, because we came out with the best deal of any country in the European Community. Of course, we shall continue to fight for the interests of British farmers and to be successful.

Mr. Lord: Is my right hon. Friend aware that my hon. Friends and I appreciate how difficult the problems are? Does he agree that the problems of beef producers are not confined to the north and the west? For example, many beef producers in East Anglia are in difficulties, and even the most efficient producers there are losing money. I urge my right hon. Friend to do his best in the negotiations to remember all our beef farmers, as I am sure he will. They are going through extremely difficult times and without a little help I fear that some of them will go under.

Mr. Gummer: I accept my hon. Friend's point and I hope that he will remind beef producers in the east of England of what the hon. Member for Brecon and Radnor (Mr. Livsey) said recently, when he called for a moratorium on technological advance in agriculture in the Western world. That would hit our efficient beef producers extremely hard.

Mr. Maclennan: On a point of order, Mr. Speaker. In view of the wholly unsatisfactory nature of that reply, I beg to give notice that I shall seek to raise the matter on the Adjournment.

Agriculture Industry

6. **Mr. Kirkwood** asked the Minister of Agriculture, Fisheries and Food what extra resources he intends to make available for socio-economic advice to the agriculture industry.

Mr. Jopling: The resources devoted to this activity are currently under consideration.

Mr. Kirkwood: I thank the Minister for that wonderful and illuminating reply, from which no one is any the wiser. May I ask him to acknowledge that there is a crucial role to be played by diversification within the agricultural sector? Will he also acknowledge that the 12 per cent. cut that we have seen recently in research and advice and the introduction of fees at £28 per hour plus VAT are substantial disincentives to diversification? Is it not time that he completed the consideration and devoted sensible resources to that important area of agriculture?

Mr. Jopling: We are extremely alert to the business of diversification. I am surprised that the hon. Gentleman asks that question, because it betrays the fact that he cannot have read what was in our recent policy document and in the ALURE document with regard to diversification, which has been warmly received. I would point out to him that general advice for farm business diversification will continue to be provided free of charge. It is detailed work on substantial projects such as, or instance, the preparation of building plans, that will in future attract charges.

Mr. Latham: Is my right hon. Friend aware that if I were looking for a list of priorities for helping farmers I would not start with socio-economic advice? Will he take it from me that the best help that we can give to farmers is to do something about the green pound as quickly as possible?

Mr. Jopling: We do not start with socio-economic advice. We start with a figure something in excess of £2 billion a year with which we support the agriculture industry. In these changing times, we have also made available other resources to deal with socio-structural matters, which I believe has been widely welcomed by the farming industry.

Mr. Randall: Is the Minister aware that if there is to be a major re-orientation of farm businesses, much more money will be needed than that recently announced by the Minister? Does he agree that this small-minded approach will make the Government even more unpopular with the farming community?

Mr. Jopling: This is a familiar response. When an Opposition are faced with a Government who have done something useful, they come along and all that they can think of to say is that it is not enough.

Mr. Nicholas Winterton: Will my right hon. Friend tell the House what advice — not socio-economic — and perhaps what resources can be made available to those parts of the country where dairy farmers will be forced out of existence because of the two lots of quotas that have been introduced——

Mr. Speaker: Order. The question is about socio-economic advice.

Mr. Winterton: I always accept your advice, Mr. Speaker. I shall rephrase my question. What socio-economic advice is being given by my right hon. Friend to those areas of the country where dairy farmers are being driven out of business because of the two lots of quotas that have been introduced to ensure that the land of Britain does not go back to the jungle and that the land, which has been used in the past for the production of food, can continue to be usefully put to the advantage of British people?

Mr. Jopling: I am sure my hon. Friend has read the document that we produced last week. He will see that we have suggested a whole range of alternative land usages. With regard to his first point about the dairy industry, I ask him to go back to the speech that I made in the House a short time ago when we had what was a contentious debate about milk charges. He will perhaps be good enough to look at the figures I used at that time, which demonstrated that since quotas were introduced dairy incomes have been increased and, in the last year for which I quoted figures, they were at the highest level they have been in the 1980s.

Food Labelling

7. **Mrs. Shields** asked the Minister of Agriculture, Fisheries and Food what steps he is taking to improve information made available to the public about the contents of prepared foods.

The Parliamentary Secretary to the Ministry of Agriculture Fisheries and Food (Mr. Donald Thompson): The food labelling regulations already require a substantial amount of information about foods to be provided.

Mrs. Shields: Will the Minister ensure that in the labelling of prepared foods attention will be paid to the quantities of items such as preservatives, salt, fat, sugar and so on? Will that labelling include, if and when applicable, notice of irradiation?

Mr. Thompson: Irradiation is illegal in Britain and until that is resolved I cannot answer that part of the hon. Lady's question. Present regulations require a great deal of information. They require a clear and precise name, a full list of ingredients and an indication of how long the product can be kept. Added sugar and salt already appear on ingredient lists and total sugars and salt can be and are included in nutritional statements.

Mr. Gregory: Does my hon. Friend agree that the most important factor is the mother in the household, who can give good advice about balanced food? Does he further agree that we should not get into a namby-pamby state about pre-packaged foods?

Mr. Thompson: The mother in the household is entitled to a full range of information so that she can make a sensible and balanced choice. I expect to make a statement shortly about our guidelines on voluntary nutritional labelling. This follows wide-ranging consultations which have already taken place.

Horticulture Industry

8. **Mr. Moynihan** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the performance of the vegetable sector of the horticulture industry in 1986.

Mr. Donald Thompson: Growers of protected vegetables had a significantly better year than in 1985, but 1986 was a difficult year for outdoor vegetable growers.

Mr. Moynihan: Is my hon. Friend aware that notwithstanding the fact that 20,000 tonnes of cauliflowers have been withdrawn from the market under intervention, cauliflowers are in short supply in Lewisham? When advising my constituents about a balanced diet, will my hon. Friend confirm that the Government's priority is not leaks but cauliflowers?

Mr. Thompson: There are no leaks in the Department of Agriculture, Fisheries and Food. The supply of cauliflowers depends upon the season, and this is not the cauliflower season. Therefore, there is a shortage.

Mr. Randall: Is the Minister aware that horticulture is already self-sufficient in quite a number of crops? Is he also aware that if only 1 per cent. of cereal land was used for field vegetables it would give a 30 per cent. increase in production? Clearly, this would destroy the market and would destroy jobs. Will he assure the House that no subsidies will be given to arable and dairy farmers to move into this sector?

Mr. Thompson: There are no subsidies. When we reach the stage of making payments for changing crops, it would be completely wrong to move people from one area into another which, as the hon. Gentleman says, is already in surplus.

Dairy Industry (Quotas)

9. **Mr. Charles Wardle** asked the Minister of Agriculture, Fisheries and Food what impact the temporary suspension of quota with compensation scheme will have on the income of the average United Kingdom dairy producer with *(a)* 40 cows and *(b)* 80 cows.

Mr. Gummer: The impact of the temporary suspension of milk quota on the income of the individual dairy producer is difficult to assess since much will depend on how each reacts to this suspension. The level of compensation to be paid, 6·5p per litre, compares favourably with the average profitability of dairy production of between 3p and 4p per litre.

Mr. Wardle: Is my right hon. Friend aware that small producers in the Sussex Weald, many of whom have borrowed from the banks to improve their farms, have an abiding problem over the financial uncertainty created by the quota reductions and, it has to be said, by the additional dairy inspection charges that they now face? Will he consider topping up the temporary suspension payment for smaller herds from 6·5p to 8·2p per litre as, I believe, the European regulations permit?

Mr. Gummer: My hon. Friend might remember that when we did the original allocation of quotas we made sure that they were skewed towards the small producer. Of course, the reduction is on the larger amount, and it was consciously done in that way, even though we could not have a smaller reduction of temporary quota for smaller

farms because that would be contrary to the regulations agreed by the European Community. I am conscious of the effect of this on the smaller producer, but I think my hon. Friend will agree that the generous compensation is a great help, although there are still difficulties.

Mr. Home Robertson: Is the Minister satisfied that this system is being applied fairly in all parts of the United Kingdom, and that it is not being distorted by national aids of one kind or another to small dairy farmers in, for instance, Germany? If the Minister receives any evidence that such practices are going on, will he take any steps to protect small dairy producers in Britain?

Mr. Gummer: One of our major aims is to make sure that this is fair throughout the Community. I remind the hon. Gentleman that Germany has to bring back 4 per cent. more than anybody else because of the over-issuing of quota which Germany did at the time. Its producers will have a particularly difficult two years.

Food Aid

11. **Dr. Twinn** asked the Minister of Agriculture, Fisheries and Food what representations he has received on the scheme to give free European Community food to the needy.

Mr. Gummer: We have received a number of letters from charitable organisations, hon. Members, Members of the European Parliament and members of the public. There have been many expressions of thanks for the efforts of the charities in arranging the distribution.

Dr. Twinn: Does my right hon. Friend share my surprise that the hard work undertaken by the charities and by many thousands of voluntary workers should have been the subject of some carping criticism in the press and elsewhere, rather than receiving the admiration due to them for the way in which they rose to the challenge of distributing so much food so well?

Mr. Gummer: I agree with my hon. Friend. That is why I wrote to thank the heads of all the main charities involved, and I received some very encouraging replies as a result. They have done an enormous amount of work, and I believe that we should support them for so doing. To have distributed such a vast amount of butter and beef is very remarkable.

Mr. Spearing: Will the Minister say whether the Government asked the Commission to make it possible for local authorities to be involved in the distribution? Will the right hon. Gentleman tell the House and the country why he laid down no guidelines for the voluntary agencies in each area so that there could be consistency and therefore public confidence?

Mr. Gummer: Guidelines were laid down clearly with the representatives of the charities. I laid them down on the afternoon on which we launched the scheme. Those guidelines were loose enough for the local circumstances to be taken into account. Surely the hon. Gentleman would agree that in dealing with such matters generosity, concern and individual compassion are more important than consistency. That is why we supported the concept of the job being done by charities. We felt that they were much better fitted for it than anyone else.

Sir Nicholas Bonsor: My right hon. Friend will know, because my hon. Friend the Member for Hornchurch (Mr. Squire) and I wrote to him about it, that in the borough of Havering no charities have distributed any food because they have found it impossible to discover how to obtain it. I hope that my right hon. Friend will reply shortly to my hon. Friend the Member for Hornchurch and will investigate additional ways in which charities can be encouraged to take the quota that they should be able to obtain.

Mr. Gummer: Our initial inquiries suggest that part of the story has not been told. That has not been the experience in the country as a whole. We hope that if there has been a special problem in Hornchurch it can be overcome.

Mrs. Dunwoody: Is the Minister aware that in areas where charities are undertaking the task they have not only had to pay out a great deal of money, but have found it difficult to explain to people why supplies are different from one area to another and why they have incurred such great expense in packing and storing food? It has been an impossible scheme, and I hope that the Minister is ashamed of it.

Mr. Gummer: The hon. Lady would also find it difficult to explain why the packing was expensive, because no expense was incurred. The entire cost of packing the butter was met by FEOGA funds. The hon. Lady clearly does not know the facts, but has come here yet again to carp about what the charities are doing.

Horse Market (Southall)

12. **Mr. Greenway** asked the Minister of Agriculture, Fisheries and Food if he has any plans to visit the Southall horse market; and if he will make a statement.

Mr. Donald Thompson: I have no plans at present to visit the market. My veterinary staff attend it, and are able to monitor and encourage compliance with the voluntary code of practice on horse markets.

Mr. Greenway: Will my hon. Friend change his mind and make an unannounced visit to the Southall horse market, where he will see that standards are often far from satisfactory? Will he also consider extending the 1964 regulations on animal markets to horses and ponies, so that they can be given the same protection at sales and markets as other animals? Why should horses and ponies be second-class citizens in the animal world?

Mr. Thompson: I know how hard my hon. Friend works on behalf of both constituents and horses. Of course, I shall not announce now that I shall be making an unannounced visit to his constituency. However, we are considering the need for legislation to put horse markets in line with the Farm Animal Welfare Council report recommendations.

EC (Two-tier Pricing)

13. **Sir Michael Shaw** asked the Minister of Agriculture, Fisheries and Food what further representations he has received on the implications of adopting a policy in the EEC of two-tier pricing.

Mr. Gummer: We continue to receive such representations, which generally concern the very adverse impact such a system would have on British farmers and the special advantage that it would give to other countries in the Community.

Sir Michael Shaw: Is my right hon. Friend aware that any such system must militate against the interests of the efficient farmers in north Yorkshire?

Mr. Gummer: That is right. I hope that my hon. Friend will mention the new alliance scheme along this line, announced by the hon. Member for Brecon and Radnor (Mr. Livsey) last week, which suggests that Britain and France should bear the entire burden of the cut in the cost of the regime. We would have to pay for a large quantity of the cost, helped a little by Greece and Denmark, while everybody else would get off scot-free.

Oils and Fats

14. **Mr. Gregory** asked the Minister of Agriculture, Fisheries and Food if he will estimate the effect of the EC Commission's proposals on oils and fats on the United Kingdom confectionery trade.

Mr. Donald Thompson: The Biscuit, Cake, Chocolate and Confectionery Alliance has estimated that the proposed oils and fats tax could increase its members' costs by up to some £50 million annually. The Government are firmly opposed to this proposal.

Mr. Gregory: I welcome my hon. Friend's comments. Will he assure the House that he will continue strenuously to attack any proposal by the EEC Commission in respect of oils and fats which will have a detrimental effect on the UK confectionery industry, whose exports are the second most important in the food and drink sector, particularly in York? The proposals would mean that Craven's would have to spend £40,000, Terry's £1 million and Rowntree Mackintosh over £2 million.

Mr. Thompson: My hon. Friend can tell his constituency and the industry in general that we are firmly opposed to the oils and fats tax.

PRIME MINISTER

Engagements

Q1. **Mr. Tony Lloyd** asked the Prime Minister if she will list her official engagements for Thursday 19 March.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today, including one with the Board of Deputies of British Jews.

Mr. Lloyd: In this week of tax handouts, will the Prime Minister turn her attention to the position of the Science and Engineering Research Council, which has cancelled new scientific research in British universities? Given the Government's responsibility for the shortfall in funding, will she look at the comments of Professor Strange of Kent university, who said:

"The decision seems an extraordinary thing to coincide with a tax giveaway Budget."

He warned that Britain will "lose scientists". Will the Prime Minister do something about this or, once again, will the nation's future be sacrificed for an electoral present?

The Prime Minister: Government spending on research and development is substantial and bears comparison with that of all advanced countries, as I have said before. United Kingdom Government-funded civilian research and development as a proportion of national output exceeds the level in Japan and the United States. Of course, there are many more people who would like more research on a particular project in which they are interested. How that money is allocated is decided not by Government but by the board which advised my right hon. Friend, the board of the research councils. Our overall record is a very good one.

Mr. Kenneth Carlisle: Does the Budget not reduce the tax burden of the average family by £3 a week? Is it not clear that the Labour party is pledged to claw back that £3? In reality, is it not a fact that to pay for their huge spending plans a Labour Government would have to raise taxes far higher?

The Prime Minister: Yes, I agree with my hon. Friend. It is an extremely good Budget, extremely well balanced and highly responsible. It rightly gave a reduction in the standard rate of income tax, which will be of great use to the nearly 18 million people whose earnings are below average male earnings. The Labour party cannot trust people to spend their earnings in their own way.

Mr. Kinnock: Is the Prime Minister aware that the Minister of State, Home Office, the hon. Member for Putney (Mr. Mellor), has been reported as saying that despite the record levels of crime there will be no increase in police manpower until there is concrete evidence of an improvement in police performance? As recruitment by results would be a foolish way to determine efficient manning levels in the police force, will the Prime Minister repudiate that view and direct the Home Office instead to establish what extra police and administrative manning levels are required to combat the 50 per cent. rise in crime under her premiership?

The Prime Minister: The right hon. Gentleman has a short memory. My right hon. Friend the Home Secretary has announced increases in establishment for police forces, not only in London, but in other places all over the country. Those forces have not necessarily reached establishment figures yet, because they have to select people who are sufficiently advanced and sufficiently good to be properly trained to be policemen. So the basis of the right hon. Gentleman's question is incorrect.

Mr. Kinnock: Can the Prime Minister now tell us, since she refused to do so before, whether she agrees with Sir Kenneth Newman that one of the major causes of the serious rise in crime in recent years has been unemployment?

The Prime Minister: The right hon. Gentleman must have run out of questions to ask. The identical question was asked on Tuesday when he was here. Let me give him the answer that I gave then.

"It is a sad fact that the peak age of offenders is 15 years. That is below the school-leaving age".

So that can have little to do with unemployment. I also said:

"Academic research has suggested that there is no significant association between increases in recorded crime and increases in unemployment."

My third point was:

"Unemployment involved a much bigger proportion of the working population in the 1930s" — [*Official Report*, 17 March 1987; Vol. 112, c. 812.]

than it does now.

If the right hon. Gentleman's assumption had been correct there would have been a much higher rate of crime in the 1930s, but, in fact, the rate was lower.

Mr. Kinnock: If the Prime Minister thinks that unemployment affects only the unemployed, she understands even less about unemployment than I thought. Is she aware that there is colliding evidence from academic researchers? There is also the view of practising police officers and common sense. Will she now tell us whether she agrees with Sir Kenneth Newman and other working policemen?

The Prime Minister: I have made my view clear. I will add one further factor. If the right hon. Gentleman were correct, countries which have very low rates of unemployment should have much lower rates of crime, but that is not the case.

Mr. Lord: Does my right hon. Friend agree that the principal problem facing many of our inner cities is quite simply that they are controlled by extremist Socialist councils? Is it not the case that no amount of help from central Government will solve their problems as long as they are in the grip of people who have neither the will nor the ability to honour their obligations to the people they represent?

The Prime Minister: Yes, I agree with my hon. Friend. A large number of Labour local authorities go out of their way to undermine the police and finance criticism of the police at public expense. I would also point out that under this Government there are now 15,700 more people working with the police — 10,000 more police officers and 5,700 more civilians—than in 1979.

Mr. Dubs: Is the Prime Minister aware that in the space of the 15 minutes during which she is answering questions today a total of 110 crimes will be committed in this country, and that it is simply no good her standing up week after week and saying, "Don't blame me, I'm only the Prime Minister"? The people of Britain are dissatisfied with her and she knows it.

The Prime Minister: What a pity that Opposition Members did not vote to refer lenient sentences to the Court of Appeal. What a pity that they did not vote to increase maximum sentences. They have abolutely no standing at all when it comes to criticising the record of this Government.

Q2. **Mr. Gregory** asked the Prime Minister if she will list her official engagements for Thursday 19 March.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Gregory: Will my right hon. Friend accept the grateful thanks of the nation and of the constituents of York, in particular, for the success of her Budget? Furthermore, will she comment on the latest expenditure plans as envisaged by the Labour party, the cost of which will amount to some £34,000 million and which would result in a penal basic rate of tax of 56p in the pound or value added tax of 49 per cent.?

The Prime Minister: I agree with my hon. Friend. The programme of the Labour party would land us with high borrowing, high taxation and bankruptcy in very short order. Our policies have, in fact, directed extra spending to particular targets such as education and the social services. They have cut down borrowing to what my right hon. Friend regards as a reasonable amount, 1 per cent. of GDP. They are policies which have also kept inflation down, which are producing more jobs and which are causing a substantial fall in unemployment. They are excellent policies for this country.

Q4. **Dame Jill Knight** asked the Prime Minister if she will list her official engagements for Thursday 19 March.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Dame Jill Knight: Will my right hon. Friend consider initiating proposals at the United Nations for the revision of the Vienna convention as it affects diplomatic status, so that those who claim diplomatic immunity may face prosecution when they break the laws of our land? Is she aware that there is strong resentment about the fact that these people avoid charges that others must rightly face?

The Prime Minister: I know the concerns that lie behind my hon. Friend's question, but I am advised that if we were to do so such a proposal would not win support from other Governments. The Government and the Select Committee on Foreign Affairs both concluded in 1985 that abuse of diplomatic immunity should be dealt with by stricter application of the existing provisions of the Vienna convention and not by amending it. We also have to remember that sometimes our diplomats serve in countries which have a very different legal system from ours. That must be taken into account.

Dr. Owen: As two former Home Secretaries believe that the fresh allegations about the deliberate campaign to destabilise the elected Government need investigation, as one of those former Home Secretaries has already made it clear that the investigation which took place in 1977 focused on electronic surveillance of No. 10, and in view of the Cabinet Secretary's possible role at the time, would it not be appropriate now for the Prime Minister to consult the former Prime Minister and consider jointly whether there should be an inquiry?

The Prime Minister: As I have indicated, the then Prime Minister's statement in 1977 shows that he had made detailed inquiries into the allegations, in the plural, then current and had reached clear conclusions. The noble Lord, Lord Wilson of Rievaulx associated himself at the time with that statement.

Q6. **Mr. McCrindle** asked the Prime Minister if she will list her official engagements for Thursday 19 March.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. McCrindle: Will my right hon. Friend reaffirm that, much as we would all like to see cruise missiles reduced or even eliminated from the United Kingdom, there remains a special British interest to ensure that that does not happen in such a way as to affect adversely our security? Will she further note that the so-called concessions on cruise extended this week by the Labour party are merely a smokescreen? Does my right hon. Friend remain of the belief, as I do, that the Labour party remains wholly committed to unilateral nuclear disarmament?

The Prime Minister: I agree with my hon. Friend that, as the NATO communiqué pointed out, when we are

negotiating on intermediate nuclear weapons there must also be taken into account the large number of shorter-range weapons which the Soviet Union has, and the proponderance of them. That has been the subject of communiqués produced by NATO. I also agree with my hon. Friend that it would seem that the Leader of the Opposition simply could not bear going to the United States to defend his indefensible defence policy. Therefore, he has said that for the time being he would leave in cruise missiles. I understand that assumes that there will be a successful negotiation satisfactory to this country. But if there were not he would still take out cruise missiles and have a unilateral defence policy.

Q7. **Mr. Soley** asked the Prime Minister if she will list her official engagements for Thursday 19 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Soley: If the Prime Minister is genuinely concerned to increase respect for law and order, will she take this opportunity to comment on the activities of her hon. Friend the Member for Billericay (Mr. Proctor) and his many supporters in the Conservative party — *[Interruption.]*

Mr. Speaker: Order.

Mr. Soley: Is it not a fact——

Mr. Speaker: Order. The whole House knows that the hon. Member must not seek to reflect upon the conduct of any other Member of the House, except by way of motion.

Mr. Soley: Is it not a fact that it is the Government's double standards on law and order that make this Conservative Government unique, in not only presiding over the most dramatic rise in crime, but in presiding over a fall in the number of crimes cleared up, something that has been repeated only by a previous Conservative Government, between 1971 and 1974? Is that not the reason why the Government are in such a mess on law and order?

The Prime Minister: The position on crime would have been infinitely worse had it not been for the positive policies of this Government to increase the numbers of police and the armed forces, to increase their pay and equipment and the number of civilian assistants, to have an active crime prevention policy, with a large number of neighbourhood watch schemes, and to support the police and the courts in their efforts to reduce the amount of crime.

Business of the House

3.31 pm

Mr. Neil Kinnock (Islwyn): May I ask the Leader of the House to state the business for next week?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): Yes, Sir. The business for next week will be as follows:

MONDAY 23 MARCH—Conclusion of the debate on the Budget Statement.

TUESDAY 24 MARCH—Proceedings on the Consolidated Fund (No. 2) Bill.

WEDNESDAY 25 MARCH—Motions on the Rate Support Grant Report (England) 1987-88 (HC No. 253), the Rate Support Grant Supplementary Report (England) (No. 1) 1986-87 (HC No. 258), the Rate Support Grant Supplementary Report (England) (No. 3) 1985-86 (HC No. 259).

Afterwards motions on the Welsh Rate Support Grant Report 1987-88 (HC No. 221) and the Welsh Rate Support Grant Supplementary Report 1986-87 (HC No. 222).

THURSDAY 26 MARCH — Remaining stages of the Immigration (Carriers' Liability) Bill followed by remaining stages of the Broadcasting Bill *[Lords]*.

FRIDAY 27 MARCH—Private Members' Bills.

MONDAY 30 MARCH—Second Reading of the Pilotage Bill *[Lords]* followed by Second Reading of the Landlord and Tenant (No. 2) Bill.

The House will wish to know that, subject to the progress of business, it will be proposed that the House should rise for the Easter Adjournment on Friday 10 April until Wednesday 22 April.

Mr. Kinnock: I am grateful to the right hon. Gentleman. Does he recall that last week I asked for an urgent debate on the funding of scientific research and the accelerating brain drain? Has he now read this morning's report that inadequate funding by the Government has forced the Science and Engineering Research Council to cancel support for new scientific research in Britain's industries? Does the right hon. Gentleman think that the Government's policy shows a definite lack of prudence? Will he provide time for a full debate on this issue as a matter of urgency, so that hon. Members on both sides of the House can put the case for a speedy change of Government policy before Britain loses even more of its research scientists and engineers?

The loss of a further 1,400 jobs at British Rail Engineering Ltd. works in Derby, Crewe and York is a further example of the Government's complete disregard for the future of a vital research, manufacturing and engineering base. Can the Leader of the House ensure that we have a debate on that topic, which is vital to the areas hit by those job losses and to rail users who have to use obsolete rolling stock?

Has the Leader of the House seen reports that the Government are reluctant to buy new Lynx helicopters from Westland and thereby to assist in bridging the company's orders gap between now and the purchase of the EH101 troop carrier in the early 1990s? Will he ensure that an early statement of the Government's intentions is made by the Secretary of State for Defence to clarify the position and, I hope, to relieve the great anxieties of 2,000 Westland workers who are otherwise threatened with lay-off?

May I repeat my previous request to the Leader of the House to provide Government time for a debate on the proposed closure of Caterpillar Tractors Ltd at Uddingston in Scotland? Does he appreciate that the Government's inactivity is causing widespread anxiety, especially since the company has benefited from the support of public funds and public orders and since the Secretary of State for Scotland has issued declarations of his anxiety? Could the Leader of the House at least give his right hon. and learned Friend the Secretary of State for Scotland an opportunity to put his view in this House?

Finally, judging from last night's events relating to the proposed sale of British Petroleum, there must be every chance that between now and the end of the Budget debate further measures will be slipped in to fatten the election bankroll. Will the Leader of the House assure us that the Finance Bill will be published early, so that we shall know exactly what we shall be asked to vote on?

Mr. Biffen: On the right hon. Gentleman's first point, about funding research, he will have heard the powerful riposte given by my right hon. Friend the Prime Minister on the topic. Notwithstanding that, he still seeks a debate. I understand this anxiety on all these matters and perhaps this could be looked at through the usual channels. The entire House is joined in regret at the redundancies that are proceeding in BREL. The right hon. Gentleman pointed to the implications of that for the whole railway manufacturing industry. Doubtless he would also wish any such consideration to take place in the wider context of the present levels and trend in unemployment. Obviously, we can look at this through the usual channels.

Mr. Kinnock: Good news, but it does not put everything right, does it?

Mr. Biffen: I hear the right hon. Gentleman talking about good news and I know that it is difficult for him to find good news.

The right hon. Gentleman asked about the possibility of a statement on purchasing policy in respect of Westland helicopters. Obviously, I shall discuss with my right hon. Friend the Secretary of State for Defence the point which he has made.

I note the repeated request for a debate on Caterpillar Tractors Ltd and I cannot add much to what I have said previously when we have exchanged comments on this matter, but I take account of what the right hon. Gentleman says.

Finally, the right hon. Gentleman referred to the proposed sale of BP shares. He will be aware that that was foreshadowed in our debate on 14 March 1984, so it is hardly a recent addition to Government policy. I note his discomfiture and anxieties and I shall certainly see that we do all in our power to have an early publication of the Finance Bill.

Sir Peter Hordern (Horsham): Is the debate on agriculture and land use that my right hon. Friend said he would consider coming soon?

Mr. Biffen: Yes, Sir.

Mr. David Alton (Liverpool, Mossley Hill): Following that question, will the Leader of the House confirm that it is almost unprecedented for the annual price negotiations to occur in Brussels, as they will shortly, without a debate having been initiated first by the Government in this House? Will he say why the House has

been denied the opportunity to discuss this important question and whether it will be left entirely to the alliance parties to provide time to debate important agricultural and countryside issues?

Mr. Biffen: I am glad that farming flourishes in the heartland of Liverpool. I will look at the very significant point that has been raised by the hon. Gentleman and see what arrangement might possibly be made.

Mr. Jeremy Hanley (Richmond and Barnes): My right hon. Friend will have seen early-day motion 706 entitled Cruelty to Animals.

[That this House expresses its horror at the increasing cruelty shown to animals, exemplified by the record number of complaints, 83,300 recorded by the Royal Society of Prevention of Cruelty to Animals in 1986; records its dissatisfaction with the inadequacy of existing legislation to deal with such cruelty; and calls upon the Government to toughen the provisions of the Protection of Animals Act 1911 as a matter of urgency, particularly by: (a) giving the police power of entry where a case of cruelty is suspected, (b) giving the courts the power to ban people convicted of cruelty from keeping any type of animal rather than simply dogs at present and (c) closing a loophole by changing the definition of captive to include wild animals that are unable to escape.]

The motion has been signed by nearly 70 Members of Parliament. Will my right hon. Friend assure the House that there will be a debate on the subject of cruelty to animals and in particular a toughening up of the Protection of Animals Act in the near future?

Mr. Biffen: The point raised by my hon. Friend is important and atrracts widespread interest in this House. I suggest that he might consider the opportunities that will be provided in the proceedings on Tuesday when we will be dealing with the Consolidated Fund Bill.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Will the Leader of the House find the time to have an urgent debate on the situation in BREL apd get one of his Ministers to explain how it is sensible economics to put 1,000 men on the dole at the same time as forcing BREL to put out its new build to tender, when many of the orders will be spread around every other country in the world?

Mr. Biffen: I do not accept the premise of the question and I have to refer the hon. Lady to the reply that I gave to her right hon. Friend the Leader of the Oppostion.

Mr. Nicholas Baker (Dorset, North): Will my right hon. Friend try to find time urgently for another debate on the future of the Government's training and job schemes through the Department of Employment? I say that because the Opposition spokesman said yesterday that job-clubs and similar schemes were deplorable and that a Labour Government would not contemplate them. There ought to be an opportunity for the hon. Gentleman to explain what the Labour Government will do to these valuable schemes. I hope my right hon. Friend the Leader of the House will help.

Mr. Biffen: My hon. Friend is quite right in inferring that unemployment and the measures that are designed to alleviate it are now causing some nervousness on the Opposition Benches. There is little prospect of Government time being available for the debate that my hon. Friend seeks, but he might consider the Consolidated Fund Bill on Tuesday.

Mr. Gerald Bermingham (St. Helens, South): Will the Leader of the House not agree that, with the prison population now touching 50,000, the debate which I have asked him for again and again is now even more urgently due, before the prisons explode and thus solve the whole problem for us?

Mr. Biffen: I cannot deny the compelling logic of what the hon. Gentleman says, particularly as it is constructed on a few remarks of my own, but I suggest that he uses the Tuesday proceedings of the Consolidated Fund Bill to make that argument in the most compelling way so as to require subsequent debate.

Mr. Michael Latham (Rutland and Melton): Will my right hon. Friend translate the word "soon" which he used a moment ago regarding the essential debate on agriculture and the environment? Could that debate please, without fail, be the week beginning 30 March?

Mr. Biffen: "Soon", like "beauty", is imprecise in its concept and application and that is why it is such a wonderful word.

Mr. Eric S. Heffer (Liverpool, Walton): Has the Leader of the House seen early-day motion No. 738 regarding the disqualification of Liverpool Labour councillors?

[That this House deplores the introduction by the Government of legislation permitting use of undemocratic procedures which have resulted in the disqualification of the elected Liverpool Labour councillors, whose policies responded to the needs of the people who on three occasions supported those policies through the ballot box; and considers that the bringing of this action by the unelected Audit Commission undermines local government democracy in that it will change the political composition of an elected council without accountability and disregarding the democratic rights of the electorate.]

Has the Leader of the House also seen early-day motion No. 770 about the Secretary of State for the Environment?

[That this House endorses the joint statement of Liverpool church leaders Bishop David Sheppard, Archbishop Derek Worlock and Free Church Moderator John Williamson that the cash penalties imposed by the Law Lords on 47 elected Liverpool city councillors are 'without parallel' and should be reviewed immediately; contrasts the injustice meted out to these elected public representatives with the ease with which the Right honourable Member for Cirencester and Tewkesbury has been able to avoid any personal consequences of his own contravention of the law on a number of occasions; believes it is a negation of democracy to allow any but the electors to dismiss from office those whom they have previously elected to represent them; and calls for an immediate repeal of the legislation which has given rise to this inequitable and iniquitous state of affairs.]

Will the Leader of the House find time to have a debate in this House on those matters, and in the course of that debate will he give hon. Members the opportunity of saying to the Liberals in Liverpool that to cut £100,000 from the unemployed resource centre is an absolute disgrace that can only harm unemployed people in Liverpool? There is 26 per cent. male unemployment in Liverpool and more than 21 per cent. for the whole of Merseyside.

Mr. Biffen: I cannot offer the prospect of Government time for the debate that the hon. Gentleman seeks, but he knows all the opportunities on Tuesday as well as any hon.

[Mr. Biffen]

Member. I hope he is lucky and deploys those arguments, because they will demonstrate the bankruptcy of the Labour party in its present policies and past record in Liverpool and thus help us understand why that party is in decline more generally.

Mr. Nigel Forman (Carshalton and Wallington): Is my right hon. Friend aware that many of us on the Conservative Benches agree with my hon. Friend the Member for Dorset, North (Mr. Baker) about the urgent need for a full-ranging debate on training and employment measures because, as my hon. Friend said, the burden of the argument used by the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) yesterday was that the most deplorable of all schemes and inventions were the jobclubs. Is that not a disgraceful view of measures which are designed to help the long-term unemployed?

Mr. Biffen: It is a disgraceful view, but, even more important, coming from such a formidable source it implied a nervousness about the position. None the less, I cannot go any further than the reply I gave to my hon. Friend the Member for Dorset, North (Mr. Baker).

Mr. Jeremy Corbyn (Islington, North): Does the right hon. Gentleman recall that a week ago a number of hon. Members requested a special debate on foreign affairs so that the sale of arms to the Contras in Nicaragua could be discussed in the House and an investigation could be called for into the firm KMS that appears to be supplying mercenaries to fight the democratically elected Government of Nicaragua? Can the Leader of the House now say when there is likely to be time for a debate on foreign affairs so that those matters can be discussed?

Mr. Biffen: I am afraid that I cannot say when such a debate is likely to take place, but I stand by what I said last week and recognise the importance of the topic.

Mr. David Madel (Bedfordshire, South-West): My right hon. Friend will be aware of the wave of teachers' strikes this week and the fact that many more are planned. He is aware that we are approaching the season of examinations. Will he ask his right hon. Friend the Secretary of state for Education and Science to come to the House fairly soon and say what advice the Government will be giving the examination boards if the strikes run right through the summer term? The candidates' performance in the summer examinations affects their opportunities for further education or a job.

Mr. Biffen: I will most certainly convey that request to my right hon. Friend the Secretary of State for Education and Science.

Mr. D. N. Campbell-Savours (Workington): In so far as a link has been established between Sir Robert Armstrong and the security services in 1975, when he was in the Home Office, will the Leader of the House ask him what he knows about the Cunard affair that is alleged to have taken place in 1975? When the Leader of the House has found out the answer, will he arrange for a statement to be made to Parliament?

Mr. Biffen: It is not my task to cross-examine Sir Robert Armstrong. It would be just as well if we stuck to our lasts and did not have these absurd ambitions.

Mr. Eric Forth (Mid-Worcestershire): Will my right hon. Friend give time for a debate on the constitutional implications of a hung Parliament, especially in the light of the comments made yesterday by the right hon. Member for Glasgow, Hillhead (Mr. Jenkins), when he said:

"the Labour party will automatically reverse the tax cuts as well as vote against them. We"—

that is, his party—

"do not say that, for very good reasons".—[*Official Report*, 18 March 1987; Vol. 112, c. 967.]

In other words, there appears to be a basic difficulty within the SDP in arriving at any sort of governmental arrangements as a result of a hung Parliament. Does my right hon. Friend think that the leaders of the alliance parties are keeping abreast of developments?

Mr. Biffen: It is an interesting pre-election position, and my hon. Friend is to be congratulated on the careful way in which he is monitoring it. All those nuances of difference suggest that, should we ever miserably be in a no-majority Parliament, the odds and ends of the Opposition parties, once they got together, would present a most almighty shambles.

Mr. Paddy Ashdown (Yeovil): The Leader of the House referred earlier to the helicopter review and he will be aware of the profound implications of that review on Westland. May I remind him that that review was promised at the end of last year; it was then promised in the early part of this year, again at the end of January, again in early March, or at the latest by mid-March? Does the right hon. Gentleman realise that the Government's continuing delay and indecision in this matter are encouraging damaging speculation? They are preventing Westland from organising its future and are thus threatening jobs. Will the Leader of the House now tell us when the result of the review will be announced? If not, will he speak to his right hon. Friends, and tell them that, having damaged Westland last year by their bungling, they are now threatening jobs and threatening to inflict the same damage again by this criminal procrastination?

Mr. Biffen: The hon. Gentleman has made a number of allegations and he is well aware that they cannot be contested in the context of next week's business. I come from Somerset and had connections with Yeovil long before, as a Johnny-come-lately, he turned up, and I am well aware of the importance of this topic both to Westland and Yeovil. I assure the hon. Gentleman that his request will be as courteously considered as the Leader of the Opposition's request for a statement on this subject.

Mr. Tim Smith (Beaconsfield): May I endorse the point made by the Leader of the Opposition about the early publication of the Finance Bill? Will my right hon. Friend ask the Treasury to announce as early as possible the date of the Bill's publication? That is helpful to all those outside the House who have to look at the details of the Bill in a short space of time.

Mr. Biffen: Several factors govern the publication of the Finance Bill. I am sure that the whole House will want it to be published in as good a condition as possible. None the less, I take account of the various representations that have been made about the advantage of speed in that matter.

Mr. David Clelland (Tyne Bridge): May I draw the attention of the Leader of the House to early-day motion 690, which has attracted the support of 47 hon. Members?

[That this House views with concern the proposal of the Minister of Sport to merge the function and rôle of Playboard with that of the Sports Council; and, in view of the negative responses to this proposal from many interested organisations, urges him to postpone a final decision on this matter in order to allow a full debate to take place on the alternatives.]

Once again, may I draw the right hon. Gentleman's attention to early-day motion 365, which has now attracted the support of 97 hon. Members?

[That this House reiterates its support for the advancement of children's play, as expressed in Early Day Motion 363 which was tabled on 23rd March 1982; welcomes the establishment in 1983 and continued funding of Play Board as the national organisation dedicated to the development of children's play; applauds the achievements of Play Board during the past three years in co-ordinating effort, conducting research producing good-quality publications and especially in providing a much valued advisory and information service to local authorities and their Communities; and urges Her Majesty's Government during its review of support for children's play, to ensure that Play Board is appropriately positioned and adequately resourced to continue to provide these important functions in the interests of all children.]

Both early-day motions are about Play Board. Is the Leader of the House aware that Play Board has now agreed to go into voluntary liquidation rather than be compulsorily amalgamated with the Sports Council? Will the right hon. Gentleman ask the Minister, who has not once visited the office of Play Board during his period of office, to come to the Dispatch Box and explain what the future is to be of children's play?

Mr. Biffen: I take note of what the hon. Gentleman says. I shall certainly convey to my hon. Friend the Minister his anxieties about the matter. We shall see how we go.

Mr. Peter Bruinvels (Leicester, East): May we have a debate on the unfortunate skilled children who have been neglected and deserted by both striking teachers and the Opposition? Does my right hon. Friend agree that there are some professional teachers—the Assistant Masters and Mistresses Association and the Professional Association of Teachers—who have set a fine example, and that the other teachers are thoroughly greedy and irresponsible?

Does my right hon. Friend further agree that, if the Labour party really cared, it would have been the first to encourage the teachers to go back to work because they have a good job, instead of encouraging some schoolkids to be on the march outside the House of Commons today, saying, "Help our Teachers."? Surely greed and the height of irresponsibility are being shown by teachers and the Opposition.

Mr. Biffen: I do not think that I can help, particularly as I do not think that my hon. Friend requested me to do anything about it.

Mr. Dick Douglas (Dunfermline, West): Will the Leader of the House ask the Chancellor of the Exchequer to give us an explanation of the peculiarities of national housekeeping, which extols using North sea oil revenues to build up foreign assets, on which, presumably, we shall get dividends and interest payments, whereas simultaneously the assets that we have built up in British Petroleum over 70 years are being flogged off? Despite the trailer on the issue from 1984, can we have an assurance from the Secretary of State for Scotland that no measures will be taken to privatise the electricity industry in Scotland, as is currently being trailered in the press?

Mr. Biffen: Clearly, the points raised by the hon. Gentleman are of great significance, but we shall have a further debate on the Budget this afternoon. The debate on the Budget will be completed on Monday, when my right hon. Friend the Chancellor will speak. I shall draw his attention to the remarks that have been made. No doubt he will take account of them.

Mr. Andrew MacKay (Berkshire, East): May I help my hon. Friend the Member for Leicester, East (Mr. Bruinvels) by asking my right hon. Friend the Leader of the House to find time for a debate on the teachers' dispute, so that many hon. Members can voice the views of parents, who see no justification whatsoever for the industrial action after a very generous pay offer, and who, after listening to Mr. Fred Jarvis's obdurate remarks on the "Today" programme this morning, will be immensely thankful that that awful man does not teach their children?

Mr. Biffen: I note what my hon. Friend says, and I agree very much with him. It would be tragic if the whole situation were politicised. As to the prospect of a debate, there is no early availability of Government time, but on Tuesday we shall have the Consolidated Fund Bill. If that topic were chosen, it would strike a chord outside.

Mr. Andrew Faulds (Warley, East): In view of the fact that it is now public knowledge that telephone equipment has been installed in Whitehall which provides the capability of intercepting Members' phone calls, and since this is a matter that touches upon privilege, should not the House of Commons or the Services Committee certainly have the chance to discuss the debate whether the intention as well as the capability is there?

Mr. Biffen: If the hon. Gentleman believes that there is a question of privilege in that matter, he knows perfectly well what procedures are to be followed. If, on the other hand, he believes that that is a matter for the Services Committee, I dare say that he will find some way of raising the matter there.

Mr. Nicholas Winterton (Macclesfield): My right hon. Friend has described the word "soon" as wonderfully imprecise. As my right hon. Friend is a wonderfully adept Leader of the House——

Mr. Biffen *indicated assent.*

Mr. Winterton: —will he perhaps outline a little more precisely what he thinks "soon" means in this context? The future of agriculture and land use is of immense importance to many people in the House and perhaps more important to the farming industry which has contributed to so much of the economy and progress of this country in recent years?

Mr. Biffen: In the interpretation of "soon", my hon. Friend's views will be taken fully into account.

Mr. David Winnick (Walsall, North): Can the Leader of the House arrange for a statement next week by the

[Mr. David Winnick]

Prime Minister explaining why in 1979 she made a lengthy statement — and rightly so — about Blunt, which obviously dealt with matters that occurred before she came to office, yet she now refuses to answer questions about the way in which apparently MI5 officers were involved in destabilising the Labour Government? Clearly there is a strong impression of a cover-up here. Therefore, is there not a need for a statement as quickly as possible?

Secondly, on a completely separate matter arising from what took place yesterday in another place, will the Government give further consideration to a statue to Lord Dowding, the late Air Chief Marshal, who, far from trying in any way to destabilise our democracy, played a very distinguished role in 1939 and 1940 in ensuring that this country was safe from Nazi tyranny?

Mr. Biffen: On the first point, I have nothing to add to what my right hon. Friend the Prime Minister said this afternoon. With regard to the second point, I must confess, not being one to follow the fortunes of the aristocracy quite as closely as the hon. Gentleman, that I am not altogether clear what the hon. Gentleman was getting at, but it sounded very honourable and full of esteem.

Mr. Michael Stern (Bristol, North-West): Has my right hon. Friend noted the decision of Bristol city council to refuse normal courtesies to a French warship visiting the port of Avonmouth in my constituency, purely on the grounds that the city council disagrees with French national policy in the Pacific? Would my right hon. Friend ask my right hon. and learned Friend the Foreign Secretary to make a statement to the House as to how he intends to re-establish British control over the foreign policy of the Socialist republic of Bristol?

Mr. Biffen: Of course I will make references to my right hon. and learned Friend the Foreign Secretary so that he can decide what can be done in the direction that my hon. Friend is seeking. I would have thought that, in an across-the-House spirit of consensus, we might suggest that we should dispatch the right hon. Member for Bristol, South (Mr. Cocks) to infect the Labour-controlled Bristol council with a bit of common sense.

Mr. Greville Janner (Leicester, West): Does the right hon. Gentleman agree that one of the most disturbing aspects in the recent increase in crime has been the growth of crimes against people in their own homes involving theft and violence very often committed by people who have obtained entry to those homes by deceit? Can we have a debate on that matter and in particular about any practical suggestions to deal with that problem — including the suggestion that people who have the right and duty to enter homes in the course of their duties—gas, electricity and other people—should carry standard indentity cards with photographs? Further, can we consider the Government's refusal to provide adequate police for the city of Leicester and the lack of hope of extra police emerging from the recent Budget?

Mr. Biffen: I thank the hon. and learned Gentleman for reminding us of the extremely complex social factors behind the current thoroughly unacceptable levels of crime. I cannot offer the prospect of an early debate in Government time, but I will certainly draw the attention of my right hon. Friend the Home Secretary to what has been said.

Mr. Harry Greenway (Ealing, North): Will my right hon. Friend arrange an early statement or debate on extradition procedures so that the position of Mr. John Fleming can be investigated and we may discover how he is able constantly to avoid British justice when he is said to have been responsible for robberies involving about £26 million?

Mr. Biffen: I do not think that I can say anything helpful about that case, given all the legal factors involved, but I will refer my hon. Friend's remarks to the appropriate member of the Treasury Bench for consideration.

Mr. Tony Banks (Newham, North-West): Will the Leader of the House join me in deploring the rampant press speculation about the date of the general election and find time for a debate on my Bill to provide for fixed-term Parliaments? Does he agree that in a democracy it is inappropriate for one person to have power to decide such an important matter?

Mr. Winnick: It depends who the person is.

Mr. Banks: No, I shall say the same to my right hon. Friend the Leader of the Opposition when he is Prime Minister. While we are at it, will the Leader of the House say what date he favours for the General Election?

Mr. Biffen: The hon. Gentleman, who is a very perceptive observer of the scene, has seen that the Liberal party and the Social Democratic party—[HON. MEMBERS: "Where are they?"] — are stuffed full of academics with great affection for constitutional innovation, and he has lighted upon one of the very items that will be among the bargaining points between himself, with like-minded Labour Members, and Members from the alliance parties.

Mr. Max Madden (Bradford, West): Is the Leader of the House aware that there is widespread anger that this week's Budget has done nothing to stop British pensioners from being the pauper pensioners of western Europe? If the Government will not provide a substantial increase in pensions, will they at least provide some extra money to ensure that pensioners who can afford to go out are properly protected and that those too terrified to do so have proper protection against the murders and muggings now taking place in all parts of the country?

Mr. Biffen: Bearing in mind the increase in public spending authorised in the autumn and the reductions in Government borrowing and in taxation, I believe that the public judge the Budget to be thoroughly responsible and balanced.

Several Hon. Members *rose*——

Mr. Speaker: Mr. Skinner.

Mr. Dennis Skinner (Bolsover): Did you call me, Mr. Speaker? We were just discussing other matters down here.

Mr. Speaker: In that case, I will call the hon. Gentleman later.

Mr. Skinner: No, it is all right, Mr. Speaker. You are on good ground—it is a good seam of coal.

Will the Leader of the House arrange for an inquiry into the letting of cleaning contracts in the Palace of

Westminster? Is he aware that, since the cleaning services went out to contract in 1982, Members of Parliament have been unable to find out how much the contracts are worth? Worse than that, is he aware that there is a peculiar stink in the nostrils regarding BET, which has three subsidiaries which were involved in tendering for the latest contract in 1985, giving £25,000 to Tory party funds? It is coming to something when the Government are lining their pockets out of cleaning contracts in the Palace of Westminster itself while Members of Parliament cannot even discover how much the contracts are worth. [HON. MEMBERS: "It is the masonic lodge again."] There is certainly a smell of corruption about it.

Mr. Biffen: It is my recollection that the hon. Gentleman sought to ask me questions about this previously and that it was found to be a matter for the Department of the Environment. I will therefore pass on the hon. Gentleman's comments so that they may be appropriately evaluated.

Mr. Tom Clarke (Monklands, West): Does the Leader of the House agree that there is an urgent need for a debate on the appalling conditions in Scottish psychiatric hospitals, especially following yesterday's report by the Select Committee on Scottish Affairs? Is he aware that, last weekend, 400 psychiatric, geriatric and psychogeriatric patients at Woodilee in my constituency were decanted to hospitals many miles away, leaving great problems for the health service in Lanarkshire, and that some found themselves in a ward in Mearnskirk where the ceiling was falling in and asbestos was identified? Does the right hon. Gentleman agree that those problems are urgent and require debate at the earliest opportunity?

Mr. Biffen: No one would deny the importance of the topic identified by the hon. Gentleman, but I suggest that Tuesday's Consolidated Fund Bill debate will almost certainly provide the best chance for the matter to be debated at an early stage.

Dr. Jeremy Bray (Motherwell, South): Will the Leader of the House arrange for the debate on research and development to take place at a time when the Prime Minister can be present, so that she can be educated in the facts? Is he aware that academic, university and research council funded research in this country accounts for only 0·25 per cent. of GDP compared with 0·45 per cent. in France and West Germany, so that an 80 per cent. increase in funding is required to match that of our industrial competitors? Is the right hon. Gentleman aware that the latest advice from the Advisory Board for the Research Councils to the Secretary of State for Education and Science, who will be seeing the chairmen of the research councils tomorrow, is that it cannot be right to cut our research capability as an advanced industrial nation?

Mr. Biffen: My right hon. Friend the Prime Minister has a degree in chemistry. If I invited her to attend a debate because the hon. Gentleman thought that she needed education she would no doubt box first my ears and then his—and well merited it would be.

Mr. Stuart Randall (Kingston upon Hull, West): Will the Leader of the House find time for a debate on the United Kingdom fishing industry? There was a debate on quotas at the turn of the year, but there has been no recent full debate on all aspects of the industry. As a considerable restructuring of the fleet is taking place and there have been a number of developments since the common fisheries policy came into operation in January 1983, does the right hon. Gentleman agree that a review of the direction and performance of the British fishing industry would be a salutary and worthwhile exercise?

Mr. Biffen: The hon. Gentleman makes a fair point in an engaging way. I will certainly pass on his observations to my right hon. Friend the Minister of Agriculture, Fisheries and Food.

Consolidated Fund Bill

4.7 pm

Mr. Speaker: I have a short statement to make about arrangements for the debate on the motion for the Adjournment which will follow the passing of the Consolidated Fund (No. 2) Bill on Tuesday 24 March 1987.

Members should submit their subjects to my office not later than 9 am on Monday 23 March. A list showing the subjects and times will be published later that day. Normally the time allotted will not exceed one and a half hours, but I propose to exercise a discretion to allow one or two debates to continue for rather longer, up to a maximum of three hours.

Where identical or similar subjects have been entered by different Members whose names are drawn in the ballot, only the first name will be shown on the list. As some debates may not last the full time allotted to them, it is the responsibility of Members to keep in touch with developments if they are not to miss their turn.

Health Authorities (Public Statements)

4.8 pm

Mr. Frank Dobson (Holborn and St. Pancras): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"ministerial interference in the public statements of health authorities, their staff and consultants".

Despite all the efforts of DHSS Ministers and their 29-strong press office, the facts about the parlous state of the Health Service still get out. Sometimes, when this has happened in a particular health authority area, DHSS press staff have contacted the staff of the health authority concerned to ask them to stifle any dissenting voices and to rubbish any statements suggesting that all is not well with health care in the locality.

Last week, as part of a public relations exercise, the Government released welcome but minor extra sums of money to health authorities in areas where the cuts were biting deepest. DHSS headquarters demanded to see draft press releases that were to be issued by the four regions concerned and demanded the alteration of three of the four drafts to make them what was described as "more positive". To back up their censorship efforts, DHSS officials threatened one health authority official by saying that unless his press release was changed to suit them the money for the health authority would be withheld.

On Monday, *The London Evening Standard* printed a double-page spread on the parlous state of the NHS in west London. The section on the West Lambeth health authority quoted a named consultant physician at St. Thomas's hospital who had criticised the lack of resources that prevented him and his colleagues from doing a proper job. Before the day was out, the health authority received a call from No. 10 Downing street telling it to make the consultant keep quiet and to threaten him by referring to the terms of his contract. I remind the House that the man that Downing street was trying to gag was a consultant physician and not an ex-employee of MI5.

The matter is important because cowardly, covert censorship is a threat to proper standards of public life and contrary to our proper tradition that British people should be allowed to speak out when they see wrongs done. Democracy requires those who make decisions to defend their decisions themselves and not to get paid officials to tell lies and half-truths on their behalf.

This matter is clearly important and I believe that it merits urgent consideration.

Mr. Speaker: The hon. Gentleman asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"ministerial interference in the public statements of health authorities, their staff and consultants".

I have listened with care to what the hon. Gentleman has said but I regret that I do not consider the matter an appropriate one for discussion under Standing Order No. 20, and I cannot therefore submit his application to the House.

Urban Road Building

Mr. Nick Raynsford (Fulham): On a point of order, Mr. Speaker. I wish to raise a point of order relating to the rights of Back-Bench Members and the obligations of Ministers to the House.

Earlier this afternoon, I received a letter from the Under-Secretary of State for Transport notifying me that he would be answering a written question today on an important matter that affects my constituency, that of my hon. Friend the Member for Hammersmith (Mr. Soley) and those of the hon. Members for Kensington (Sir B. Rhys Williams) and for Chelsea (Mr. Scott), the Minister of State, Northern Ireland Office.

The question related to urban road building affecting the four constituencies and the letter said that the Minister would subsequently visit the area accompanied by the press. Despite attempts to speak to the Minister and his office to request further information, I was told that no further information could be given me, but that in due course I would receive a copy of the written answer. When I came to the House at 3.30 pm I had still not received it.

Is it proper for Ministers to behave in this way towards hon. Members, particularly when it transpires that at this very moment the Minister is in my constituency and adjoining ones making statements to the press and commenting on matters of which hon. Members have no knowledge? Is it proper for Ministers to show such contempt — [HON. MEMBERS: "Arrogance."] — to constituency members and to fail to make a statement?

Mr. Speaker: Normally, answers to written questions are available at 3.30 pm, so the hon. Gentleman should have had that. I cannot answer the second part of the hon. Gentleman's question except to say that normally, if a Minister were in an hon. Gentleman's constituency, it would be a courtesy to let him know.

Orders of the Day

WAYS AND MEANS

Order read for resuming adjourned debate on Question [17 March].

AMENDMENT OF THE LAW

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the national debt and public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting any supply;

(b) for refunding any amount of tax;

(c) for varying the rate of that tax otherwise than in relation to all supplies and importations; or

(d) for any relief other than relief applying to goods of whatever description or services of whatever description.—*[Mr. Lawson.]*

Question again proposed.

Budget Resolutions and Economic Situation

[Relevant documents: European Community Document No. 10155/86, Annual Economic Report 1986-87 and the unnumbered document, Annual Economic Report 1986-87 (final version as adopted by the Council).]

4.15 pm

The Paymaster General and Minister for Employment (Mr. Kenneth Clarke): Today it is proper to begin to consider the extent to which Tuesday's Budget was a Budget for jobs, and undoubtedly it was a Budget for jobs. The background is that this morning's unemployment figures show that our economic policies are continuing to produce jobs. This month's reduction of 44,000 in the seasonally adjusted number of unemployed was the largest fall for any month since records of this kind began to be kept. We have now had falls in unemployment for seven months in a row. Since last July unemployment has gone down by nearly 150,000, and that is not the only good result since 1983.

Unemployment in Britain is falling faster than in any other industrial country. All areas of the country have shared in the reductions this month, with Wales in the lead. The number of those out of work for more than a year—the long-term unemployed—is now coming down steadily and youth unemployment, which has been falling for about three years, is continuing to fall steadily as well.

There is no doubt that the background to our discussion is that the monthly fall, which has been running at about 20,000, will continue. I believe that the Budget that my right hon. Friend the Chancellor of the Exchequer presented on Tuesday will sustain the momentum of that welcome downward trend. The difficulty facing the three Opposition parties—they do not enjoy listening to this much-improved news—is that they do not understand how real jobs are being created in the economy. Hence they are somewhat bewildered when the figures continue to look so good.

We, on the other hand, have a strategy for jobs. It is a strategy that is working and one that the Budget has undoubtedly strengthened. The essential basis for any job strategy is a sound economy with steady growth and low inflation. Those are the conditions that create the economic climate in which firms can compete successfully and create jobs.

The growth in our economy this year has been sufficient to finance higher public spending and to reduce personal taxation and public borrowing. The combination of those three aspects emphasises our commitment to steady growth and low inflation. The lower interest rates that are beginning to come through in the wake of lower public sector borrowing will help companies to compete through lower costs, and encourage investment and jobs.

In contrast to that, we shall have to listen this afternoon to a succession of speeches from Opposition Members extolling the virtues of more public spending designed to boost favoured areas of the economy. With some small variations, it will be claimed by Labour, Liberal and Social Democratic spokesmen that various job packages can be put together in that way.

Some will claim a spurious respectability for their shabby parcels by saying that they have tried them out in computer programmes. I recently appeared on a television programme on which I had to listen to a bewildering discussion between Mrs. Shirley Williams and the hon. Member for Dagenham (Mr. Gould), comparing the respective merits of the computer programmes through which they were feeding their high public spending plans.

That is all irrelevant to the satisfactory events outside this House. I ask right hon. and hon. Members to reflect carefully, to remember their own experiences in office and to consider the experience of other countries when those countries have tried to follow such nostrums.

I shall begin by discussing the reductions in personal taxation.

Mr. John Prescott (Kingston upon Hull, East): Did I hear the Paymaster General aright when he said that we must compare our experience with that of his Government? Does he agree that the number of people in employment when the Labour Government left office in 1979 was 400,000 more than it was when that Government came to office?

Mr. Clarke: When the Labour Government left office they left a collapsed economy going into recession, with the result that we had to shed many jobs in the first two or three years. The recovery in the economy during the past few years and the increase in the number of people in work, particularly since the spring of 1983, is better than that achieved in any other country. Of course there were more people in work in 1979, but most of them were in overmanned and uncompetitive industries and were doomed to losing their jobs in the wake of the high inflation that the Labour Government had imposed on the economy as it went into a severe world recession. It is obvious that the points I made were related to the strong and sustained recovery that the country has been making ahead of any others over the past six or seven years.

This year in the Budget the reductions in personal taxation are the key elements in the Government's strategy. The Opposition obviously attack that and claim that the choice confronting the Chancellor was tax cuts or jobs. In my opinion, two false assumptions lie behind that claim. The first is that somehow tax cuts cannot help to create enough jobs in an expanding economy such as our own, and the second is that public spending can, in itself,

[Mr. Clarke]

create more real additional jobs that last. Both those propositions are fundamentally misconceived. One of the reasons why my right hon. Friend the Chancellor chose to cut personal taxation is that tax cuts help to create jobs. They improve incentives, make it easier to keep pay increases in line with performance and they should make it easier for people to keep their wage demands in line with the performance of their companies. That helps us to reduce our unit labour costs, which, I am glad to say, are now in line with or below most of the costs of our competitors, and it should help to increase our competitiveness. That is the one real route to real jobs because more competitive firms can export more and supply more home demand.

The main effect of tax cuts is that they give people a real increase in their standard of living. It can be more accurately described as giving them back the standard of living they earned before Government taxation reduced it. As I understand it, the Opposition are not trying to make out some extraordinary case against increased living standards. The hon. Member for Kingston upon Hull, East (Mr. Prescott) is constantly urging increased take-home pay for millions of workers on average and below average earnings up and down the country. The strange position he is in is that he advocates increased living standards as long as they are achieved by pay increases but he is opposed to increased living standards if they are achieved by tax reductions.

Mr. Tony Banks (Newham North-West) *rose*——

Mr. Clarke: There is an obvious political reason behind that apparent anomaly. He believes that workers will be grateful to trade unions for pay increases but grateful to the Government for the tax cuts we produce. There is an important difference. Pay increases put up industrial costs. Pay increases ahead of productivity and performance can cost jobs. Tax cuts do not cost industry. At no cost to industry or employers my right hon. Friend the Chancellor has raised the living standards of 25 million taxpayers.

Mr. Ron Leighton (Newham, North-East) *rose*——

Mr. Clarke: I think that the Opposition are in favour of raising living standards but when we talk about raising living standards by tax cuts—it never happens when we are talking about pay increases—we sudeenly have an outbreak of arguments about consumers spending money on imports. Indeed, I heard the hon. Member for Birmingham, Ladywood (Ms. Short) say something about buying goods from Japan. I do not understand the logic of the argument that it is wrong to increase the amount of money that stays in the pocket of taxpayers because they might buy goods from abroad. I cannot understand why that logic is never applied to pay increases when they are advocated or supported by Opposition Members. I look forward to the day when local authority workers next apply for——

Mr. Leighton: Will the right hon. and learned Gentleman give way?

Mr. Clarke: I will not give way.

I look forward to the time when local authority workers next seek a pay rise and Opposition Members say, "No. It is wrong to increase the take-home pay of that large body of workers because they cannot be trusted with the money and might go out and buy imported goods." The answer to the question of imports, if anybody is concerned about it, is to carry on improving the competitiveness of our home producers, continue improving the quality, price and reliability of our goods and maintain our market share, as we are maintaining it in world trade. We are also increasing the volume of our exports. The idea that the answer to imports is to keep the public poorer is an extraordinary argument. Indeed, if one was to succeed in making the population poorer by reversing the tax reductions we have announced, I would still expect that poorer population to spend the same proportion of their earnings on imported or home-produced goods, according to their quality and attractiveness. It is absurd to respond to tax cuts on the grounds that they somehow give rise to a greater danger to the balance of trade or overseas imports.

If the Opposition support higher living standards from higher pay, but not from lower taxation, they clearly have no time for any increase in incentives to those who work in the British economy and who are succeeding in making it more dynamic. When we entered office in 1979 the basic rate of tax was 33 per cent., as hon. Members will recall, the higher rates of tax were 40 per cent. rising to 83 per cent. and 3·5 per cent. of taxpayers paid tax at higher rates. The tax paid by those top taxpayers amounted to 20 per cent. of the total income tax paid. We reduced the higher rates in order to promote entrepreneurship, encourage risk-taking and to stop the drain abroad of our best talents, all of which was taking place in 1979.

Look at what has happened since then: higher rates have been reduced, thresholds have increased in real terms, and the basic rate has been sharply reduced. The earnings of those higher rate taxpayers have increased to such an extent that they now represent 5 per cent. of taxpayers and they contribute no less than 27 per cent. of the yield. The top 10 per cent. of taxpayers—the top-earning 10 per cent.—are now contributing 37·5 per cent. as against their 34 per cent. share in 1978-79. The lesson is simple. Reducing the tax burden does not reduce the proportion of the take from the higher earners but the more people work for themselves and their families, the more effort they are likely to put into managing and developing their businesses and, in turn, the more the general public benefits.

Mr. Max Madden (Bradford, West): How, in terms of fairness, can the Paymaster General justify a situation that has arisen since 1979 where those on £125 a week have, through tax cuts, saved £2 a week whereas those on £70,000 a year have seen tax cuts of £389 a week? How, in equity, can the Paymaster General justify that?

Mr. Clarke: It is obvious with the graduated income tax that, in cash terms, higher earners save more than lower earners. In fact, throughout our period of office, the benefits of tax reduction have been spread across the spectrum. Indeed, by raising the level at which people start to pay tax, we have reduced the number of taxpayers by about 1·5 million. There would be almost 1·5 million more people paying tax if the thresholds had remained at the levels we inherited from the Lib-Lab Government.

I shall now return to the argument, which is full of weaknesses, about tax cuts versus jobs. One weakness is the belief that all three Opposition parties share about the role of public spending in creating jobs. One thing that the

different packages put forward by the Opposition parties have in common is that they are all based on the notion that the Chancellor hands over a large sum of public spending, presumably to the Secretary of State for Employment, and then that public spending is distributed to favoured groups in a way that creates jobs. Of course, one could have an immediate and short-term impact if one increased the spending of local authorities up and down the country. If one did that one would, in the short term, create more local authority jobs. However, that is a short-lived increase in the total level of employment in the country.

Mr. Tony Banks *rose*——

Mr. Clarke: The artificial creation of such jobs inevitably raises taxes, or increases interest rates. The policies of all the Opposition parties seem likely to do both. That raises the cost of other parts of the economy and it loses more productive jobs elsewhere.

Just as in my opinion the tax cuts versus jobs hypothesis is based on a total misconception of how jobs are created in a modern economy, so, in my opinion, is the argument that we have chosen tax cuts as opposed to improving services. Many of the "make-work" schemes of the Opposition plan to increase spending and jobs in essential public services. However, most of them are in services in which the Government are already expanding spending, and sometimes employment. Continuing steady growth in the economy will mean that more money will be available to spend on public services such as health and education. Indeed, we have proved that. As a result of our record growth, the Government have been able to demonstrate that only this year. That is why we announced last autumn increased spending of £4¾ billion—much of it in health and education. At that time the House was lobbied and I was more closely involved than usual in the public spending discussions.

When we publicised our public spending plans, we were accused of making a U-turn. We were accused of going on a spending spree. The difference between that increased spending and the kind that our opponents are contemplating is that we have increased spending only in line with the ability of a growing economy to afford it. When the Labour Government were in office, they failed because they did not understand that the growth of GDP has to come first and then public spending follows.

When we choose our priorities for increased public spending, our first priority must be dictated by the need to improve the level of service to the public. We must consider what is best for pupils and what is best for patients. We are not concentrating on spending money to produce overblown levels of manning, which is what the programmes of the Opposition seem to imply.

Governments who have tried to promote growth by pumping the economy full of money that they did not have found that they had to raise taxes to pay for their increased borrowing. They failed to sustain growth in the economy and before long they had to cut public spending, which they had stimulated artificially for a short time.

Mr. Tony Banks: We are not talking about a Government who, at this time, do not have any money to give away. It is well known, as the Chancellor made quite clear, that there were many billions of pounds to give away. Will the Minister explain what would create more jobs—£3 billion spent on tax reductions, or £3 billion spent on targeted public expenditure such as infrastructure investment? Surely that is an investment in wealth and it certainly would create many jobs.

Mr. Clarke: Chancellors do not give money away. They raise revenue from the economy and dispense it. We are talking about the amount that the Chancellor can afford to keep in the economy. It is the combination of higher public spending, lower personal taxation and reduced public sector borrowing that is the key to this Budget. The hon. Gentleman is right. It is astonishing that no one is claiming that we cannot afford it. Such is the growth of the economy that everyone accepts that the billions of pounds of increased public spending, reduced taxation and reduced borrowing are perfectly affordable. We now have an economy that performs in such a way as to sustain that. The only argument from Opposition parties is that the Chancellor should spend several billion pounds more than we have and establish make-work schemes through overmanning in either the nationalised industries or the public services and returning to the old type of jobs package.

The use of public spending as a main weapon to regenerate the economy or to create jobs has usually been followed by unemployment and public spending cuts. We do not have to look too far to see how that has happened. We should consider the history of the Mitterrand Government in France. When they first took office their policies were remarkably similar to those of the Opposition parties. They had to reverse them after those policies had caused disaster within the first two years. That happened to the last Labour Government. They came into office with a rapid increase in public spending, followed by visitations from the IMF and savage public spending cuts. The last Labour Government were the only Government who would ever have dared to cut spending on the National Health Service in real terms because they were obliged to bring in the IMF in the late 1970s.

In contrast, our jobs strategy is to tackle the real needs of the economy. There is a need for skilled and well-trained people and people who are involved in the success of their companies. We need to create new firms and develop existing firms. We recognise that the special problems of the unemployed will have to be helped by programmes which will not give them useless jobs and overmanned services, but remotivate them and help them back into the expanding labour market. The expansion of our employment programmes, the last announcement of which we made last January, will strengthen that jobs strategy.

Our strategy tackles the need for training in the economy. The new job training scheme will help the unemployed to raise their skill levels, which will get them back into employment, and gradually improve the skill level of many in the labour force. The taxation changes announced in the Budget will give a tax incentive both to employers and to employees who are prepared to retrain for new employment opportunities.

The tax concessions announced by my right hon. Friend the Chancellor in his Budget, and the JTS programme announced in January, are only the last in a programme of growth in the training provision in this country.

Mr. Prescott: What about the progress rate?

Mr. Clarke: I am surprised that the hon. Gentleman is not more subdued. The programmes that his party wishes

[Mr. Clarke]

to introduce imitate rather than criticise our schemes. Perhaps that is because of the slight change in guidance on the direction of employment policy.

Before the hon. Gentleman speaks, will he consider that about 1 million people in the coming year will be undergoing training under the YTS, the JTS, the enterprise training scheme and the adult training strategy, and that those 1 million people will be training with employers, supported by the Government? Only about a quarter of a million people were undergoing such training when the Labour Government left office in 1979. The only sensible part of the Labour party's jobs programme seems to be a straight crib of our JTS programme. That would cover about 300,000 of the places that the Labour party was looking for.

The difference between us and the Opposition is that they are not content to allow employers to take the lead. We tend to do that because we believe that it ensures training in the skills that really exist in the market place. The Opposition appear to want to tax industry heavily so as to give the Government a much stronger guiding role in the nature of training that is given.

The hon. Member for Kingston upon Hull, East will have the opportunity when he speaks to explain the levy that he announced of at least 1 per cent. of turnover on all firms. A document published this morning still refers to that levy, but it has been toned down so as not to give any specific figures. However, the document seems still to imply a levy on all firms, with no exemptions. The street corner shop apparently is to contribute to such a levy, the purpose being that instead of building on the training programmes of employers, as we are with work experience with employers, a Labour Government will step in with a huge amount of taxation on all companies so as to run the training programmes themselves.

Mr. Prescott: The Paymaster General is right; perhaps I shall discuss the details of training in my speech. But first I must refer to the 1 per cent. levy on turnover. We have never said that the proposed levy would be 1 per cent. on turnover. I have said that the figures that we were aiming for and the resources to achieve comparability with most of our competitors lay within the range of 1 per cent. of turnover, and a combination of levies, contributions and grants would be the way in which we would finance a much more radically expanded programme. That is precisely what is outlined in today's document.

Mr. Clarke: I suspect that there was some scouring of past texts to come up with that formula. I assure the hon. Gentleman that I shall scour the text myself. I may be mistaken, but I recollect that the hon. Gentleman said in this Chamber that there would be at least a 1 per cent. levy on the turnover of all companies. I have a feeling that he has lost that particular struggle at this stage in producing his party's document, but the hon. Gentleman is still talking about a levy on all companies with limited exemptions. That means that all small companies will face a new 1 per cent. tax. That does not help jobs; that cuts jobs. The hon. Gentleman will have to explain the contrary if he believes it.

Mr. Richard Ottaway (Nottingham, North): My right hon. and learned Friend made be interested to know that the Opposition spokesman for employment came to my constituency and made that announcement about the levy.

Mr. Clarke: If the hon. Gentleman went to Nottingham to make that announcement, he went to a most important place to underline that policy. I think that it has been ironed out in Dagenham — but I fear that it has not been reversed, merely obscured. To be fair to the hon. Member for Kingston upon Hull, East, he has won one battle because the levy still exists, as it was included in the document this morning. Perhaps the hon. Gentleman will be a little less emphatic about how much it will cost British industry—but cost it will.

Our strategy extends not only to training, because it is also designed to get employers and employees together so that they have a common interest and involvement in the success of their companies. I welcome my right hon. Friend the Chancellor's decision to introduce tax relief on profit-related pay on a more favourable basis than that outlined in the Green Paper. That should also be welcomed by everyone on both sides of industry, not because that form of relating pay to company performance is the only way or necessarily the best way to involve employees, but because it is one very useful method. It is vital to encourage managers and employees to continue to relate pay ever more closely and flexibly to company performance. It is also vital for people to be involved more closely in their companies and profit-related pay is an extremely important way of achieving that.

Our strategy also involves the encouragement of small firms. They are not highly regarded by the Opposition because the Labour party does not have a strong political base there. Small firms have proved to be the main source of new jobs here as in every other advanced and developing country. The Budget directly helps new and small firms in a number of important ways, building on the progress made in previous years.

I do not know whether hon. Members appreciate what a huge easing of the burden on small firms the VAT proposals in the Budget will be. The ability to account for VAT on an annual basis will reduce the administrative burden and help the cash flow management of small firms. The ability to account for VAT on a cost basis matches the VAT system much more closely to the way in which most small businesses are run, and also solves the problem of VAT on bad debts which, as I am sure my hon. Friends will agree, has been the source of persistent complaints from small business men for as long as any of us can remember. Tax reform of this kind will lift the burden on many small businesses and enable people to pay more attention and give more time to the real needs and problems of running a small firm successfully.

The reduction in personal taxation and the cut in corporation tax for small companies will give small businesses more room in which to develop and a greater incentive to expand and create profits and jobs. All these measures support our direct steps to help the long-term unemployed—people who have been out of work for six or 12 months or more—to get back into the expanding labour market which our economic policy is creating. Our restart and community programmes and our other programmes all come into the picture.

Of course, when we produce good news on jobs, as we have done today in talking about the downward trend in unemployment, the Opposition attack that part of our policy which gives rise to that good news, saying they are just schemes. They ignore the background that I have just given of an expanding economy and all our direct support to new businesses and new job creation.

The Opposition do not even understand the programmes that they attack. The shadow Chancellor is not in the House. He has an appalling record for attacking all the good news about jobs through our schemes, and he does not even take the trouble to find out what on earth the schemes are. In describing the restart programme, he said:

"I am aware that the scheme for identifying the long-term unemployed and giving them counselling . . . is not only . . . patronising to the long-term unemployed, but demonstrates a deep ignorance of the problem."—[*Official Report*, 19 March 1986; Vol. 94, c. 306.]

I am glad to say that the restart programme is now tucked away in the Labour party's policy document. After the abuse to which it has been subjected, the Opposition now incorporate that scheme in their policies. The right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) talked about

"a deep ignorance of the problem."

He continually demonstrates a deep ignorance of the nature of the help that our schemes give to unemployed people. Yesterday morning I listened to him on the "Today" radio programme and I was astonished at what he said. I have the transcript here. He was talking about the way in which unemployment has fallen over the past six months. He did not know how good the news would be this morning. He said:

"It's not a very real drop,"

and he turned to what he called "those extraordinary schemes".

"Do you know that young people in my constituency are told they only get unemployment pay if they go to job clubs, and when they turn up to job clubs they're required to play games under the supervision of nursery school teachers. Thus they're removed from the unemployment register. Thus the figure goes down. I think humiliating them that way is disgraceful. It has absolutely nothing to do with improving the economy."

It also has absolutely nothing to do with the truth. That statement is totally and ridiculously wrong in every feature. Job clubs are not at all as the right hon. Gentleman describes them. They are attended by long-term unemployed people who are brought together and given help in searching for jobs. They are allowed free postage and free telephone calls and given professional support in applying for the jobs which can be found in the evening and provincial newspapers as well as in our jobcentres all over Britain.

Those unemployed people are successful. The people in job clubs are not removed from the unemployment count as the right hon. Gentleman said, but they remove themselves because the majority of them get jobs. The right hon. Gentleman was talking about his own constituency. I looked up the job club in his constituency and found that of those who go to it 72 per cent. leave the unemployment count because they go into jobs and training. More than half of them get jobs and another quarter go into training and into the community programme. The score in Sparkbrook is that 72 per cent. of people are being helped into jobs by the Sparkbrook job club.

The right hon. Member for Sparkbrook derides the club. His claims are ridiculous. I usually accuse the hon. Member for Kingston upon Hull, East of making up things on his feet as he goes along. The next time that he does that I shall accuse him of having a touch of the Hattersleys, because the right hon. Member for Sparkbrook obviously made up his claims as he sat talking into the microphone in Broadcasting house. He is doing serious damage by talking nonsense because all the people that we are helping in Sparkbrook will be deterred from going along and getting the growing number of jobs that can be found in the Birmingham *Evening Mail* and in our jobcentres. That will happen if the right hon. Gentleman continues to make irresponsible and ridiculous remarks.

It is not just that the Opposition do not understand our programmes. As I have tried to explain, the schemes are only one part of our job strategy for bringing the long-term unemployed into an expanding economy and into all the new jobs that are coming along as we stimulate new and small businesses. The trouble with the Labour party, the Liberal party and the Social Democratic party is that they are completely hung up in asserting that expanding and stimulating the economy in this way is no answer. They want jobs programmes involving £X on public spending and believe that that will somehow be converted into Y jobs by some other Minister.

I have already described the ridiculous process of those parties, arguing about computer models into which they feed their various programmes, to which I had to listen. Creating the right conditions for employment is not just an academic exercise on a computer programme. There is only one representative of the alliance in the House. However, he is a distinguished one.

I heard Shirley Williams somewhat troubled by allegations made rather skilfully by a Labour spokesman about the slight adjustment that would have to be made to the alliance computer model in order to get the right answer to come out. The one result the computer did produce was that unemployment would continue to come down under Conservative policies. The alliance reduction was not quite right and structural changes were made to the computer.

I am reminded of what I believe is a true story about a chap who had theories about the great pyramid in Cairo. Some people specialise in producing tremendous theories about the course of history and the end of the world by drawing up theories about the measurements of the great pyramid. One night one such person was found at the peak of the pyramid trying to chip a little bit off to try to make the great pyramid fit his theory. That seems to be the kind of practise in which alliance politicians indulge with their computer models and their extraordinary programmes.

Given the programmes produced by Labour and the alliance I find it difficult to tell their policies apart, especially because changes are continually being made to the figures and the content every time a spokeman for one or other party produces the latest version. The alliance and the Labour party have the same unrealistic target because they use the same unrealistic method. The alliance claims to be moderate because it says it will take a little longer to get there. Both Labour and the alliance admit that they would push up taxes. The alliance would certainly have to do that. Both Labour and the alliance would push up borrowing and inflation and in the long term they would push up unemployment rather than reduce it in any lasting way.

The only moderation that I can see in the policies of the alliance is that it cliams that it will spend on its package £1 billion less than the Labour party. That is based on alliance costings which I do not believe for one moment. The only other difference that I concede to the parties of the alliance is that they admit that their policies would be

[Mr. Clarke]

inflationary. They would seek to restrain that, not with a new idea but by going back to the tired old answer of a statutory incomes policy.

Spokesmen such as the right hon. Member for Glasgow, Hillhead (Mr. Jenkins), a former Chancellor of the Exchequer, have been going back to the good old days and producing a somewhat watered-down version of Labour policies. He has described with loving care the model of a statutory incomes policy, with every employer notifying central Government of every pay settlement.

The imposition of the Government norm with a new tax imposed on companies that do not comply with it takes us straight back to the days of the Wilson and Callaghan Governments. We should not be going back to those days. We need to build on the success of our policy, and the success of Tuesday's Budget. By judicious management of the economy the Government have achieved three central objectives. First, we have cut taxes at the base rate. Those cuts will create the improved business climate in which jobs are created. They will provide assistance for the low paid, just as the lifting of 1·5 million people out of the tax bracket by the Government has increased incentives. The strong downward trend in unemployment over the past seven months has given people the incentive to work, to seek new jobs and to join an enterprise culture which tax cuts will help.

Secondly, we have also cut borrowing by reducing the PSBR to £4 billion—a target which in the past 48 hours has produced a fall in interest rates which will also reduce industrial costs, increase competitiveness and create real jobs.

Thirdly, we have the £4·75 billion additional public spending, first announced in the autumn statement, essential spending on our Health Service, our education service, the poor and those most in need. As I said to the hon. Member for Newham, North-West (Mr. Banks), no one denies that the growth in the economy enables my right hon. Friend to afford all that additional spending. Only sustained growth in the economy with low inflation, increased competitiveness and increased productivity can achieve those three objectives simultaneously.

Mr. Cranley Onslow (Woking): May I draw my right hon. and learned Friend's attention to the fact that the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) has just sauntered in? Will my right hon. and learned Friend repeat the telling passage in which he demolished the right hon. Gentleman in his absence?

Mr. Clarke: As the right hon. Member for Sparkbrook is not going to become Chancellor of the Exchequer, he may soon face a prolonged period of unemployment. I suggest that he visits the Sparkbrook job club, where he will find valuable services of which he is at present hopelessly ignorant.

Mr. Roy Hattersley (Birmingham, Sparkbrook): The area has a male unemployment rate of 51 per cent., which has increased from 17 per cent. since the election of the Conservative Government. How many of those men does the right hon. and learned Gentleman think that the jobcentre will help?

Mr. Clarke: The right hon. Gentleman should listen more carefully. I was not talking about the jobcentre; that is the office to which he would go to look for job vacancies. If the right hon. Gentleman had been present, he would have heard the welcome news that of those who visited the Sparkbrook job club, which he was attacking the other day, 72 per cent. had ceased to be unemployed. Half of them had obtained jobs, while the remainder had been taken on to training and community programmes.

It is no good the right hon. Gentleman looking so sad and worried. He should be rejoicing. The fact that such things can happen in his constituency shows what the Government can achieve. The fact that the right hon. Gentleman is so out of touch with his local job club may explain why his constituency is often littered with posters demanding his deselection by dissident groups in his party. He should nurse his constituency more carefully, and find out what is going on there.

Mr. Hattersley: The right hon. and learned Gentleman is right to say that he is making me angry. My anger is on behalf of the 51 per cent. of my constituents who are unemployed. Let me ask the right hon. and learned Gentleman the question again, so that he will have a chance to give a straight answer. How many of those men will be helped by the job club?

Mr. Clarke: No doubt I shall be able to find a figure for Sparkbrook. I am sure that Sparkbrook is benefiting from the continuing fall in unemployment in the west midlands. Employment in that region collapsed in the wake of the collapse of the vehicle industry which followed years of subsidy, mismanagement, overmanning and bad industrial relations in the 1960s and 1970s. The industry fell prey to a number of problems in the recession which followed the departure from office of the Labour Government.

However, over the past year, unemployment in the west midlands has been dropping consistently. It is third in the list of regions in which unemployment is falling most rapidly. The right hon. Gentleman should rejoice that unemployment is falling and that positive action is being taken in Sparkbrook, rather than giving entirely fanciful descriptions on the radio of what is occurring.

As I have said, only sustained growth in the economy can achieve the objectives that my right hon. Friend set out in his Budget. Only those policies can sustain and accelerate a long-term downward trend in unemployment. So far, we have seen the creation of over 1 million new jobs since the spring of 1983. That record is the envy of our competitors, and is fast becoming a matter of great concern to all the Opposition parties. We intend to sustain that record, stimulated not least by my right hon. Friend's Budget statement.

4.55 pm

Mr. John Prescott (Kingston upon Hull, East): The Paymaster General usually makes his points much more clearly. His speech today has been very confusing, but I shall try to answer a couple of his observations.

The right hon. and learned Gentleman seemed to be knocking economic models as making no contribution to judgments and decisions about the creation of work. But, while he may ignore what such models tell him, I believe that the Chancellor would work on the Treasury model and make many judgments and assessments in the light of the information that it provides.

It is generally agreed that many more jobs can be created through public expenditure than through tax cuts,

although we may differ about the sort of jobs that it creates. The evidence for that comes from the Paymaster General himself. The right hon. and learned Gentleman said that the Government had spent an extra £4 billion, creating jobs in health, education and other public services. He answered the very question that he posed: public expenditure can play that role.

If we compare the performance of our economy with that of other members of the European Community, we see that their use of public expenditure has been much more effectively deployed and that they have been able to maintain far higher employment than we have. We have considerable evidence on which to make judgments about the role of public expenditure—some of it has even been provided by the OECD — when comparing Britain's economy with those of the other developed countries.

Whatever else is claimed for this Budget, it has certainly not made reducing mass unemployment a priority. That is one fact on which all observers are plainly agreed, as we can see from today's editorials. The unemployment that the United Kingdom has been experiencing is higher than it was in the 1930s, and has lasted longer. In the 1930s, unemployment increased every year for four consecutive years. However, unemployment has increased year on year in the eight wasted years of this Government's term of office. Their policy has undoubtedly contributed to that unemployment.

When the Chancellor spoke in a party political broadcast on television the other evening, we heard a great deal about how Britain was at the top of the league. He told millions of people how proud we could be when comparing the 1980s with the 1960s and 1970s. He flagged up a number of dubious statistics showing Britain at the top of the league. More significant was what he left out. The countries used by the Chancellor as examples are those used in a booklet given to us by ITN. That shows that, while the Chancellor was right to point out those things in which we were top of the league, he significantly left out the fact we are also top of the league in unemployment.

This has a significant effect on the argument about public expenditure. The OECD, in comparing the problems of unemployment in all the developed economies, discovered that Britain had a higher level of unemployment since the period 1979-84. The record shows that the average level of unemployment in Britain under past Labour and Tory Governments has been similar to the average for other developed economies, and that level has been creeping up. We must address our attention to this problem. The significant difference is that since the period 1979-84, for some reason the level in Britain has gone 2 or 3 per cent. higher.

I asked the Library of the House of Commons whether it could estimate how much less unemployment there would have been in the United Kingdom if we had kept to the average level of unemployment commensurate with the OECD countries, as we did in the past two decades. The answer is that there would have been 1 million fewer unemployed. I draw the Paymaster General's attention to the fact that the Library analysed what had gone on in the different economies. Public expenditure has remained high in the United Kingdom, but the change in how it has been spent has been considerable. We have put more into defence and less into education. I was amazed to hear the Paymaster General say that the Government are concerned about pupils and where the money goes, because everybody tells us that they are desperately short even of books to carry out the curricula which the Government have asked them to implement. It is a cheek for the Paymaster General to tell us that he is concerned about pupils. What he means is pupils in private schools. That is another difference between us and the Government.

Expenditure on transport and health — Departments for which the Paymaster General had responsibility once — has been cut, thereby throwing people on to the dole so that we spent £20 billion keeping them wasting their lives doing nothing. It is in those sectors that the Paymaster General now claims that his £4 billion package will get people back to work, but it was cuts in those sectors that contributed to the extra unemployment suffered in the United Kingdom.

Mr. Kenneth Clarke: I should like the hon. Gentleman to specify where he thinks we made the cuts in expenditure. Was it in the trunk road programme, in railway investment, or in the Health Service? All three sectors have seen sustained increases in public expenditure, largely making up for the 1976 cuts made by the Labour Government.

Mr. Prescott: That is the kind of clever answer that we have come to expect from the Paymaster General. [HON. MEMBERS: "Oh."] Before hon. Members laugh too much, I point out that that kind of clever reply does not address itself to the problem. What the Paymaster General says about transport largely means roads. The public service obligation in British Rail was, as the Paymaster General knows, about £900 million, which is equivalent to the average support given to railway systems in Europe. That was cut by almost £500 million. That affected the level of investment in British Rail.

Mr. Kenneth Clarke *rose*——

Mr. Prescott: Just let me finish.

The Paymaster General and I have argued about transport before, when we had responsibility for that subject. British Rail secured agreement with the Government to carry out investment, and we now know how British Rail carried out that investment. It increased redundancies to pay for that investment. In other words, we paid for people to be thrown out to waste their lives on the dole.

British Rail did not carry out the investment programme that it should have, and we heard some evidence of that yesterday with the sixth announcement of cuts in British Rail Engineering Ltd. With each of those six announcements, we were told that there would be no further cuts, but the company has continued to cut manufacturing capacity, which is largely dependent on public expenditure and affects the level of unemployment.

Mr. Kenneth Clarke: The hon. Gentleman and I are both jobbing back a little, but it is relevant to the argument. What we have cut on British Rail is losses. That makes the railways less of a drain on the general economy. We have increased investment on the railways, for example through electrification on the east coast railway line, and in East Anglia. That investment costs jobs. I usually cite this example against Liberals going on about infrastructure spending. Electrifying railways cuts manpower needs on the railways and reduces the need for maintenance. It enables manning reductions to be made. It is desirable

[Mr. Kenneth Clarke]

because one gets a more modern and efficient railway, which serves the public, but it is another demonstration of how straight public spending does not create jobs.

Mr. Prescott: We could continue the argument, basing it on the evidence of the passenger transport consultative committee, which talks about the declining quality of travel and investment in the British Rail system. It is an independent body, the Government's watchdog, telling the Minister the results of low investment in British Rail. The deregulation of the passenger transport industry has led not only to fewer services costing more but to a decimation of the bus industry, which further undermines manufacturing. Public expenditure not only provides jobs and services and meets needs, but is used to rebuild investment in our crucial manufacturing industry about which the Government appear so indifferent.

Public expenditure is critical in any argument about unemployment, but it is not always the Government's case that it does not create jobs. The Paymaster General justified why the Government are spending more money creating jobs. Our argument is that if resources are available, they should be targeted on trying to maximise jobs and decrease unemployment. That is our central case, which we shall be putting to the electorate.

Mr. Stephen Dorrell (Loughborough) Does the hon. Gentleman dismiss wholly the possibility that extra public expenditure may be justified not merely by its job creating powers but by the fact that it will improve services in education, health and so on? He is talking solely about public expenditure as a job creation mechanism. The increases to which my right hon. and learned Friend referred are justified by the fact that they improve the services available to the consumer.

Mr. Prescott: I endorse what the hon. Gentleman says. He must have listened to my argument when he opposed me in my constituency. Our argument has always been that we shall use public expenditure to meet real needs by providing real services and create jobs in doing so. That has an important multiplier effect on manufacturing industry, which is crucial for us. We do not want to use public money wastefully. We think how we can target it effectively in getting jobs. That 2p off income tax does not target anything. It helps the rich, who will spend on imports, thereby aggravating the problems of manufacturing industry, which cannot get a sufficient domestic base to give it the strength to export.

We know all the well-rehearsed arguments. I do not think that anybody doubts that public expenditure can play a role in creating employment. The central question about the Budget is what one would choose to do with the money. Would one make tackling unemployment the highest priority, or is one concerned more about short-term considerations — appearing to the City to be prudent and rewarding the wealthy on the proposition that some of their spending assists the economy? The Government have made the wrong choice. Their choice seems to have more to do with keeping down inflation —for example, there is no further tax on cigarettes and drink.

However, even on inflation it is remarkable how the Chancellor did not flag Britain's record. As he pointed out, the percentage has come down, but that is true of every other country, and in fact it has not decreased as fast here as it has in other countries. The Chancellor's argument about inflation is a mistruth which misleads the electorate about the true position. That is one of the reasons why we reject the central argument in the Chancellor's television appearance.

One of the main charges against the Government's priorities is that they will fuel a credit boom and create more of the problems about which we are concerned. At this time of year the Government talk about a Budget for jobs and growth. In the past they have always associated jobs with their Budget programme, and unemployment has gone up and up, in spite of nearly 750,000 places on employment schemes brought in in an attempt to fiddle the figures. That is apart from the 18 or 19 other fiddles. A significant feature of this year's Budget is that there is no pretence that it has anything to do with jobs. For the first time, the Chancellor has not made a major issue of jobs or said that the Budget will help industry. Although past Budgets have been associated with jobs—the electorate has heard that year after year—there has not been a reduction in unemployment. The opposite has happened. Despite all the fiddles, unemployment has continued to increase. In the past year there has been an increase in ten-and-sympathy skivvy training jobs on community programmes, the YTS and the new job training scheme. That is because the Government are more concerned with massaging the figures than with solving the real problems associated with training our people.

Great claims have been made about the present unemployment figures. Let me make it clear—as I did with Lord Young today—that we would welcome any reduction in unemployment. We believe that much of the claimed improvement is on the basis of the Government's massaging of the statistics by means of various schemes. Lord Young said on the radio that the January job figures did not include one place on a scheme. I was surprised, because that implies that many scheme places had affected the employment figures in previous months. I have repeatedly tried to make that point and Lord Young has repeatedly denied it. Yet he said this morning that the January figures were free from any massaging. I find that hard to believe.

While I was writing this speech, a man from Burton-on-Trent telephoned me. He had been self-employed for a long time, and unemployed for 12 months. This morning he received a letter announcing that he was now to be removed from the unemployment register. He wanted to remain on the register, but was told that he could not. He was told that his insurance benefits would not be affected. Presumably, because he has now reached the age of 60, the authorities believed that they would not be able to find a job for him. The letter made no reference to job clubs or any other scheme that might improve his prospects of employment. People are being removed from the register against their wishes, day in, day out.

A further fiddle is now in progress. Civil servants have been instructed that when they interview someone leaving a restart or other scheme, if they believe that he may get a job—even if it is in six months' time—they are to mark on the records that he has a job. That is to lift the figure of people who have obtained jobs from the schemes. Fiddling of that kind goes on all the time.

The electorate understands that the Government fiddle the unemployment figures, as is clear to see. I shall turn my attention to the fiddle behind the Government's claim

that 1 million jobs have been created since that magical year, 1983. We constantly hear that claim from the Government. I do not know which Government were in power between 1979 and 1983; everything seems to have happened since 1983. However, I will take the Government's starting point of 1983 and look at the reality of the figures. If the employment figures today represent a reduction in real terms of 40,000, that is welcome. However, the reality is that 1·8 million more people are unemployed now than were unemployed in 1979. Despite eight years of this Government and their "Labour isn't working" campaign, nearly 2 million more people are unemployed than in 1979—even on the fiddled figures.

Let us analyse the claim that 1 million jobs are being created. The Paymaster General has sometimes rejected the Library as a proper source of information, but, nevertheless, I invite him to listen to the figures that it has provided. From March 1983 to September 1986, 593,000 people became employees. With 445,000 self-employed people, that gives a total of over 1 million. However, one must make a number of adjustments in order to understand the real position. To a certain extent, the figures are based on double counting. It is pretty much accepted that many part-time jobs are second jobs, and the Department's evidence shows that to be the case.

If one subtracts those second jobs from the 593,000, the figure comes down to 331,000 — according to my analysis, 262,000 of the jobs are second jobs. I shall give the Minister the figures if he wants them. We should disregard people with second jobs. That is the important point. I hope we are not creating work so as to provide people with second jobs. We are concerned with taking people off the register and giving them one job, not two. Let me use an acceptable statistical practice. Of the total of 593,000 jobs, 417,000 are part-time. If we convert them into their full-time equivalents and then subtract that number from the full figure, the total of jobs is 385,000. Whichever figure one opts for, one reaches a total of about 350,000 jobs.

Let us consider the second figure of 445,000 self-employed. As the Minister knows, his Department has adjusted those statistics, too. Apparently, in the new labour force survey, the number of self-employed people is altered by 100,000.

Ms. Clare Short (Birmingham, Ladywood): Overnight.

Mr. Prescott: That is right. They are being changed at a stroke. Let us consider the number of self-employed people registered as paying national insurance or tax. I agree that some people may avoid paying tax or national insurance so that figure may not be the same as the figure for self-employed people as a whole. However, the figure we are given of self-employed people is 30 per cent. greater than the number actually recorded as paying national insurance. If, however, we adjust the figure of 445,000 that we have been given for self-employed people to take account only of those recorded as paying tax or national insurance, that gives us a figure in the region of 300,000.

The 1 million increase in jobs claimed by the Government is, in fact, nearer to 600,000. That is another fiddle by the Government as they massage the figures for the jobs that they say that they have created since 1983.

I know that there may be some confusion among the electorate about the statistical arguments, but there is no doubt about the direction—for unemployment figures it is always downwards, whereas for the number of jobs it is always upwards. That is the effect of the Government's policies. They are policies for adjusting and playing with the figures rather than for creating work. That is our argument against the Government.

Mr. Ian Gow (Eastbourne): Does the hon. Gentleman agree with the Shadow Chancellor's statement that, if the Labour party came to power, it would make no change in the way in which unemployment statistics are collated?

Mr. Prescott: I am grateful to the hon. Gentleman for giving me a chance to make that absolutely clear. We have made clear that our job contribution will be on the registered figures. We have no desire to change them and, in any case, if we were to change them at all the first accusation that would be made when the present Government were in opposition would be that we were beginning to change and fiddle the figures. So we shall be measured by the same criteria as the Government, who say that we cannot reduce unemployment. We cannot continue to have arguments about the dishonesty of the unemployment figures. We shall go back to a system that is comparable to that of other European countries. We shall introduce a consultative document so that, over a period of time and after proper public debate, we may begin to put some honesty into the unemployment figures.

The basis of calculation of the unemployment figures will not be changed within the two-year period that we have set ourselves to measure. I am grateful to the hon. Member for Eastbourne (Mr. Gow) for raising that point. I shall tell him why we shall be able to put honesty in those figures. We shall go back to putting up the 2,000 more houses a week that we were building before he as Housing Minister embarked on cutting the number and putting the work force on the dole. It is in that particular area of housing that the greatest need exists. It is by helping in that area that we can take off the register people who are languishing there. With the capital we can put them to work and so begin to meet the need for houses. It could not have been a more appropriate hon. Member to have raised that point.

This Budget, whatever is claimed for it in the way of its financial prudence, has nothing to do with jobs. However, one thing is clear: there will be no more doubt about the availability of money. Money is washing about. Money will come from the sale of the British Petroleum shares. There will be extra taxes from corporations, further privatisation, the credit boom. No one has any doubts about £6 billion being available if the Government want to use it. Our argument is concerned not with where the money comes from or with the borrowing requirement, but with how the money is used and what the priorities are. That is the clear issue and it is what the Chancellor has now proposed. So let us be absolutely clear that the money is available.

Our priority is to get people back to work, and to put into the training schemes the quality necessary to make them proper training schemes. In both those areas, we are spelling out our intentions in a way that no other party has done. One plan was launched today, the document on training. It puts to the electorate our arguments on how we can begin to get our people back to work by creating not only the jobs but the training required.

The Paymaster General has constantly asked us where our job programmes are and what the quality of our

[Mr. Prescott]

training will be. He has asked whether it will be any different from what his Government are doing. Our plans are now being spelt out and the Paymaster General can judge for himself. What is rather curious, after all the cries that I have heard from the right hon. and learned Gentleman outside the House about our lack of a detailed jobs package, is that he has done little about making a direct attack on the content of our proposals. I would have expected him to do that.

Our proposals consider the kind of jobs that we shall create, 1 million jobs in a two-year period. We identify the jobs and the real needs. We shall provide real services. We believe that a major contribution can be made in those areas. I can give only a summary now, but the documents are available for hon. Members if they want to look at them, and there has been quite a bit of publicity about them.

I do not think that the Paymaster General would deny that it is possible to get jobs from an improved housing programme. If the Government choose not to use the money on public housing, that is their decision. We shall change their priorities and revamp the housing programme. We know that there is a good deal more room for investment in the railways and other parts of the infrastructure. Those needs have been catalogued so often that they do not have to be argued today. The question is whether people have the resources and are prepared to use them to meet the needs and make the jobs. In that area alone, in stimulating capital investment, we have made clear that 250,000 jobs would be created in both public and private sectors. The Paymaster General tells us about the quality of services. He thinks that the only difference between us is that while we would put money into education we are not concerned about the pupils, according to him. Of course we are concerned about the pupils, just as we are concerned about the hospital service and about a number of public areas where we can invest money and create jobs and reverse the Government's policy.

I say the Government's policy because one of the prime purposes of the cash controls has been to throw people out of work. The Treasury's own rules discriminate against public sector industries which do not carry out labour-intensive investments even though they are profitable. The chairman of any nationalised industry would say the same. That is because the Treasury has ruled that each year there must be a reduction in the real cost of labour. So these bodies concentrate on capital investment rather than on labour investment even though both are profitable. It seems right to us to change those rules in order that we may carry out the kind of capital investment programme which puts a greater accent on jobs. We can discount the argument of the Paymaster General about two postmen on one job. I notice that the Post Office has increased the number of jobs by 5,000, and it has not led to a charge against the Post Office that it is inflating the labour force of a nationalised industry. The Post Office is doing a good job, meeting a need, providing a service. That is the very argument that we would use for both the public and the private sectors. The quality of the services is quite critical.

We make proposals about economic enterprise jobs and investment in manufacturing. We identify in a costed way the number of jobs available—250,000. Our programme has now been subjected to a number of computer models. I am sure it has even been tried on the Treasury model. If the Treasury model were to show that it did not work, I am sure that the Paymaster General would have been here, showing us precisely how it did not work, asking for it to be rejected and subjecting it to ridicule. But we have heard none of that. We have had the exposure of figures apparently trumped up by the Chief Secretary, who is constantly finding all sorts of proposals on which to put figures. We have proposals to create a million jobs, and these proposals are open to examination.

Mr. John Maples (Lewisham, West) *rose*——

Mr. Prescott: No, I am sorry, I cannot give way. I have not enough time.

One of our proposals deals with skill training. We envisage not piecemeal schemes but the development of training in a coherent national training programme, providing 300,000 places. Today we have spelt out the kinds of training programmes that we believe to be necessary. There could not be a starker difference between the attitude of the Government and that of the Opposition. The attitude of the Government in this area was determined in 1982 by the right hon. Member for Chingford (Mr. Tebbit) who, when Secretary of State for Employment, told us that we could get more training done if we left it to voluntary schemes. He dismantled the statutory boards. He got rid of 16 of them and did away with the bureaucracy. He said that if we gave the employers more money they would produce more training and skilled places. We all know that to have been a fraud, to have been wrong. We all know now from the Chancellor's own report and from the report by the National Economic Development Council that we are desperately short of skills in every area. Every employers' organisation tells us that daily. They say that we cannot put even the unskilled to work in the building industry because we are desperately short of the most traditional skills. In many ways, the youth training scheme, particularly in construction industry training, has undermined the full-time skills because there has been a concentration on producing half-trained people rather than the fully trained people who need more than two years' training.

Perhaps the classic example is that only last week in the House of Commons the engineering industry training board actually asked the House to double the levy on its industry or remove the exemptions in order to rescue it from a crisis which it currently faces. While its levy should give it an income of £166 million, it receives only £9 million because 95 per cent. of the companies have been exempted from paying. Our skill training in this country is undermined by all the free riders who are not prepared to provide the money for training. When I hear the Paymaster General being asked to put a levy on small companies, I point out that the cut-off rate under the engineering training board is 40 employees. So 95 per cent. of companies are exempted from paying any kind of levy or doing that kind of training. We feel that that is unacceptable. All engineering firms have a responsibility to pay towards the cost of training.

Let me make it clear that we intend to build on the excellence already available. We intend to fill the empty training places that we have at present. There are hundreds of them in the engineering industry and big opportunities in British Rail who have cut back on skilled jobs, as in

British Rail Engineering Ltd. There are many places available. Some of the nine Manpower Services Commission centres are available because they are still empty. We will open them up on day one; we will take the trainers off the dole and we will fund programmes of training. Even if we double our target programme, we shall not have started to compare with what our European competitors are doing. We hope in 10 years to begin to develop a training programme that will reskill our people and improve on the figures shown in the Paymaster General's survey. Only 10 per cent. of our work force is given training compared to 70 per cent. of the work forces of most of our competitors.

Apart from workers, we have the worst trained labour management of many countries. Managers are denied the opportunity of proper training because companies will not give priority to it. Our programmes are designed to bring more training to the place of work. We shall require companies to publish audits of what has been done. It is deplorable that we do not know how many skills we produced in 1985. That is one of the first problems we see when we begin to study the problem. So there will be a requirement to show what the skills are. There will be a national training fund to which all companies will be expected to contribute. It will be financed by a combination of grants and levies.

Before the Paymaster General jumps in, may I draw to his attention a press release which I got today from the construction industry training board? Apparently under its levy system — one imposed by the Government — construction firms paid £47 million in levy but they got back from the Government £67 million. The taxpayer is carrying the major burden of whatever skill training is taking place, and industry does not pay anywhere near its fair share. In other developed economies industry pays three to five times more than is paid in Britain. That is wholly unacceptable. *[Interruption.]*

I will answer the Paymaster General in his own terms. He knows that the Manpower Services Commission is examining precisely what is spent on training, and how the funding of training might be organised more effectively. That report should have been out before the election. It is a pity that it will not be because the Government would have had to face up to their responsibility to train people. I believe the report is to come out in the autumn. We shall take account of that study when it is published.

We are not apologetic about our view that if we are to change radically the skill content of the labour force, which is the least-trained labour force of the developed economies, we will all have to make a contribution. The Chancellor and industry will have to contribute. Industry will have to pay more. The exemption rule has been a means by which people have avoided their responsibility. Our announcement today about training programmes provides the alternative.

This Budget is in no way a solution to our problems. It is a Budget for the better off at the expense of the less well off. It is a Budget for those in employment, not for the unemployed. It is a Budget for wealth, not wealth creation. It is a Budget for short-term electoral gain, not a long-term solution to our problems. These will be the issues at the next election. We will gladly join battle on them, defeat the Government and return to begin to make the changes that are necessary.

5.33 pm

Sir Barney Hayhoe (Brentford and Isleworth): As I listened to the hon. Member for Kingston upon Hull, East (Mr. Prescott) I thought that perhaps there might have been some justification for his speech if he had made it about a year ago when regrettably unemployment was still rising. But on a day when we have had the welcome and encouraging news that the trend of unemployment has been firmly downwards for seven months and that unemployment is 150,000 lower than in the middle of last year, it seemed inappropriate for the hon. Gentleman to make most of that speech. What is clear is that the downward trend of unemployment, which is good news for the country, is bad news for the Opposition.

The Opposition reaction to these encouraging figures seemed sour, carping and nit-picking. There was nothing much new in what the hon. Gentleman said about the alternative policies that he will place before the electorate. I venture the view that those policies will be judged by the electorate as irrelevant to the real problems facing the country when the election comes, whether it be later this year or next, just as the policies put forward in 1983 by the leaders of the Labour party were judged irrelevant.

As a Treasury Minister I was involved in the construction of four Budgets. Inevitably, as would be confirmed by anyone with that experience, whether in my party or in the Labour party, Treasury Ministers are not agreed on every single detail in a Budget. But once the Budget has been agreed, collective responsibility applies, and one supports the judgments that have been made and carries them through in the detailed consideration of the Finance Bill both on the Floor of the House and in Committee. Now, of course, I am free to express the personal preferences which in the past one had to do behind closed doors with the limited numbers within the Treasury who were privy to the Budget discussions. Now a certain welcome freedom has come upon me, but I must be careful about how I use it.

As I listened to the Chancellor, the fundamental point that he was putting to the country and to the House seemed to be the strength of the British economy. If I take only one aspect, the staggering figure of £110 billion that is in the Red Book and was referred to by the Chancellor in his speech as the totality of the country's overseas assets is 28 per cent. of our GDP. Considered in that way, it is four times the percentage of GDP represented by overseas assets when we came to office. That shows the great improvement during the last eight years.

The oil revenues have not been frittered away, as the Opposition so often claim. Those revenues have contributed to the increased investment overseas. The income from those investments, already running at about £5,000 million a year, will steadily increase and will continue to flow long after the oil is finished and long after all of us, and perhaps our sons and grandsons, have gone. Those investments overseas, which have resulted from balance of payments surpluses, from North sea oil and from the removal of exchange control, will prove to be of great value for future generations.

Yet the Leader of the Opposition, in his rather curious and extended immediate reaction to the Budget, said that those investments represented a loss of about £70 billion net over the past eight years. So investment overseas, which is bringing a steady return, is described by the Leader of the Opposition as a loss to the country. Such

[Sir Barney Hayhoe]

curious economic thinking perhaps explains the over-emphasis of the Opposition on the problem of our balance of payments. No doubt Opposition Members look back to the traumatic time of the visitation from the IMF and see any flutter in the balance of payments as dangerous. However, the strength that we have now built up in the economy gives us the possibility of being able to deal with balance of payments difficulties in a way which was certainly not open to the Labour Government.

Yesterday, my right hon. Friend the Chief Secretary to the Treasury referred to the happy trio of higher public spending, less borrowing and lower taxes. My right hon. and learned Friend the Paymaster General spoke in similar terms today. Hindsight gives a somewhat spurious sense of harmony. A substantial chunk of the higher public spending announced in the autumn statement was for local government. That showed that the Government recognised the realities of local government expenditure in a way that had not happened previously. The public expenditure White Paper shows that for 1986-87 the estimated outturn is now about £3 billion more than it was in the plans that were published over a year ago.

I am happy with this increased realism about local authority expenditure, and I welcome the extra expenditure on health and education that was announced in the autumn statement. However, I suspect that those additions were the absolute minimum that were judged to be required by the star chamber, the Cabinet or whoever reached the final decisions, to avoid very real difficulties, and to give some scope for developing services.

Those public expenditure decisions were taken last autumn when, as the Chancellor made clear, his judgment was that there was little room for tax cuts, and, as I assume must have been true, the forecasts that were available to the Treasury were not predicting the substantial undershooting of the PSBR of which we are now aware. If the favourable tax take and borrowing figures had been known then, I wonder whether any extra spending might have seemed reasonable in that more relaxed financial atmosphere. As I believe that some extra spending, although not a great deal, might have been proper and reasonable in those circumstances, I was somewhat disappointed that absolutely nothing new was announced in the Budget.

Hon. Members from all parties will have their own suggestions about what might have been done. I know that pensioners and those who are largely, but not wholly, dependent on the state pension see people in employment increasing their standards of living much faster than they. There is certainly an argument that there should be something extra—out of the national cake, to use an old analogy—devoted to increasing those people's standards of living. It may still be open to the Government to announce that, instead of the Christmas bonus being £10, this year it could perhaps be £25. I am sure that, within the arithmetic of the Budget, such additional expenditure would not cause repercussions in the markets or undue difficulties across the exchanges.

There was a letter in *The Times* today about research council expenditure. Although small sums of money are involved, it seems that the extra salary increases that have been agreed, presumably by the Department of Education and Science and not by the research councils individually, will have to be met by the research councils out of their total research budgets. Therefore, they have to cut down on research to pay for those salary increases. As relatively small sums are involved, I suggest and hope that the Treasury will be prepared to look sympathetically upon the arguments that, presumably, will be put to it by my right hon. Friend the Secretary of State for Education and Science who, I have little doubt, will seek Treasury approval to make some adjustment so that cuts in research projects will not be necessary.

Having said something about pay, I now refer to the welcome increased spending on the National Health Service. In real terms, it has increased in the current year as compared with the previous year and is planned to increase again by 2·8 per cent., in real terms, in the coming year. That is welcome, but there could be problems about pay. I want to say absolutely nothing today that could have any effect on the pay negotiations that are now taking place for the Civil Service and those that are undoubtedly beginning for other parts of the public services.

However, the real benefits of those increases to the NHS could, at least in part, be dissipated if the review body awards and the pay settlements negotiated in the coming months are higher than those budgeted for in the amounts which have gone to the regions and the district health authorities. Last year, some account was taken of the awards made by the review body and adjustments were made which made it pretty well certain that, across the country, there would be no cuts in services as a result of the Government's decisions about the review body's recommendations. Again, I believe the arithmetic of this Budget should allow a similar approach to be followed later this year.

Having suggested some extra spending, it behoves me to speak instantly about extra revenue. I was disappointed that the tax on cigarettes was not indexed or increased by a little more than indexation. There are powerful arguments for increasing the tax on cigarettes not by a swingeing amount, but at least by an indexed increase or a little more. That would have provided valuable additional resources which could have been deployed in some of the ways that I have suggested.

I know that this territory belongs within the Treasury, to my hon. Friend the Minister of State, who will reply tonight. I do not expect him to reveal the advice that he gave, but I hope that he will register my disappointment, as someone who has shared and held his responsibilities for indirect taxation, that that opportunity was missed. Of course I understand the RPI effect which is pretty small in relation to cigarettes, and also the headline effect of increasing that tax. I am not quite sure whether it was the RPI or the headline effect which dominated the Chancellor's thinking. However, I should have preferred that tax to have been increased.

I should like, briefly, to congratulate my hon. Friend the Minister of State on the changes in the VAT regime. He has succeeded in doing what I failed to do when I held that job. Although we managed to make some helpful provisions for those traders who were being charged tax on money that they had not received—we made some changes in that direction—I welcome the much more effective action that my hon. Friend is now proposing. I hope we shall see that fully implemented in the Finance Bill later this year.

There is much else that is good in the Budget and in the Budget speech. Perhaps I should refer, at least in passing, to the burial of M3. I do so as one who never worshipped

at that particular shrine and always regarded that idol, if not as false, then at least as sometimes giving false signs which, if followed slavishly, would lead to unnecessary difficulties in the economy. It was good to see M3 buried. I suppose that the funeral oration given by the Governor of the Bank of England in Loughborough, to which the Chancellor drew our attention, was a proper way for it to depart from the dominance that it used to hold in some thinking.

Tax cuts are generally popular and the welcome cut in the standard rate of income tax is no exception. My one regret is that ways were not found within the context of cutting direct taxation to improve the incentive differentially for the low-paid. More should be done about the poverty trap, the employment trap and the perceived surcharge on the low paid as they move out of benefits into taxation. That would encourage that element within society. When the Inland Revenue is fully computerised and there is closer interaction between what it does and national insurance contributions, other possibilities may appear through which differential arrangements along those lines can be achieved.

I welcome the downward pressure on interest rates that the Budget has produced. I support the cautious and prudent action of the Chancellor towards both interest rates and his overall Budget judgement. The central theme of the Government's case in this debate, and in May or June or whenever the election comes, is the growing strength of the British economy. Today's good news about lower unemployment augurs well for the future and I applaud the Government and the British people for all that they hve contributed to that success.

5.52 pm

Mr. Richard Wainwright (Colne Valley): It is good to hear the right hon. Member for Brentford and Isleworth (Sir B. Hayhoe) making such excellent use of his new-found freedom. I doubt whether many hon. Members have heard the burial of the dead commemorated with such a sensitive, gentle touch as his fond farewell to sterling M3. He also followed my right hon. Friend the Member for Glasgow, Hillhead (Mr. Jenkins) who yesterday made almost identical comments on the dangerous meanness of the research budgets. I hope that constant reiteration of that point, bearing in mind the modest sums involved, will penetrate the skulls of those on the Treasury Bench.

I must differ from the right hon. Gentleman on one point. The ramshackle system of Government accounting enabled him to pick out one capital item—the welcome replenishment of our overseas assets—for commendation. If we had a national balance sheet in an appropriate form, as we should have, it would be revealed that, while overseas assets have been piling up, public assets at home have been losing their value. There is a signpost to that—nothing like as much information as there should be—on page 27 of the Red Book. An important table on gross fixed domestic capital formation—in other words, the Government's stewardship of our public assets—shows that the figure for domestic capital formation by business during 1986 was the negative figure of minus £3 billion. That is an astonishing report for a country which must shortly face a future without any more family silver to sell and with much depleted revenues from North sea oil. The Government's record on their stewardship of capital assets on that count is negative.

A Chancellor with a proper sense of reality would have felt obliged this year to budget not for one nation, but for two. The two nations which are widely agreed to exist are not to be distinguished geographically, because there are two nations to be found within each region. They are the two nations of the relatively prosperous—good luck to them — and the seriously deprived. That was well encompassed by one radio listener north of the Trent who listened to the Budget speech and was interviewed about what he thought of it. He simply said with northern brevity, "That is not a country I recognise. I simply do not know the Britain that the Chancellor is talking about." Indeed that must be so. I shall take only two items from many which illustrate the difference between the two nations and the gap that is still widening.

As hon. Members will know, the constrast in unemployment figures is enormous. On a county basis, to use one measure, Berkshire has about 6·6 per cent. of its work force unemployed and falling and Hertfordshire has 6·8 per cent. and falling. There are several areas like them where it would be dangerous for the Government to apply strongly expansionary measures because soon skill shortages would become acute, wages would overheat and inflation would get under way. At the other end of the scale — this illustrates the fact that the divide is not geographical — the county of Cleveland has 20·8 per cent. of its work force unemployed and Cornwall has 19·7 per cent. In other words, three times as many of the work force are unemployed in some parts as in others.

We in the alliance believe that that must be recognised. That is why under our proposals, which the Paymaster General could not be bothered to distinguish from the proposals of the Labour segment of the Opposition, employers' national insurance contributions would be reduced by 25 per cent. in travel-to-work areas of above average unemployment. That would be a targeted measure. Clearly, the tax on jobs should not be applied with the same vigour in areas of high unemployment as in areas approaching something near to full employment.

In the same way we have proposed a recruitment incentive in the black spots to employers who are willing to increase the total of their labour force by recruiting specifically from the ranks of the long-term unemployed. The Paymaster General was eloquent today about the various splendid schemes over which he presides. I am not here to denigrate them, although I deprecate the exaggeration of their benefits. I speak for many people when I say that it is disappointing that, of the long-term unemployed, who are surely the worst victims of the Government's deliberate policies, only about one in five can find a place on any of the Government's schemes. I am wholly in favour of their being invited to join properly run job clubs and so on, but only the most resilient in the best of health with a positive attitude and a good deal of luck can eventually return to employment without some assistance with repairing their rusty skills or learning new ones, or generally with readapting themselves to the habits and needs of regular work.

I regard this Government as neglectful of the interests of the great majority of the long-term unemployed for whom we believe special measures should be targeted. The Paymaster General was in his customary brazen form in saying how virtuous was the Government's conversion to higher public expenditure and abandonment of its boasted medium-term strategy in favour of more public spending because of the approach of some national event, which it

[Mr. Richard Wainwright]

is apparently sacrilege to mention. The Paymaster General was brazen in suggesting that this is the work of reformed characters because it is all going to be properly paid for.

That comes from a representative of a Government who are still—and at an accelerating pace—selling off the family silver, as we learnt last night in the Budget debate. We had been told of a figure of £5 billion asset sales in the Red Book and we were given last night an additional figure for British Petroleum which makes it even more substantial. Whatever the figure—I hope we shall be given some total when the Minister winds up tonight—there is not much more family silver left to sell off. That circumstance makes it quite attractive to be retiring from the House at the end of this Parliament. The problems facing whichever party or combination of parties comes to government will be all the more horrendous because of the profligate depletion of the national capital.

The second source of bumper revenue — I am surprised that the Paymaster General could mention this without a blush—arises from the enormously increased yield on corporation tax, being far more than the Treasury estimate, mainly because business unfortunately has not been investing, and therefore the capital allowances against corporation tax have been phenomenally modest, and disgracefully so. I do not see why the Government should take credit from a yield of corporation tax which arose from failure to invest.

Finally, the bonanza of huge VAT revenues from the credit boom—about which the Treasury and Ministers are strangely silent—must cause them a great deal of worry. That said, we welcome the partial conversion of the Government to higher public expenditure, to targeting the exchange rate, which we have been urging for the past seven years, and for the demise of the ridiculous sterling M3. That is to their credit, but it is regrettable that it is so late in the day.

Criticism has been made of the alliance plans by no less distinguished a Liberal than Samuel Brittan in today's *Financial Times*. He seems to think that it is very illiberal of the alliance to be complaining that public expenditure is only to be about 43 per cent. of GDP. This criticism, like that of the hon. Member for Brentford and Isleworth, ignores the difference between current expenditure and capital. The extra public expenditure which the alliance is pleading for—and would wish to have the opportunity to implement—is on the capital side: in other words refurbishing, rehabilitating and modernising our public assets, buildings and plant which have been so neglected in recent years by false economy.

Whether liberal-minded people like it or not, the state does own all these assets. To say that we should not spend money on keeping our assets in proper repair is rather like the owner of a house, which he does not enjoy very much and which he would prefer to be very different, saying "I hate this house, so I shall not repair the roof or rebuild the windows. I will let the place go to rack and ruin because I do not very much like it."

Whether we like it or not, the state has these assets and therefore has a duty to spend more on capital account to keep them in repair. Very soon the Government, of whatever complexion, have to face the fact that some of the great temporary bonanza of the last decade is rapidly coming to an end and we shall have to earn our own living without so much assistance from providence. Our objection to this Budget and to the income tax basic rate cuts, against which we shall vote on Monday, is that the Budget does nothing to prepare this country for having to earn its living in a much harsher climate.

6.5 pm

Mr. George Gardiner (Reigate): I listened with some interest to the remarks of the hon. Member for Colne Valley (Mr. Wainwright). He is a senior and respected Member of this House but, if he will forgive me, I will not follow his remarks in any detail since they suggested that he—and certainly his party—learned very little from our collective experience of the past 15 years and even less from the period 10 years ago next week when we had all the benefits of a hung Parliament and he and his colleagues were sustaining a Socialist Government in office.

Mr. Wainwright: The golden age.

Mr. Gardiner: The golden age—we have to remember that.

I join my hon. Friends in congratulating the Chancellor on his Budget. When we look at the British economy in 1987, with growth higher than in any other major European country, with low inflation, increasing output, growing profits, expanding investment, rising living standards—and now unemployment turning downwards—we can afford to smile at all the predictions of doom and disaster that have come so regularly from the shadow Chancellor, the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley).

Yesterday he was at it again, but finding it even more difficult to make his gloomy forecasts stick. He is like the small boy who has cried wolf a few times too often. But even that was not so bizarre as the advice offered to the Chancellor on the very eve of his Budget by four men who served as economic advisers to previous post-war Governments—architects from the years of decline and failure presuming to lecture those who are achieving expansion and success.

The Chancellor and his predecessor have together managed to create what might be called a virtuous circle because the economy is now on such a sound footing. Exchequer revenues are buoyant, thus enabling the Chancellor to increase public spending in priority areas like education and health, as he did last autumn, and cut income tax, and cut Government borrowing and so ease interest rates downwards — all these things in turn strengthening our economy still further.

I specially commend the Chancellor for cutting the standard rate of income tax to 27p in the pound, so increasing take-home pay for the man on average earnings by £3 a week. The shadow Chancellor has committed himself to clawing this back if he ever gets a chance. *[Interruption.]* I can understand the increasing irrascibility of the hon. Member for Kingston upon Hull, East (Mr. Prescott).

There was a time when Labour could genuinely claim to be the party of the working man, but alas no more. The moment that the right hon. Member for Sparkbrook came to introduce his first Budget—an emergency Budget no doubt, and the first of many at six-monthly intervals—the worker on average earnings would immediately be £3 a week worse off, and we all know that this would be the first down payment on the heavy price he would have to pay for a Socialist Government. Meanwhile, the alliance

parties are in a world of their own—voting against tax cuts, yet accepting them once they are in the voters' pockets, so staying true to their reputation as the party of all things to all men.

The Chancellor's reduction of the standard rate to 27p still leaves him short of our 25p target. I do not criticise him for that. Given the re-election of a Conservative Government, we should see the 25p target reached early in the life of the new Parliament. I believe that my right hon. Friend and his colleagues should start thinking further ahead than that. Targets are important as an expression of the ideal society that we are seeking to achieve for our people. The 25p standard rate should not and must not be the limit of our ambitions. Our aim should be a standard rate of 20p in the pound by the end of the next Parliament. That would leave more of the money that people earn in their pockets and give them more freedom to make decisions concerning theirs and their families' futures. We should not stop there.

Mr. Gerald Bermingham (St. Helens, South): Does the hon. Gentleman agree that the Red Book for this year shows the sale of assets to the value of up to £5 billion? Yesterday we heard of the further sale of assets—the BP shares—which will perhaps fetch up to £5 billion on the open market. Will the extra 2p reduction, necessary to achieve the 25p rate, be declared in an emergency Budget after the election and will it come from the sale of this asset?

Mr. Gardiner: I am not drawing up the future Chancellor's Budget. If the hon. Gentleman will listen to my further remarks, he will discover how a great many of those on average earnings — once upon a time they might have been regarded as Labour supporters — welcome the disposal of the assets to which the hon. Gentleman refers.

We should not rest content with the sole target of a standard rate of 20p in the pound. Indeed, I believe that the time has come for a thorough review of our direct tax system and that should take place in the life of the next Parliament.

I am sorry that this year, although the Chancellor has cut the standard rate, he has not had room to cut the tax rates at the higher levels—that must be a priority in the next Parliament. However much the shadow Chancellor may scoff, there is ample evidence—as the Paymaster General told us today—that cuts in the higher rate of taxes would lead to an increase in revenue from higher earners. Indeed, if the shadow Chancellor wants to raise an extra £3·5 billion through taxing the rich, he should think about cutting their tax rates rather than raising them. That is the only conclusion to be drawn from the experience in Britain, following the cuts in the punitive top tax rates inherited by the Government, and based on the experience in the United States.

I commend *The Sunday Times* for the lead it has taken in making clear to its readers the advantage of cutting the top tax rate. That point has also been made by Professor Patrick Minford of Liverpool university. *The Wall Street Journal* has noted:

> "In Britain as in the United States, reductions in top marginal rates are not a sop to the rich. They are an incentive to participate in the economy. They do not cost the government revenues; they gain revenues."

Mr. Barry Sheerman (Huddersfield): That is based on no evidence.

Mr. Gardiner: There is ample evidence.

We must also consider cutting our top tax rates to bring them more closely into line with our competitor countries in the West. It is a sobering thought that, next year, the top tax rate in the United States will be just 1 per cent. higher than the lowest tax rate in this country. Our top tax earners will pay a marginal rate of 60 per cent. compared to the United States' rate of 28 per cent. Our most successful managers, top researchers and commercial creators are highly mobile and we will not keep them in this country if they are clobbered for taxes in this way.

I see a further target for our Chancellor in the next Parliament—the standard rate of tax should be 20 per cent., the marginal rate should be 30 per cent. for a wide band of high earners and there should be a rate of 40 per cent. for those at the very top of the earning table. In that way we will create a still more vigorous, enterprising and flexible economy.

A further matter on which I wish to congratulate the Chancellor and urge him to project his policies is his encouragement for the expansion of the share-owning democracy. Unlike the hon. Member for Colne Valley, I welcome the news that the remainder of BP is to be privatised and is to be added to the sale of British Airways and Rolls-Royce in the immediate programme. There are now 8·5 million individual shareholders in Britain — three times as many as in 1979.

Let us consider two figures set alongside each other —8·5 million individual shareholders and 10·75 million trade union members. Let us ponder the significant social change that is implied by those figures and by the narrowing gap between them. They are not, of course, totally separate groups, not the two nations as the Opposition would have us believe; they overlap heavily. Thanks to the popular privatisation exercises, vast numbers of today's trade unionists have become direct owners sharing in the wealth of our country and, at the same time, we have given them more control over their unions. That is what responsible society means. I hope that the Chancellor and his colleagues will carry those policies a lot further with more popular flotations of our remaining state industries.

In the next Parliament I look forward to the privatisation of electricity generation and distribution—preferably not in one monolithic unit, but in competing ones. I look forward to the privatisation of substantial sections of our coal industry with certain pits sold together with the generating stations that they serve. I look forward to the privatisation of the Post Office with counter services taken to more, not fewer, sub-post offices.

I urge the Chancellor and his colleagues to build upon their achievements and to set those targets for us very soon. That will point the way to the even stronger economy and freer society that we seek.

6.16 pm

Mr. Ron Leighton (Newham, North-East): This year the Treasury is awash with money. It has had £6 billion to "give away". That has meant a £3 billion cut in the already low public borrowing requirement to keep the City sweet, and some £3 billion in tax cuts. The figure of £6 billion is interesting and significant because it is the entire cost of Labour's plan to create one million jobs. So the question for the Labour party is not where the money is coming from, but where the money is going to.

[Mr. Ron Leighton]

Where that money has come from is not a sign of virtue or success. First, it has come from the pre-election credit-financed consumer boom, based on imports from abroad, and on which the Treasury levies VAT. Thus there has been an increase in those VAT receipts. Secondly, there has been the selling-off of public assets — as Lord Stockton described it, "the family silver." British Gas, British Telecom and British Airways have gone and now we are told British Petroleum is to go. This represents the selling-off of the nation's capital. It is using the proceeds for revenue and it is rather like selling the furniture to pay the rent—a disreputable rake's progress. That will raise some £5 billion per annum and will be used to bribe the voters with their own money.

There is nothing virtuous about how the Chancellor has got this money into his hands. However, he could have used it to help those in desperate need. Instead the Chancellor and the Government have cynically targeted their largesse upon those whom they want to induce to vote Conservative at the next election. There is nothing in the Budget for the homeless, nothing on pensions for the elderly, nothing on child benefit for families, and nothing for the 8 million living in poverty, nor for the millions of unemployed. Why is there nothing for them? The Chancellor has written off the unemployed and the poor because he does not expect votes from them. He is widening the gap between the haves and the have nots. The Government hope that there will be enough haves to vote Conservative at the next election. It is as simple and as evil as that.

A married man with two children, on £40,000 a year, will get a tax cut of £8·71 a week. A married man with two children on £4,000 a year, will get 86p. Of course, most of the unemployed pay no tax at all, so they do not even get those pennies. With society being so violently and cruelly divided in that way, it is no surprise to me that the crime rate rises so rapidly under the Conservatives.

While the family silver is sold off to finance the Conservative's pre-election conjuring trick, the real economy has been crippled. After eight years of Conservative Government, unemployment is 2 million higher than it was in 1979; manufacturing output is still less now than in 1979—in other words, we have gone backwards; investment is one fifth lower than in 1979, and that is cumulative; we have a huge balance of trade deficit, which is growing every year; and we have a deficit on our trade in manufactured goods for the first time.

The colossal bonanza of North sea oil revenue has all been dissipated, with hardly anything to show for it. It has all been wasted on paying £20 billion a year to finance the dole queue. Any definition of success that allows mass unemployment is not recognised by me. I have heard nothing in the Budget that helps the unemployed. There was not even a pretence this year that it was a Budget for jobs. The Government's only policy for the unemployed is restart, although we did not hear much about that today.

I am in favour of contact with the long-term unemployed. I was critical when the Government gave up contact with the unemployed in 1982. That was because, in 1980 and 1981, they created so many unemployed that they thought that there was no point in keeping contact because they had nothing to offer them. So I should like to look at the restart programme. I have a copy of the tutors guide to the programme. It conspires to suggest to the unemployed that their unemployment is really their own fault. The guide says at the beginning that the course is

"a very first step in becoming competitive in the labour market."

It is as if those people were unemployed because they were uncompetitive. The guide continues:

"It is designed to engender sufficient feelings of confidence and well-being for participants to believe that they are capable".

Why did those people become unemployed in the first place? Not because they were incapable or had no confidence. They became unemployed because they were made redundant or because, when they left school, no jobs were available to them.

The note to the tutor for day 2 of the course says

"It has been suggested that a session on 'healthy eating on a limited income' could be an appropriate part of this programme."

In other words, those people are to be reconciled to their poverty. That is what the restart programme seems to be about. That reminds me that during the war I heard a story of a meeting when Lady Bountiful came along and explained to the poor people how to make a nourishing meal out of a cod's head. The Socialist at the back of the hall asked, "Who had the rest of the cod?" That is the question that some of the unemployed might ask at present.

The guide says that on day 2 the unemployed have to submit to personal stocktaking. Session 4 deals with strengths and weaknesses. The unemployed have to submit to a strengths checklist. I should like to read part of the list to the House. I hope that hon. Members, particularly Conservative Members, will pay attention. I wonder how many Conservative Members have these personal strengths. These are the questions that the unemployed are supposed to ask themselves:

"Am I honest, determined, patient, alert, friendly, happy, humorous, generous, caring, gentle, fit, considerate, genuine, skilled, sensible, capable of initiative, energetic? Am I bright, smart, cheerful, positive, trusting and trustworthy? What other personal qualities do I have? What other strengths do I have which are not included in this checklist?"

I wonder how many of those qualities the Paymaster General would have. I think that we have ruled him out straight away.

I am all in favour of training. I am greatly in favour of an increased training programme. Where a training programme is badly needed is on the Treasury Front Bench. On day 5, in session 4, the guide says:

"What we will do is to fix a large sheet of paper to each person's back (demonstrate)"—

they have to be shown how that is done—

"and collect a felt tip pen."

So everyone gets his piece of paper and his felt tip pen. The guide continues:

"Then for 10 minutes we will walk round the room looking at people and then writing on their sheets any positive thought or feeling we may have had about them at any stage (ie anything good we have noticed about them)."

If the Paymaster General were here, and we stuck a piece of paper on his back, I could not think of anything positive to write about him. I could think of some things to write, but they would not be polite. I have some sense of the decorum of this place, so I shall not mention them.

Originally 30 per cent. of the participants of restart were supposed to go on those courses. That was revised

down to 15 per cent. in 1986 because people did not want to go on them. In East Ham, which is in my constituency, only 8 per cent. went on them.

We have here the results of the pilot initiative. I should like to look at what actually happened. A letter was sent to every one of the long-term unemployed. The last sentence was rather heavy:

"Please note that if you do not keep this appointment or give a good reason why you were unable to keep it, the Unemployment Benefit Office will be told."

Oh dear. The letter says that that

"may result in a loss of entitlement to unemployment benefit".

That is what those people were told. How is that for frighteners to start with? The people conducting the interviews told me that for the first 10 minutes they have to reassure the clients who come along that it is not a punitive exercise. How long do they have for an interview? The Paymaster General told me some months ago that it was an hour, but it is not—[HON. MEMBERS: "Where is he?"] He is not here. He is checking up on his personal strengths.

The time for the interview is down to 25 minutes, so half that brief period is spent just reassuring people that they are not to be penalised.

What is the purpose of restart? How are we to judge it? Paragraph 1.1 of the report on the pilot initiative says that the aim is

"to offer them either a job or an opportunity in one of a range of different programmes".

If that is not clear enough, paragraph 3.3 says:

"The counselling initiative was a programme aimed at helping long term unemployed people find a job".

That is what it is about—finding a job. That is how we have to judge the programme. The pilot projects were set up in "suitable areas". What is a "suitable area"? It is one with a skillcentre. But we know that the Government have been shutting down skillcentres. In other words, the pilot projects will get a better response than the rest. According to the people who dreamed up the scheme, a skillcentre is essential, but the Government have been shutting them down.

The restart courses are intended to rebuild confidence and improve people's ability to manage on limited resources. Another objective of restart is to help participants

"make more effective and enjoyable use of their time."

In other words, people are not going to get a job and will be unemployed so they must learn how to make more effective and enjoyable use of their time. They should not expect a job; rather they should make more effective and enjoyable use of their time because they will remain unemployed for a long time. That is what people are taught on the pilot projects.

One of the items on the restart menu is jobstart. That is an allowance of £20 a week for up to six months to take a low paid job. I have visited my jobcentre and I am certain that some Conservative Members who are interested in these matters will have visited their jobcentres as well. I onlywas told by the staff at my jobcentre that jobstart was "monumentally unpopular".

In East Ham since 9 June there have been only five applications for jobstart and only four were accepted on the scheme. The number of people who gained places on jobstart is 84 per cent. below the national target. Jobstart has been a dismal failure. It has been pathetic, pitiful and abysmal. I am talking about the practice and what has really happened. I am not talking about theory. That is what happened in the pilot project.

Many Conservative Members—some of whom are not present this afternoon—do not believe that there are really long-term unemployed people. They believe that there are plenty of jobs available and that the so-called long-term unemployed are up to their necks in the black economy and engaging in fraud. What really happens and what have we discovered about fraud?

Paragraph 6.8 of the "Pilot Initiative to Help the Long Term Unemployed: A Report to the Manpower Services Commission" states that out of the 30,308 people who entered the pilot projects

"Only 5 cases of actual fraud ie people claiming benefit and not declaring that they were working came to light."

In other words, there was no fraud. I am sorry to disappoint Conservative Members who may have thought that there was a high incidence of fraud.

I said originally that the objective of the schemes was to provide jobs. How many jobs were provided in the pilot projects among the 30,308 clients who were called in to jobcentres? We have already heard much about jobcentres. The Paymaster General — who is absent from the Chamber—invited my right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) to visit the jobcentre. We do not have to look into the crystal ball when the exact figures are available. Out of 30,308 clients, 321 people have been placed in jobs. That is 1 per cent. In my constituency, far fewer than 1 per cent. have found jobs. Those are the facts. If any hon. Member wants to contradict me and quote figures from his constituency, I would be happy to give way.

The conclusions on the pilot initiative in the report to the Manpower Services Commission published in January 1987 state:

"It is clear that one interview is not enough for most long-term unemployed people."

People are called in for about 15 minutes and are then sent for an interview. They are not asked how they got on. They are not called back in for counselling. People are brought into the jobcentre to discover whether they are engaged in fraud and to shake them off the register. However, no one cares about them. We do not want just one interview. We should be genuinely interested in the long-term unemployed and people should be brought in regularly to jobcentres for help.

The pilot project principally showed that there were no jobs available. We hear about the availability test, about the availability of the jobless for work. That is not the problem. The problem is the availability of work for the jobless.

Of course we want the restart programme. However, alongside that programme we want the programme outlined so effectively and capably by my hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott) of 1 million jobs created in two years, so that when people come in desperate for jobs, and who want to work, we have a programme of jobs available. The sooner my hon. Friend the Member for Kingston upon Hull, East is Secretary of State for Employment and can give help to the unemployed the better.

6.35 pm

Mr. Ian Gow (Eastbourne): At the outset, I want to comment on the speeches that have been made by

[Mr. Ian Gow]

Opposition Members. I want to start with what I consider to be the most disgraceful remark made so far in the debate. The right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), the shadow Chancellor, said yesterday:

"The most deplorable of all the schemes and inventions are the job clubs."—[*Official Report*, 18 March 1987; Vol. 112, c. 951.]

I hope that the Opposition spokesman who is to reply to this debate will try to find his right hon. Friend the shadow Chancellor—and that may not be a very easy task—and bring him back to the Chamber to explain which job clubs he has visited to provide the evidence upon which he based his disgraceful proposition. I will gladly give way to the right hon. Gentleman if he appears. I hope that whichever Opposition spokesman replies, he will address himself to that important point.

Reference was made in two speeches by Opposition Members to a point which is becoming old hat in this place — that the very welcome and long overdue policy of denationalisation, a policy pursued in the Budget statement and reinforced by the announcement made by my right hon. Friend the Financial Secretary to the Treasury yesterday, amounts to "selling off the family silver". Those words were apparently used by my late noble Friend Lord Stockton in another place. The Opposition fail to understand, and apparently my late noble Friend also failed to understand, that the silver has gone to the British people and the silver is still there.

We have transferred bogus public ownership—that is, nationalisation—to real ownership and the assets belong to the people. I warmly welcome the announcement made by my right hon. Friend the Financial Secretary that we are to continue with the sale of BP shares. That policy was first embarked upon by the right hon. Member for Leeds, East (Mr. Healey) when he was Chancellor.

You have a very accurate memory in these matters, Mr. Speaker. You will remember that it was in the famous letter dated 15 December 1976 sent by the right hon. Member for Leeds, East to Dr. Johannes Witteveen that the sale of BP shares was announced by the former Labour Government. It was announced for the purpose of reducing the public sector borrowing requirement. You will remember a later passage in that letter, Mr. Speaker, in which the right hon. Member for Leeds, East, the present shadow Foreign Secretary, said that an essential element of the Government's policy was a continuing and substantial reduction in PSBR.

Now, on 17 March 1987, some 10 years and three months after 15 December 1976, my right hon. Friend the Chancellor is following that policy of abating PSBR. That policy was set out by the right hon. Member for Leeds, East. However, my right hon. Friend the Chancellor is soundly rebuked by the Opposition for that policy.

The shadow Secretary of State for Employment, the hon. Member for Kingston upon Hull, East (Mr. Prescott), has described a policy which goes back to the old days when the Government borrowed what they dared not tax and printed what they could not borrow. Mercifully, those days are gone for ever so long as my right hon. Friend remains at the Treasury, as I very much hope that he will throughout the next Parliament.

In great areas of economic policy pursued with consistency, and indeed persistency, of purpose since 4 May 1979, we sought to abate inflation, to diminish the size of the public sector, to increase the competitiveness of industry, to extend ownerhsip of all kinds and to create the conditions to give our people the possibility of a sustained chance of fuller employment, an aspect to which I shall return later. It is against the parameters and targets that we set ourselves at the start of the new Conservative Government that the Budget must be seen, because it is all part of that consistent policy which, in every area — including, as today's figures confirm, the creation of prospects for fuller employment — has been a success and increasingly a perceived success.

I wish to make some modest criticism of my right hon. Friend's Budget proposals, although I am in enthusiastic agreement with their general thrust. First, I should like to say a word about monetary policy. There are now only two weapons in the Chancellor's hands to control the rate of monetary growth. I affirm that I am still one of those who believe that inflation is caused not by trade unions or oil prices, not by foreign sheikhs, or even by the European Community so dearly beloved of my hon. Friends the Members for Reigate (Mr. Gardiner) and for Loughborough (Mr. Dorrell). Whatever the failings of the people who live in Brussels—I am glad to see the right hon. Member for Glasgow, Hillhead (Mr. Jenkins) in the Chamber—I certainly do not attribute to Brussels any responsibility for inflation in the United Kingdom. Inflation is caused by Government and can be cured only by Government. It occurs when growth in the money supply exceeds growth in the supply of goods and services.

The Chancellor's two weapons to restrict and restrain monetary growth are, first, interest rates and, secondly, the level of the public sector borrowing requirement. I warmly welcome the very much lower PSBR of £4 billion for next year and I believe that it will help to restrain monetary growth. However, I have not been weaned away—as my right hon. Friend the Member for Brentford and Isleworth (Sir B. Hayhoe) has been weaned away and even my right hon. Friend the Chancellor has been temporarily weaned away—from sterling M3.

I therefore read without satisfaction the words on page 20 of the Red Book:

"The growth of £M3 rose to 18 per cent. in the early months of 1986-87 and has since remained at about that level. This is some 3 points above the top of its target range".

My right hon. Friend the Chancellor explained in his Budget speech why he thought that in current circumstances it would be wiser to eschew any explicit target, but I find myself in respectful disagreement. I believe that it would have been better to set a range within which our target for the growth of sterling M3 fell, although I have, alas, to concede that in recent years we have been unable to stay within the target range set either by my right hon. Friend or by his predecessor.

An important aspect to which my right hon. Friend the Chancellor made only passing reference in his Budget statement is that of mobility. My right hon. Friend rightly said at column 825 of *Hansard* for 17 March that his proposals in relation to pensions would be "good . . . for labour mobility". Apart from the pensions difficulty to which my right hon. Friend turned his attention in the Budget, there is another highly significant obstacle to mobility. As all legislation affects the Treasury and as my right hon. Friend the Chancellor, like my right hon. and learned Friend the Paymaster General, has a key interest in mobility, I must say to my successor who is to wind up

the debate today that I hope that as a high priority in the next Parliament the Government will address their mind and their legislative attention to removing the greatest single obstacle to mobility — the inability of peopel offered jobs in another part of the country to find accommodation for themselves and their families.

A significant step in that direction would be to liberalise —I say this in the presence of the right hon. Member for Hillhead—the law governing landlord and tenant. If we said that in respect of all new lettings the term of the tenancy and the rent that could be charged would be as agreed between landlord and tenant rather than as determined by the Rent Acts, I believe that a significant amount of currently unused or underused property would be brought into use and new investment would be attracted to the private rented sector. It is a scandal that there is empty accommodation when people are anxious to move from one area to another to take up employment but cannot do so because of the shortage of accommodation. I appreciate that that is not a direct responsibility of my right hon. Friend the Chancellor, but as he referred to mobility and as I believe that my suggestion would have a greater effect than his welcome changes in regard to pensions I think that it is legitimate to raise the matter today.

I wish to make two further points. I have referred to my anxiety about the rate of growth of sterling M3 as recorded in the Red Book, and I find myself in respectful agreement with my right hon. Friend the Member for Brentford and Isleworth. There seems to be a trio of Members here today who have served as Ministers of State, Treasury — two have already spoken and one is to speak later. I wish that excise duty on tobacco and alcohol had been increased. I wish to confess my sin: I smoke and drink. I am therefore arguing to penalise my own vices. My right hon. Friend did not increase excise duty on tobacco and alcohol——

Mr. Madden: Because an election is coming.

Mr. Gow: Not because of that.

I am anxious about the growth in the money supply that has taken place recently, and it would be right to increase excise duties, not least because that would enable us to have a further reduction in the public sector borrowing requirement or in income tax.

It is a matter of legitimate debate whether any income tax concessions should be distributed by raising the thresholds, diminishing the basic rate or altering the bands. I have always thought that a starting rate of 29 per cent. for the last financial year, or 27 per cent. this year, is far too high. As a result of my right hon. Friend's Budget, a single person earning £47 a week will pay 27p in tax on the next pound that he earns. A married couple with an income of £73 a week goes straight from no tax on the first £73 to 27 per cent. on the next pound. No other step on the ladder of higher rates of tax is as high as the first step. One goes from nought to 27 per cent., and from 27 to 40 per cent., which is another 13 per cent. One continues upwards in stages of 5 per cent.

I believe that it would have been right — I have argued the point before with my right hon. Friend the Chancellor—to have a lower rate of tax. That would be important in tackling the poverty trap, which means that those who have been offered — and have accepted — relatively low-paid jobs find that their net take-home pay is little more, and sometimes less, than the sum that they received when they were unemployed.

I give the Budget my warm approval. It is consistent with the policy that we have been following for the past eight years. Sound money, honest finance, greater incentives for our people and a wider extension of ownership are all essential to a more successful Britain. They are important also for a Britain that has recovered its sense of individual responsibility and pride. I hope that my right hon. Friend the Chancellor will present many more Budgets in the next Parliament.

7.6 pm

Mr. Don Dixon (Jarrow): I congratulate my hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott) on his excellent speech. It was effective, relevant and aimed at the needs of the vast majority of people in this country, unlike that of the Paymaster General and Minister for Employment.

On Tuesday, I listened to the Chancellor of the Exchequer for almost an hour and never once did I hear him mention the millions who are unemployed, mostly because of the policies of this Government. I wondered at times whether we lived in the same country or even on the same planet.

I shall confine my remarks to the thousands who are unemployed in the north and, in particular, in my constituency. The Budget does little or nothing for such people. The Government do not seem to think that life exists north of Watford. In the north, we have unemployment of 163,902 men and 64,493 women. In Tyne and Wear 72,695 men and 26,268 women are out of work. One of the best job agencies in the area was the Tyne and Wear metropolitan county council, which the Government abolished 12 months ago.

In my constituency 6,029 men are out of work; 16·2 per cent. have been out of work for more than a year and 32 per cent. have been so for more than two years. One thousand nine hundred and ninety three women are out of work; 17·3 per cent. have been out of work for more than a year and 23·5 per cent. have been so for two years or more.

Such people are human beings — breadwinners, one-parent families, youngsters who went through the education system — and they are now being thrown on the human scrap heap because of the policies of the Government. They are, as I say, human beings, not figures. This week I have heard about £6 billion, £4 billion, £20 billion, and £2 billion, but those figures are not relevant to ordinary people. People are out of work: they want a job and the dignity of a pay packet, so let us have none of the nonsense that we heard from the Paymaster General.

The Paymaster General talked about job clubs. My hon. Friend the Member for Newham, North-East (Mr. Leighton) has already discussed the restart programme. How on earth can the job clubs in Jarrow help 9,000 people when the jobcentre has only 123 job vacancies? That is nonsense and a con.

There is in our area an advertisement in which two chaps are seen walking along the road. One asks the other where he is going, and he replies, "To the pub." The other suggests that they go to the job club where they can get a telephone, papers and training for interviews. So the first man goes along to the club, as if he were going to get a job.

I am a great believer in putting myself in Gilligan's place. Can any hon. Member imagine himself being out of work for 18 months or two years? I have been out of work

[Mr. Don Dixon]

on a number of occasions, once for many months. After being out of work for a while, one does not bother to get up in the morning. One lies in because there is no point in getting out of bed.

One morning a noise is heard in the passage, so the wife goes out to investigate. Suddenly, a squeal is heard; the wife comes back with a letter and says, "You must go down to the job club." The man has been out of work for 18 months so he goes along to the job club, where the interviewer says to him, "Look here, Dixon, I believe you have been out of work for 18 months. What do you do?" "Well, I am a ship's carpenter," I say. "I am sorry, but there are no ships to repair or build now."

At one time one could walk across the River Tyne because there were so many ships tied up at its sides. Now there are no ships at all. So the interviewer says, "I am sorry, you have no chance of getting a job as a ship's carpenter. Can you do anything else?" "I have built my own house". "That is no good, either. We are not building any houses now. Eight years ago the council in south Tyneside was building 700 houses. This year it is building only 26. There are still over 7,000 people on the housing list but the council is building only 26 houses. Therefore, there is no chance of getting a job building houses, even though you built your own house. Is there anything else you can do?" I might then say, "When I was in the Army and I was on jankers I used to get sent around the officers' quarters cutting the grass with a pair of scissors." The interviewer would then say, "Bingo, we can fix you up. The local authority has just paid off its gardeners and we are setting up a community scheme to cut the grass in people's gardens. We have made it. We have found somebody at last". That is what the job clubs do. It is nonsense. The Paymaster General talks about the job clubs helping 9,000 people in Jarrow but there are only 123 vacancies at the jobcentre. He is talking nonsense and he should know that.

My hon. Friend the Member for Kingston upon Hull, East pointed out how the Government massage the unemployment figures. Last week a couple came to see me in my surgery. The husband had been out of work for 12 months. He applied for a community programme place but was told that he could not take part because his wife was working full time. It was suggested that he could be fixed up on the community programme if his wife stopped working. Therefore, his wife finished work. She cannot go on the unemployment register because she is a married woman. He came off the register and joined the community programme and the unemployment register is reduced by one. If one multiplies that up and down the country one can see that that is how the figures have been fiddled for a considerable time.

I remember when I was first elected. I listened to the Prime Minister saying, "We do not want any artificial jobs, we want proper jobs". A total of 729,000 people are on programmes such as the community programme, the enterprise allowance scheme, youth training scheme, young workers scheme, community industry, job release scheme and the job splitting scheme. When the job splitting scheme was first introduced everybody was going to split jobs but only 250 have been affected. Those are the sort of gimmicks that we have had from the Government since they were elected. They have tried to con the people who are out of work. I have spoken to many people on such programmes and the last time I spoke to some youngsters they said, "Mr. Dixon, we are not out of work, but we have not got a job." That is the truth and that is what is happening on some of those programmes.

I spoke earlier about the statistics that are thrown about in the Chamber, as if it is an extension of the Oxford debating society. I want to read a letter that I received on the morning of the Budget from one of my constituents. The letter states:

"This letter is on behalf of myself and the unemployed. Before Christmas I asked for a grant for cleaning and decorating. I was told when I asked that I could not get a grant because I was not a pensioner or disabled. I still have that letter. I was a fit and healthy person. I would like to know what being fit and healthy and not being a pensioner or disabled has got to do with the needs of people like myself who are unable to find work, who are getting on towards 60 and have been out of work for a considerable time . . . you have a roof over your head and bread to eat but you are not entitled in this world of high-tech prosperity to ask for clothing or cleaning materials. Hygiene does not come into it. The kettle broke so I asked for a grant for a kettle. I was told, 'as you have a pan to boil water in, you do not need a kettle' . . . This is not the way anyone should be treated on £30·64 who has to pay for heating, electricity and food and that is without the small items that one takes for granted like soap, toilet rolls, underclothes . . . I will not make a list. Poverty is nothing to be ashamed of but in this year of 1987 we are still living in the 1900s . . . It is not the people who are at fault. The shipyards and factories have closed . . . and although enterprise may achieve work for some, small companies cannot employ many people. They cannot employ the elderly like myself who have tried without hope. The young people have little in life to look forward to. What did I work for? What did my father work for and his father work for? They worked for a better world for us to live in not poverty. My grandchildren and their grandchildren I pray will not need or want or beg or appeal to anyone like myself and those unemployed have had to do."

That is the sort of person we are talking about. We are not talking about statistics but human beings. That is the sort of misery they are living in as a result of Government policies; and the Budget does not do anything for that person or the others I am talking about.

The Budget will not help the pensioners who are living on the poverty line in my constituency and who are standing in long queues to get the extra pound of butter that the Government or the EEC are prepared to provide. It will not help those who are waiting for hospital treatment. I live in an area where children are more likely to die in their first year of life, be brought up in care, be low academic achievers and end up on the dole than anywhere else in the country. Those are not my statistics but the results of the Government's regional trends survey. The Government have proved that from birth to leaving school young people in the north can expect to have a hard time. Of those who find a job, it is estimated that over one third of full-time workers are so low paid that they are barely better off than the unemployed. The Budget has done nothing for them.

I heard the Paymaster General on the "Today" programme a few weeks ago. He suggested that there are people in Newcastle receiving higher wages than those in London. He did not specify who they were or what jobs they were doing. Of course, the chief executive of Newcastle city council will receive more than a library assistant in London. If low wages create employment, we should have no unemployment in the northern region because we are one of the lowest paid areas in the country. He also suggested that wages are higher in the south-east because of the price of houses. The Government should sort that out. One of the reasons why there is a shortage

of housing is that people are taking note of the chairman of the Tory party and getting on their bikes and looking for work. When they get on their bikes they cannot take their houses with them, so that is creating a demand for houses in areas where there are jobs. The Government should be providing jobs where the people are and where they have their houses. That would sort out many problems.

My constituency was mentioned in the Black report as one of those suffering from a lack of investment in the Health Service. I want to read another letter. It is important that we receive letters from constituents and that we start talking about human beings rather than bandying around statistics that are irrelevant to the people who are suffering. The letter comes from a person who lives in Whitburn in my constituency. The letter said:

"Dear Mr. Dixon, Thank you for your help in my problem to obtain a new fire, which I am pleased to say is now settled. Unfortunately I am once again requesting your help in an extremely serious matter with regard to my health. I am 82 years of age"—*[Interruption.]*

This is no laughing matter. The hon. Member for Banbury (Mr. Baldry) should wipe that supercilious grin off his face. I am talking about somebody who is 82 years old. If the hon. Gentleman listens to the letter he will not be smiling.

Mr. Tony Baldry (Banbury): The hon. Gentleman has been speaking for a long time. He has gone on about Tyneside. None of us underestimates the difficulties facing Tyneside. The hon. Gentleman has read his postbag but we would be interested to hear what he and his party are proposing other than higher taxation, higher public spending and higher borrowing to get his people back to work.

Mr. Dixon: We are proposing to deal with the unemployment and the Health Service in this country. My hon. Friend the Member for Kingston upon Hull, East has put the points effectively. If the hon. Gentleman does not like what I am saying he can, like the rest of his colleagues, go and probably spend more on a dinner than some unemployed people have to live on each week. The letter goes on:

"I am 82 years of age and for the greater part of my life have experienced good health until recently.

Some 4 months ago I underwent an operation to remove a growth from my stomach and my health is deteriorating rapidly. In other words I have cancer. I am in serious pain, and I cannot obtain relief from the pain.

After my operation I was sent to . . . rest hospital for two weeks and on one occasion I was in great pain and requested the assistance of the duty sister. She gave me a tablet called Sulpadeine which I took with water and it relieved the pain.

Since I came back home, I have attempted to obtain the same tablets, but at one period the tablets ceased to be manufactured".

He was told that he could not get a prescription because the tablets had been put on the proscribed list by the DHSS. This patient was suffering from cancer and sulpadeine tablets were his only relief. Sulpadeine was put on the proscribed list and he could no longer get it. He wrote to me and I wrote to the Secretary of State for Social Services and received a lengthy letter acknowledging receipt of my letter. The letter said:

"Please assure Mr. Weston that ways in which sensible savings might be made in the drugs will have been and will continue to be sought to release funds for other vital areas"

I received that letter on 17 February 1986 and wrote immediately to Mr. Weston. I got a reply from his nephew which said that Mr. Weston had died between the time I received the reply from the Secretary of State and the time that I wrote to him. Mr. Weston's nephew said:

"My Uncle was very well cared for during his last two weeks in the Hospital . . . and, but for the change of tablets, would have been a lot easier."

That is the sort of public expenditure that we should be talking about instead of talking about taking 2p off the basic rate of income tax. We should be looking after people like Mr. Weston and spending money on the National Health Service. That is what a Labour Government will do.

I have one or two other things to say, but I have spoken for a bit too long. I did not intend to speak for as long as this. I hope that Conservative Members who seem to think that I have spoken for too long will keep their contributions short because a lot of my hon. Friends wish to take part in the debate.

My hon. Friend the Member for Kingston upon Hull, East talked about how we could get people back to work. In the northern region 27,000 fewer construction workers are employed now than were employed in 1979. Thousands of people are on the waiting list for houses and those construction workers could be put back to work tomorrow if the Government would provide finance and let the local authorities use the money that they have received from the sale of council houses. That would have an immediate effect.

The Budget does nothing for my constituents. It does nothing for the pensioners or the unemployed or for those people who are waiting to go into hospital for treatment. The Government are almost at the end of their present life. I hope that they will go to the country as early as possible and let the people choose between our programme and the non-programme that the Government have put forward.

7.13 pm

Mr. Charles Wardle (Bexhill and Battle): I listened with care to the hon. Member for Jarrow (Mr. Dixon). I do not doubt for a second the genuine anxiety echoed in the letters that he read to the House. I am bound to tell him that he would have served his constituents better if he had spelt out precisely what he has in mind for improving the economy, and had faced the fundamental errors in the management of the economy in the second half of the 1970s.

Like many of my hon. Friends who have spoken in the debate, I welcome the sound approach and the constructive measures taken by my right hon. Friend the Chancellor. His Budget reflects a significant advance on several fronts in the British economy. The economy is now benefiting not simply from higher levels of public expenditure but from better targeted spending, lower borrowing and steadily reducing taxes. Taken together, these trends present an encouraging prospect for future prosperity and for job creation that would have seemed quite unthinkable during the sorry period of economic mismanagement under the last Labour Government.

Before I mention some specific aspects of the Budget, I shall comment briefly on the media treatment during the run-up to Budget day. The media have long regarded the Budget as one of the great moments of spring theatre along with the Boat Race and the Grand National. There has always been a good deal of speculation before the event, but this year the press surpassed itself. With a few notable exceptions, the editorial copy was long on predictions and

[Mr. Charles Wardle]

relatively short on an analysis of how the economy has been transformed from its fragile and fractured condition before 1979, with rampant inflation, huge borrowing and low productivity, to its present robust form.

That transformation has been achieved in spite of the savage worldwide recession that struck in 1980 and that took its toll of overmanned industries, and in spite of the more recent massive fall in oil prices. In view of what happened to oil revenues and the following reappraisal of sterling in the currency markets, it is not surprising that the Chancellor adopted a cautious stance in his forecasts in the last autumn statement. It is all the more rewarding that the economy has proved so buoyant.

A combination of productivity improvement and greater competitiveness of British industry in world markets from the fall of sterling against European currencies, notably the deutschmark, has continued to fuel company profits, to encourage expansion of private sector capital investment and to stimulate job creation. As a result, Britain is now at the top of the European economic league for growth in GDP in which we languished in the relegation zone for so long in the late 1970s.

In order to maintain and improve our position and to place the substantial spending plans contained in the last autumn statement in the context of a consistently prudent policy, the Chancellor had to make a large reduction in his PSBR target. If he had not done so, not only would there have been an outcry about an election spending spree, but there would have been some fundamental doubts in the world money markets about a resumption in inflation and a rapid erosion of the advantages that have accrued over the last eight years.

The fact that he cut the PSBR by more than most observers had anticipated and still reduced the basic rate of income tax by 2p is a portent of many good things to come. It means that the incentives for initiatives and enterprise will continue to improve and that sterling is likely to hold up well in the currency markets allowing a gradual drop in interest rates and, hopefully in due course, in mortgage rates. Above all, it means that a challenge has been thrown down to the Opposition, who have made it quite clear that they want to see higher public sector borrowing and increased taxes. That challenge will not be overlooked by the electorate in the months ahead.

Of the several other sound measures announced by the Chancellor I shall briefly mention three. The help to be given to the over-80s by way of a special increase in the age allowance at double the rate of inflation is an important recognition of the special needs of that age group. The same is true of the 50 per cent. uplift in the blind allowance. On a separate front, the Chancellor's help for small companies by way of VAT reforms and especially the means of cash accounting for VAT are most welcome. Along with the help that he has provided on profit-related pay for employees this year and the assistance in previous years by way of the business expansion scheme and lower rates of corporation tax for small companies, the Chancellor has done a great deal to stimulate the prospects for small firms and thereby the prospects for employment.

Of the items which my right hon. Friend the Chancellor did not include in the Budget, I single out two for his consideration in the future. One is some form of tax incentive for research and development along the lines that he has targeted for research and development in oil companies. The other is a lowering of employees' national insurance contributions for those on lower incomes, so that along with the tax reductions there can be help to deliver more take-home pay for those on the fringes of the poverty trap where the financial net incentive to work is only marginally more than the income from supplementary benefit.

In the final analysis, this debate is likely to revolve around two vital issues that distinguish the success of the Government's policies from the muddled economic thinking of the Opposition parties. Those two issues are capital spending and jobs. Bearing in mind the increase of over £4 billion projected in the autumn statement for the year ahead, it is nonsense to suggest that the infrastructure is being depleted. More is being spent on roads, railways, hospitals and other essential parts of an improving infrastructure. Capital spending in the public sector now stands at £22 billion. I make no apology to the hon. Member for Jarrow, who is leaving the Chamber, about quoting these figures.

That figure of £22 billion is on top of £5 billion being spent on major maintenance projects in the infrastructure. A record £60 billion is being spent on the combined public sector and private sector capital investment. It is little wonder that new jobs are being created. We do not hear often enough that nearly 24 million people are working, that 1 million new jobs have been created since 1983 and that a higher proportion of the working-age population is now employed than in any other European country.

It has become entirely predictable, in debates on the economy and on employment, that the hon. Member for Kingston upon Hull, East (Mr. Prescott) and his hon. Friends will make the sort of anlaysis of employment that we have heard from them today. They have learnt nothing from what happened under a Labour Government a decade ago, but continue to prescribe their familiar nostrums in which public expenditure of unrealistic proportions is claimed to be the cure-all for unemployment. By job creation, Labour Members usually mean more public sector employment. Yet anyone who works in manufacturing industry could tell them that the greatest single cause of unemployment is that companies price themselves out of the markets that they supply. They lose orders and have to cut jobs.

By far the largest component of the prices that those companies charge for their products is the payroll cost. That does not simply mean the salaries and wages paid to their workers; it also includes the payroll element in the cost of materials and of utilities such as gas and electricity, and of the rates that they pay. Real gains in employment can arise only from increased competitiveness, which means that pay increases must be matched by improvements in productivity. That is the way to achieve a greater market share, more orders and more jobs.

It would be cosmetic and utterly irresponsible to use substantial extra Government revenue — whether it is borrowed, with the inflationary threat that that implies, or taxed — merely to create more non-productive jobs in the public sector. The burden of costs would then land on the wealth creators, and without successful wealth creation the country could not continue to afford the social priorities that hon. Members on both sides of the House would agree are essential for the protection of those in genuine need. To promote ever more public sector jobs and to create subsidised employment in the private sector that makes businesses less competitive is not an industrial policy or an

employment policy; it is a farrago of empty promises whose effect would put the country back into the miserable economic decline of the late 1970s, when the Labour Government aspired to a national lifestyle that could not be afforded and ignored the damage done to our competitiveness by inflation.

In contrast with those unworkable policies, the Chancellor's Budget was prudent. It will sustain the present encouraging rate of economic growth; it is good for business, and therefore must be good for jobs in the longer term. Perhaps most important, it has reintroduced to our nation an aura of success that is long overdue.

7.23 pm

Mr. Peter Pike (Burnley): I do not intend to pursue the line that the hon. Gentleman has been pursuing, but I shall respond to the speech of my hon. Friend the Member for Jarrow (Mr. Dixon). My hon. Friend is absolutely right about the issues which concern the overwhelming majority of people, and which will determine the result of the next general election.

I do not believe that those people, who must clearly see that the Labour party will tackle those problems, are asking for anything unreasonable. They have a right to expect a job, and a job with reasonable pay and conditions; they also have a right to expect a decent home that they can keep clean, warm and dry. They have a right to a Health Service—based on need and not on ability to pay—which spends much more money on preventive medicine and early diagnosis, and to decent educational opportunities for their children. But all those rights are being adversely affected by the Government's policies.

When the hon. Member for Eastbourne (Mr. Gow) referred to the selling of public assets—the socially owned industries—he failed to say, as the Government always fail to say, what they will do when there are no more publicly owned industries to sell. I have asked them that time after time, because they are now using their money to meet other items of expenditure.

Assets cannot be sold twice. Once they have been sold, and the capital receipt has been used, those assets are gone for ever. The Government are also forgoing the income that they would have received from such industries, which, in the main, have been trading very profitably for many years. I challenge the Government to say what they intend to do when they have no more assets to sell and nothing with which to plug the gap. They are cornering their position by saying that they want to continue reducing taxation at the same time.

When the Paymaster General opened the debate, he had the nerve to call this Budget a Budget for jobs. Of course, it is not the first time in recent years that a Budget has been introduced by the Government as a Budget for jobs. Yet they have failed to solve the problem of unemployment. The 2p reduction in the basic rate of income tax was wrong, given the opportunities available to the Government. Such reductions benefit the higher paid much more than they benefit the lower paid. The Government would have done better to look at the thresholds rather than simply increasing them by 3·7 per cent. in accordance with index linking. However, in their place I should not have been tempted to use the available resources for tax handouts.

The Paymaster General referred to the 1·5 million people whom the Government had taken out of the tax bracket by increasing the threshold. I am not sure whether his comparison was fair. Unless the Government have broken the resolution made in the Finance Bill Committee some years ago, they must index-link. I accept that on one or two occasions they have gone beyond the existing commitment.

When they take 1·5 million people out of taxation, the Government should also take into account the fact that those people have been heavily affected by increases in VAT and in national insurance contributions. Most of them are far worse off as a result of the change in taxation emphasis. Yet, almost as soon as the Conservatives had won the 1979 election, the highest earners benefited from tax reductions from 83 per cent. at the top to 60 per cent.

Mr. Bermingham: Perhaps we have had the first smell of the same thing again. I asked earlier about the £5 billion of BP shares. Does my hon. Friend smell a possibility that the figures that were not disclosed in the Red Book may be the handout that will be given to the rich after the election?

Mr. Pike: I am sure that my hon. Friend is right. One reason why the reduction has been limited to 2p was to keep something in reserve, and the Government are to sell additional assets for that purpose. I have no doubt that they will say, "Vote for us at the general election and we shall give you another 2p off the basic rate of tax."

The reduction in the basic rate will not benefit the low paid who are not taxed, or those who are on benefit. One of my constituents, a Mr. Lord, aged 84, telephoned me just before 11 o'clock on Friday of last week. He said, "Do not the Prime Minister and her Government realise that a 2p or a 4p reduction next week will be of no benefit to me, or to millions of other pensioners?" I tried to explain to him that we had been telling the Government that almost continuously over the past 12 months, but that they failed to recognise it, that they did not want to recognise it and that they will not face reality.

While those who have mortgages will benefit once the fall in interest rates takes place, although for the interim period they may be paying slightly more, those who are paying rent will not have that benefit, and once again they will be the losers. The Burnley and Pendle constituencies, covered by one DHSS office, have a population of about 165,000. There are now 16,857 claimants of supplementary benefit, as compared to 10,483 in 1979. What is more, the population is smaller than it was in 1979. Many people have taken the advice of the Chancellor of the Duchy of Lancaster and moved elsewhere to get jobs. That means that 6 per cent. of the housing stock is empty, but there is little point in attracting people from areas with a shortage of housing because all they can do is immediately add to the massive level of unemployment.

The housing benefit situation is also significant. In Burnley in 1979-80, 5,332 people were receiving housing benefit but in 1986-87 the figure is 10,765. In Pendle, the figures are 5,460 and 12,670. Those figures show what has happened to the people as a result of eight years of Tory Government.

The Paymaster General referred to the Liberal and Social Democratic parties. I do not call them an alliance because they are an alliance only for electoral purposes. They are clearly two different parties, and they are not even represented by one hon. Member at this stage of the debate. The Paymaster General referred to their policies of statutory incomes. However, the incomes policy of his

[Mr. Pike]

party is to argue for low pay. The Paymaster General is on record as being against national wage negotiations and settlements and for low pay because, he says, it leads to job creation. In 1979, when the Conservative Government were elected, they argued for free collective bargaining, but they have used the biggest possible weapon against that system—the threat of unemployment. In other words, if one does not toe the line, one will be out of a job.

My hon. Friend the Member for Jarrow made an interesting point about the north-east which applies also to the north-west and to Lancashire, where low wages have been traditional but where there has been a massive decline in job opportunities and availability of work for the people. In the autumn statement it was announced that there would be a massive increase in public expenditure. In all the questions I have asked of various Ministers, I have yet to find a single public sector department in my area that has benefited from this alleged increase. The allocations for education, housing and the Health Service are all down. All these key services are being reduced. I do not understand where the money to which the Government refer is going.

I welcome two little measures in the Budget. The first is the move on unleaded petrol. The reduction in tax on such petrol is environmentally correct, and we should ensure that people are not penalised by a higher cost factor if they want to use such petrol. I also believe that some of the measures to assist small businesses will help them, so I welcome them. I do not decry the direction in which the Government are moving.

The Government's special measures for jobs will not tackle the problem of unemployment. I do not say that job clubs and restart have nothing to offer or that everything is wrong with them. However, I believe that restart would be far better if it were a two-week programme rather than a one-week programme because the good restart programmes are trying to push too much into one week. The job clubs also have something to offer, but at the end of the day the key factor is whether they create new jobs. They may assist those who have been long-term unemployed to get a job or get into training, and I do not dispute that that is so in a number of cases, but they affect only a small percentage of those who need help.

The Paymaster General referred to the constituency of my right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) and said that 72 per cent. of the people who had gone through the job club there had been able either to get a job or go into training. However, that will be only a minute percentage of those affected. My right hon. Friend said that there is 51 per cent. male unemployment in that area. This scheme affects only the surface of the problem. It is not a totally wrong idea, but we have to keep it in perspective and recognise that we need to do far more if we are to move in the right direction. Many people who go on the job training scheme will be involved in travelling costs and have to pay for meals, and will in many cases end up worse off financially than they were when they were on the dole. That has to be nonsense, and I hope that the Government will reconsider this aspect of the matter.

I asked the Department of Employment, and I have received an answer today, how much of the money used to finance the job training scheme was new money and how much was allocated from other sources. It is strange that, although the question was tabled for answer yesterday, I received only a holding answer yesterday. The answer today tells me only that I can go to the Library and find the information. I would have thought that such information would be to hand in the Department, and the Minister could have given those figures and shown how much of that money is new.

The Government have to look at projects such as the Leeds and Liverpool canal corridor which is a scheme being pushed in the north-west by the Lancashire county council and the councils in the Merseyside area. It has the support of borough councils and political parties. There is an area of great dereliction with much unemployment. If the scheme is to go ahead, it needs support and financial assistance from Europe, from the Government, from the private sector and from local government. With full support it could help to create jobs, generate growth and improve life along that canal corridor. One must remember that in Yorkshire and Lancashire that canal produced great industrial wealth in the late 18th and early 19th centuries. It is important that we regenerate the area and make sure that once again it plays a role similar to its original role, when it was an asset, not a drain on the area.

The number of people who have not had jobs since they left school is a significant and important factor. I can give the figures for the north-west, using information from an answer from the Under-Secretary of State for Employment, the hon. Member for Rossendale and Darwen (Mr. Trippier). He said that in the region 44,118 unemployed claimants had never had a job since they left school and, within that figure, 12,073 were aged under 18. We really should be concerned about the fact that when people leave school they have no opportunity of getting a job.

I want also to refer to some of the figures because they are indicative of the way in which Government have assisted industry. I asked a question about the assistance, expressed in 1985-86 values, given to industries in the north-west from 1976-77 to 1985-86. In 1976-77 it was the equivalent of £143,495,000 and in 1985-86 it was £75,108,000. I stress that the figures are in 1986 comparative values and it was the Minister who gave me the answer. So it shows that we are giving only half the assistance to manufacturing industry that we were giving some 10 years ago.

Manufacturing industries are the bread and butter of our nation. I do not decry the importance of small business or tourism or of the service sector, but in the end this is a manufacturing nation. We have depended on our manufacturing base in the past and will do so in the future. But I fear for the future when the Government talk of a £7·5 billion trading deficit on manufactured goods and do nothing to rectify the situation.

I asked the Paymaster General what reduction there had been in manufacturing jobs in the north-west. It has to be said that the north-west is primarily dependent on manufacturing jobs and my part of the north-west, north-east Lancashire, is dependent above the average. He replied that the figure in June 1979 was 971,000 and that in September 1986 it was 638,000, a decrease of just over 34 per cent. What an appalling record that is. The Minister indicated that there were one or two qualifications on that and I have to say, in all fairness, that there will be some qualifications that he does not mention in the other direction; but time prevents me from going into the detail of them.

I accept that some of the changes have come about as a result of new technology. As a shop steward in industry before being elected to this House, I accepted that if we wanted to continue in business and to carry on employing people we would have to accept change. But we have to get our manufacturing industry into surplus, and the Government should be doing something about rectifying the appalling present situation.

The north-west spokesman for the Confederation of British Industry, the regional director, Mr. Andrew Toop, speaking at a meeting just before the Budget on interest rates, said that he welcomed the previous week's reduction of 0·5 per cent. which he said would save industry and commerce about £125 million a year. He went on to say:

"It is the level of interest rates against our competitors which is the biggest single factor that prevents our business climate improving more quickly and at the same time restrains investment and overseas sales."

He also said that in the previous year the United Kingdom's real interest rate was 7·2 per cent., compared with 4·9 per cent. in West Germany, 4·8 per cent. in the United States and 4 per cent. in Japan. He went on:

"In a medium-sized manufacturing firm employing 300 people this could mean an extra £150,000 on their costs every year, which could make all the difference when competing for contracts."

That is important. I recognise that there has been a further reduction following the Budget, but we still have a long way to go.

We have to accept that manufacturing output is still lower than in 1979. I acknowledge that productivity is higher but output is still lower and investment in manufacturing is also still lower than in that year. Those figures must give concern to all hon. Members. I hope that hon. Members on the Government Benches will not dismiss this fact.

My final point is a plea for north-east Lancashire. We have been trying to persuade the Government to give us an extension to our enterprise zone. Enterprise zones have many faults but ours has been extremely successful. We have applied for an extension and have been told that the Government have put all these applications on ice. If they were to give us that, it would be one small move in the right direction. If they were also to connect us to the main motorway network, it would, at least in one small part of the country, be a good move. But the Government have many lessons to learn, and I believe that the Paymaster General was completely wrong to describe this as a Budget for jobs.

7.45 pm

Mr. Tony Baldry (Banbury): This debate takes place against a further monthly fall in unemployment of some 71,000, the biggest monthly fall since records started in 1971. This is the seventh consecutive month of a consistent downward trend in unemployment which has fallen by 150,000 in the past seven months, an average fall of some 20,000 every month. This substantial fall has occurred without any change whatsoever in the methodology by which the unemployment statistics are compiled. This month's fall, in particular, is all the more noteworthy because the 71,000 do not involve any extra places on training schemes.

But this is not the only consistent fall in unemployment figures that demonstrates the real and steady improvement on the jobs front. Unfilled vacancies are standing at their highest level this decade. One does not have to look simply at the official statistics to see this. A glance at the jobs page of every major local and provincial newspaper tells the same story. In the west midlands, the *Birmingham Evening Mail* has seen recruitment advertising rise by 40 per cent. in a year. In the north-east, the Newcastle *Evening Chronicle* has seen a 30 per cent. increase in advertising revenue. In Wales, the Cardiff *Evening Echo* has seen a 16 per cent. increase, and in the north-west the *Manchester Evening News* has seen an annual increase in recruitment advertising of 11 per cent. No wonder the CBI suggests that there is three times more work available than official figures suggest. The CBI puts the figure of unfilled vacancies at well over 600,000, and probably nearer 750,000—three-quarters of a million jobs waiting to be filled.

That there has been this degree of recovery should not be a matter for surprise. In the past three years our growth has averaged around 3 per cent. We have had high growth combined with low inflation, a combination that has not been achieved for a generation and a combination certainly never achieved under a Labour Government. Investment is at record levels; company profitability is at its highest for over 20 years; productivity is up by more than 30 per cent. since the end of 1980; and manufacturing output is at its highest since 1980. Throughout the 1980s Britain has had the highest growth rate in the European Community. Manufacturing and productivity during this period have been growing at the highest rate of any leading industrial nation. Britain is the only major country whose export volume is rising, the only economy in the European Community for which forecasters are now more optimistic than they were this time last year.

This is the background for this year's Budget. There seems to be some confusion in the minds of some of the media and the Opposition parties as to what the Budget is all about. It is not about how much the Chancellor should give away in public spending. That is determined in the autumn statement. Let us not forget that last autumn the Chancellor gave away £4·75 billion in public spending, including £1·25 billion for local government spending, much of it for extra pay for teachers and extra resources in our schools, £600 million more on health and personal social services, £450 million more on housing investment and £65 million more for new roads. So massive amounts of money are being spent on the infrastructure, on new roads, new schools, new hospitals and new housing. In my area alone we see work starting this year on the M4 motorway extension from Oxford to Birmingham and £12 million being spent on new buildings at Horton hospital.

Nor is the Budget about how much personal benefits such as pensions should be increased. That will come at the next benefit uprating. But let us not forget that pensions have gone ahead faster than price increases. Between 1979 and 1985, the average weekly net income of pensioners has risen by 18 per cent. in real terms, more than twice the increase for the population as a whole. Under Labour the average annual increase in pensioners' income in real terms was 0·6 per cent. Under the Conservatives, there has been an annual increase of 2·7 per cent.

So the Budget is not about public spending, or about the whole range of uprating benefits. The Budget is the occasion when the Chancellor decides not what he will give away but rather what he will take by way of taxation.

[Mr. Tony Baldry]

In framing his Budget, the Chancellor has clearly heeded the advice of those such as Sir Terence Beckett of the CBI, who observed a little while ago:

"We shall not move into better scenarios unless bold decisive action is taken to reduce the share of national expenditure taken by the state."

He continued:

"Our overriding objective must be to reduce the proportion of economic resources passing through Government hands . . . The freeing up of enterprise is the best single way to create more jobs."

Mr. Prescott: He has Tory backing.

Mr. Baldry: If the Opposition parties cannot heed this, perhaps they should recall the advice of the shadow spokesman on trade and industry, who is hardly a Tory hack. He said:

"We must persuade people that wealth creation is the key to creating jobs in the caring industries like the hospitals. Socialists must interest themselves more in the creation of wealth and not just in the redistribution of wealth."

We have heard little in this debate from Opposition spokesmen about how wealth creation should take place. Wealth creation must be right. Stimulating enterprise is not just the best way to create new jobs; it is only free enterprise that can give people political liberty. If the state starts to take all and if it starts to spend all, sooner or later we will all become serfs of the state. Conservatives wish to see not a nation of serfs but a nation of free men and women. That is why it is right as a matter of practical politics and as a matter of principle that the state should not take from the individual any more by way of taxation than is absolutely necessary.

Those in the Labour party and in the SDP who want higher taxation want greater state control. Let there be no mistake. The Labour party and the SDP are both parties of high rates and high taxation. Before they seek to impose even higher taxes, Opposition spokesmen might like to consider other nations.

In the United Nations the top rate of tax is at approximately the same level as our basic rate. It is perhaps no coincidence that the United States is an economy that has been consistently creating thousands of new jobs and that the job-creating momentum is led by smaller businesses. In the United States small firms have been the driving force in creating jobs. In the past 10 years, 20 million new jobs have been created by firms employing fewer than 20 people, firms that receive not a penny of public subsidy. In Britain also it is smaller businesses that are creating new jobs, real jobs, and this Budget is of considerable benefit to smaller businesses.

Mr. Bermingham: Does not the hon. Gentleman agree that the way the United States got its economy going was by deficit loaded funding; that is, the state went into deficit and the national Government borrowed money which was reinvested in the country.

Mr. Baldry: The Labour party just cannot believe that it is possible to create jobs in any other way than by higher public spending. So when one sees an enterprise economy, and jobs being created by enterprise, the Labour party has to find some reason why that has not been done by enterprise. New jobs in the United States have been created because the state has created the climate for entrepreneurial activity.

The Budget has been good for smaller businesses and for those who are creating new jobs. Tax has been reduced for unincorporated businesses and for the self-employed. There have been successive reductions in small business corporation tax from 42p to 27p. There has been steady expanison of the business expansion scheme which has helped fill the venture capital gap. That has helped to stimulate the growth of smaller businesses by some £400 million. Indeed, between 1979 and 1985, venture capital in Britian has increased by 40 times, so that Britain now accounts for almost half the venture capital in the whole of the European Community.

The changes in the VAT system will help some 800,000 businesses, will be of positive assistance to cash flow and will mean that businesses will not have to pay VAT if they are not paid by their customers. Small businesses will also be greatly assisted by lower public borrowing, which will mean lower interest rates and lower costs for industry.

Those who wonder whether this is a Budget for jobs should simply ask those who are creating real new jobs how they see the Budget. They will find an almost universal welcome and the feeling that the Budget will create a climate that will assist investment, encourage enterprise and make real job creation more likely.

7.55 pm

Mr. Gerald Bermingham (St. Helens, South): I listened with interest to the hon. Member for Banbury (Mr. Baldry). When I intervened I was trying to help him but he was not prepared to accept crumbs or pieces of advice from the gods, such as his Front Bench has accepted from last year, as I shall explain in a moment. If the hon. Gentleman knew anything about economics, he would know that the United States got its economy going by borrowing vast sums of money, going into deficit and reinvesting in the economy. Lo and behold, what did it do? It began to create wealth.

What have we seen in this Budget? The Chancellor has said that he will cut the PSBR from £7 billion to £4 billion. In other words, we will not borrow as much money. Therefore, we will not invest as much in the economy and we will not create as many jobs. If only the Government would listen occasionally. I have to claim some success in making them listen. Last year I had—I was about to say the privilege—the pain of serving on the Finance Bill Committee. That may have proved to have been a pain not only to the Government but at times to my own Front Bench when I moved amendment after amendment.

One amendment proposed the removal of on-course betting duty. A year later the idea put forward by cross-party Members, including myself, has found favour with the Government. On-course betting duty has now gone. That is a great boon to racing. We put the proposal to the Government a year ago and somehow the message got home. Obviously someone else pressurised the Government. That is one of the few proposals that I welcome in the Budget.

I see my own Front Bench nodding at me almost sagely, as if to ask what my ideas are for this year. The obvious one is that the whole Treasury team should resign, that we should have a general election to get rid of the whole shower and that we should get back to running the economy properly.

Yesterday I listened to the Chancellor talk about helping small businesses on VAT and other matters. As he spoke, a thought flickered across my somewhat tired mind

about the correspondence that I have been having with the Treasury, with Inland Revenue officials and with VAT officials. Somewhere someone has forgotten to tell the people who work for the Inland Revenue, and particularly those who work for the VAT authorities, that small businesses have had a rough time in the past few years, not of their own making but because of Government policies and the international economic scene. I do not wish to assign blame for causing the small businesses to have trouble. The outcome has been that a number of these businesses owe the VAT authorities considerable sums of money.

One business in my constituency owes the VAT authorities approximately £20,000 and it also owes the Inland Revenue approximately £20,000. Business is beginning to take off for that small company. I wrote carefully to the Chancellor and to the people dealing with VAT as did everybody else, for example, the accountants and the banks, because it now appears that the VAT authorities and the Inland Revenue are seeking to wind up the company, notwithstanding the fact that, during the past 12 months, many thousands of pounds have been repaid in VAT and tax. In addition, all current payments due are bang up to date and the arrears are steadily being paid off. Will the VAT authorities and the Inland Revenue allow that company and its nine or 10 jobs to survive? I suppose that that is not many jobs to the mandarins in the Treasury or to the sharks in the VAT authorities. However, in my constituency, which has more than 20 per cent. unemployment, those nine or 10 jobs, and the hope of more jobs, mean something.

Therefore, I make one more plea to the Minister. Can somebody please tell those who are in charge of collecting VAT and income tax that if all current payments are steadily being made and the arrears are being paid off, they should allow such small businesses the hope of success and the time to pay? I know that if they ask for two or three years to pay off the arrears that have accumulated during several years of hard times that may seem a long time. However, jobs will be protected, those little businesses will continue to grow, more jobs will be created and eventually the Inland Revenue and the VAT authorities will get their money. If one goes the other way and decides to liquidate those companies, jobs will be lost, small businesses will close, the authorities will not get their money and everybody will be the loser.

However, that idea uses intelligence and common sense and I toss it across the Chamber as last year, in Committee, I tossed an idea to the Minister. Perhaps he will find the time to pick it up as he found the time to pick up my idea that on-course betting duty should be abolished. Wisdom came slowly to the Minister.

The Minister of State, Treasury (Mr. Peter Brooke) *indicated assent.*

Mr. Bermingham: I see the Minister nodding sagely and smiling. He learned that lesson.

Twice tonight I have carefully intervened to ask about British Petroleum because, as a lawyer, I am naturally suspicious. Therefore, when I do not see something on the face of documents, I begin to ask myself why. This year, I took great care to listen to what the Chancellor had to say and to read the little Red Book carefully—in this case not the thoughts of Chairman Mao, but the predictions of the Treasury about what will be spent next year, and the assets and income that will be received. It stated that the Government would receive about £4 or £5 billion from the sale of public assets—I forget the exact figure.

I thought about the calculations. I worked them all out. I remembered about British Airways and half a dozen other things, all of which the Government will flog off although they belong to you and I, Mr. Deputy Speaker, and to every other taxpayer in this country. Be that as it may, those assets are to be sold off as so much else has been sold off during the past eight years. Somebody referred to those assets as "the family silver". We are now down to the brooms in the broom cupboard. The furniture, the silver, and the tea service have gone, and now we are down to the broom cupboard.

There is no mention of BP in that £4 or £5 billion, which comes from British Airways and others. Suddenly, late last night, we heard that BP is to go as well. The £4 to £5 billion will depend on share prices. I asked myself, if BP is not included in the calculations, what will the Government do with those sums, if and when they get them? Will we have the Budget mark II in 1987? Will the same thing happen as happened in 1979 when, with the election out of the way, we had another Budget?

I pose those questions seriously because we have a right to know. I can understand why the sale of BP was not mentioned in those prediction figures until after the closure of the London and New York markets. I can understand the tactics of that because of its effect on the value of the shares on those markets. However, I begin to ask myself what those moneys are for. Could it be that the various suggestions that have been floated by various commentators in the past few weeks are in the Government's mind for the fiscal year ending in 1987? I refer, for example, to altering the start of the 40 per cent. band, to the reduction in the 40 per cent. level of taxation or even the 60 per cent. level of taxation. Will those things come in the mark II package later this year, when the election is out of the way? The £4 to £5 billion figure referred to in the BP share sale would just manage to pay for those things. However, if they had been in Budget mark I, what my right hon. Friend the Leader of the Opposition said in answer to the Chancellor yesterday about gimmickry and buying votes would have been proved to be true. That funding is there.

It could just be that I am overly suspicious in 1987 because it happens to be an election year. However, we have a right to know. If we are told that the PSBR will be brought down to £4 billion—that will affect interest rates—we have a Budget that plays only with the margins of age allowance, does certain things in respect of VAT and takes only 2p off tax. The Government say that that is because the country is going ahead, more revenues are coming in and there is not a great amount of expenditure. However, we suddenly find that another £5 billion of revenue is anticipated. In those circumstances, one has a right to know the Government's real plans.

As my hon. Friend the Member for Jarrow (Mr. Dixon) said earlier, we are discussing human beings and not power or such matters. In reality, we are discussing human beings and the people, such as those in my constituency, who have not worked for years. We are talking about the roads that need repairing in my constituency, the housing stock that needs refurbishing, the schools that need to be updated and the technological skills that are being lost because of the lack of job opportunities. We are talking about

[Mr. Bermingham]

industries in the north-west which, because of modernisation, mechanisation and industrial progress, are shedding their work forces, and with them skilled manpower, which has nowhere to go. When one considers the country rolling north from Manchester through the areas of the north-west, those are areas of great skill but with industries which were manpower-intensive, and which are now becoming machine-intensive. Therefore, we need investment in those areas.

When considering the Budget, I must ask "What is in it for the north-west?" Taking 2p off tax does not mean much to somebody who is out of work and who has little, if any, prospect of working again because he is 54 or 55 years old. That person may have spent 20, 30, or 40 years in the coal, chemical or glass industries, investing in our nation, but he finds himself rejected and without much hope when he is in his 50s. He, too, has a right to know what the Budget is supposed to do for him. The tragedy is that this Budget does nothing for him in real terms. It does not give him any hope because the minute that we reduce investment in the state, we reduce that man's prospects of work.

As I suggested in my intervention in the speech of the hon. Member for Banbury, through national and federal investment, America has shown us that wealth can be created. The Government have launched a Budget that deliberately cuts investment because it cuts the PSBR figure from £7 billion to £4 billion. At the same time we must ask whether the Budget is fair for all. It is certainly fair and good for some, such as the horse-racing industry and some pensioners, but it is not fair for the millions of people who live in the north in areas where standards of housing and services are declining and where industry needs refurbishment and reinvestment.

When a Government begin to serve only their friends and not the nation, it is time for that Government to go. I suggest to the Treasury team that this will be their last Budget and that soon they will go.

8.10 pm

Mr. Keith Raffan (Delyn): Any Conservative Member would find it difficult to follow the logic of the hon. Member for St. Helens, South (Mr. Bermingham). The Budget serves the entire nation, which is why the Opposition parties are so terrified about the response in the opinion polls next week. It is a Budget for the general good, not the Conservative party's good, although that will undoubtedly be a side effect. Obviously, it is bad news for the Opposition because they always interpret good news as bad news.

I need not follow the hon. Gentleman. The Budget is about economic growth and enabling companies to grow, expand and employ more people. It is only by increasing national wealth that we shall have more to spend on the very items that the hon. Gentleman wants us to increase expenditure on. It is illogical in the extreme for him to waffle on in that misleading way.

As a Member of Parliament for a constituency in north-east Wales, in the industrial front line, I am principally concerned about the effect of the Budget on unemployment. I was going to say, as the only Welsh Member present, but in deference to my hon. Friend the Member for Kensington (Sir B. Rhys Williams), I have to say, as the only hon. Member representing a Welsh seat speaking in the debate, I welcome today's unemployment figures which show that the unemployment rate has fallen faster in the past year in the Principality than in any other area. There has been a fall of nearly 15,000, which is 8·5 per cent. In the past year in my constituency the decrease has been even more dramatic. Unemployment fell by 13 per cent., from 5,805 in February 1986 to 5,075 in February 1987. That reduction is all the more dramatic when one remembers that during that period my constituency had to absorb the major Courtaulds closure at Greenfield with a loss of 530 jobs in the summer of 1985 and 200 jobs in the previous November, not to mention the multiplier effect.

The Government have begun to reverse the industrial decline of the past 20 years in north-east Wales. That is due in great part in Delyn to the enterprise zone approach. It has shown how effective and intensive a localised approach to unemployment can be. Since designation in 1983, 1,555 new jobs have been created. They are not predominantly part-time, female or in the service industries. That will save me from three interventions from the Opposition, who always tell us that new jobs are part-time, female and in the service industries. Eighty eight per cent. of those jobs are full-time, 63 per cent. are full-time male jobs and 86 per cent. are in a wide range of manufacturing activities. The Budget will help to continue the work that has been done by the Government's policies in Delyn, to create more jobs and to continue the downward trend in unemployment in the Principality as a whole.

Before I go on to four particular points about the Budget, I should like to refer to the speech of the hon. Member for Burnley (Mr. Pike). It was surprising to hear a Labour Member call for an extension to his enterprise zone. I am sorry to say this in the presence of the hon. Member for Colne Valley (Mr. Wainwright), but clearly the alliance disease has spread this evening from his Bench back to the Labour Bench. This is yet another split in the Labour party, although we do not need another as we have so many to choose from.

In the past year I have given the Labour Front Bench several opportunities to tell the House whether its position on enterprise zones has changed—as we know, Labour party policy has a habit of mutating. But the Opposition have never said that their policy has changed from that announced by the right hon. Member for Manchester, Gorton (Mr. Kaufman) when he had responsibility for enterprise zones and said that the Labour party would have no more of them. Yet tonight the hon. Member for Burnley called for an extension to his enterprise zone, saying how successful it had been. I recognise, admire and respect a rebel who stands up against his Front Bench, and just as the hon. Gentleman's enterprise zone has been successful, so has the Delyn enterprise zone.

Why do I think that the Budget will help jobs? First, the ½ per cent. drop in interest rates in anticipation of the Budget and the ½ per cent. drop in response to it is what every industrialist and small business man in my constituency wanted most. That more than anything else will help us to create jobs because it reduces costs and increases competitiveness. The Labour party will rue the day if they continue to forget that 75 per cent. of small businesses have an overdraft and know what it is to pay high interest rates, as do those in the farming industry. The fall in interest rates, especially for those in the hard-pressed dairy sector, will be of great assistance.

Secondly, high taxes damage the economy and restrict economic growth. I try to put it simply because, in trying to get the message across to hon. Members opposite, we have no option but to put it simply. High taxes reduce incentives for those in work and for people to take on jobs. High taxes crush enterprise, straitjacket small businesses and stifle job creation. A cut in the basic rate, like raising thresholds, reduces the unemployment trap. That reduction in the basic rate of tax is of particular value to the self-employed and to those whom we are encouraging to set up on their own. I am particularly aware of that, as my constituency was in one of the original pilot schemes for the enterprise allowance.

"With the rate of inflation remaining low, and with these substantial tax reliefs, modest increases in earnings should ensure that real living standards can continue to rise over the year ahead without unduly increasing our industrial costs. This is the best possible recipe for commercial and industrial success. It is the only recipe for curing unemployment."—[*Official Report*, 11 April 1978; Vol. 947, c. 1207-8.]

Those are not my words, even if they are my sentiments. They are the words of the last Labour Chancellor—certainly the last ever.

How do the Opposition square those words with those of the Leader of the Opposition, who said:

"The Government choose across-the-board cuts in taxes. We and the British people want across-the-nation cuts in unemployment."—[*Official Report*, 17 March 1987; Vol. 112, c. 829.]

The Leader of the Opposition is economically illiterate. We could forgive that were he not Leader of the Opposition. Moreover, he seems to believe that tax cuts and unemployment cuts are incompatible when in reality tax cuts can, do and will lead to unemployment cuts. His view that tax cuts and unemployment cuts are incompatible was not the view of his right hon. Friend the Member for Leeds, East (Mr. Healey) when he was Chancellor of the Exchequer, and it is not the Government's view either. As my right hon. and learned Friend the Paymaster General said this evening, tax cuts create jobs.

Thirdly, I turn to VAT and the administrative changes that have been proposed. As one newspaper put it succinctly today:

"Cash flow is the problem that often kills small businesses."

One of the greatest concerns of small businesses is the late payment of bills and having to pay VAT on unpaid bills. Optional cash accounting will ease their cash flow problems and provide automatic tax allowance for bad debts.

Fourthly, the Chancellor rightly described training and retraining as vital to a flexible and competitive economy.

I spoke at the beginning of my speech of the problems we are facing in my constituency. They are the problems of success, principally in training. With our success in attracting garment manufacturers to my area, we have developed a shortage of machinists. The Manpower Services Commission has been extremely helpful, but funds are limited. Notwithstanding a major investment in training by Laura Ashley, by Seddons and by Christie Tyler, more people could be taken on if more training was available.

I realise that the retraining measures announced by the Chancellor are a complement to the existing concessions on training for employees to acquire and improve skills in their existing jobs. The proposals made by the Chancellor on Tuesday will ensure that employees about to leave or who have left their jobs will no longer be taxed on the expenses of a training course, and the employers whom they are leaving will be able to deduct the cost of further training or retraining schemes from their taxable profits.

I welcome this change—I hope the Minister will be able to answer this point when he winds up—but I wonder how much advantage will be taken of this concession by other than the largest companies. How can we encourage those large companies to do so and to ensure that they have the conscience to do so, especially as they have made many people redundant?

Courtaulds still has a small presence in my constituency at the Deeside mill, which employs 154 people. In 1985, Courtaulds made nearly 800 people redundant in two phases. Would it be possible now for Courtaulds to take advantage of the Chancellor's concession on behalf of those of the 800 who still remain unemployed? Would it be possible to let those of the 800 people who do not yet have jobs to embark on training schemes for which Courtaulds can have tax concessions?

I would be grateful if the Minister could reply on that point, as tomorrow I have a meeting with the deputy chairman of Courtaulds, Dr. Norman Wooding, to review the help that Courtaulds has given on the Greenfield business park. That would be a point that I and the chief executive of my borough council would wish to put to him.

The Greenfield young enterprise centre is one of too few enterprise centres in my constituency, and is designed to help young people to develop their own ideas practically and effectively and to set up in business. The Greenfield young enterprise centre has been a great success. My right hon. Friend the Prime Minister, when she was in my constituency last Friday afternoon, met several people who had been through the course at that centre and who are now setting up business on their own.

We want to encourage an enterprise culture. Many are receiving an enterprise allowance. Some of them have now moved from their original stall in the Greenfield young enterprise centre into a bigger work space, for which they managed to pay the rent, in the micro-workshops that have been set up in the Greenfield business park. Despite this movement through the young enterprise centre, we still face a shortage of space. I believe more can be done to help young people who wish to set up on their own and who have business ideas. All they need is guidance, financial advice and marketing help, and they can then set up effectively and employ not only themselves but ultimately other people as well.

As the Chancellor and my right hon. Friend the Chief Secretary have said—it was repeated by the Paymaster General today—the Chancellor has achieved a unique treble—an increase in spending, together with cuts in borrowing and taxes. I have to be fair to the Opposition. They too could, given the chance—I know they will not have it, but let us suppose that nightmare came about—achieve a unique treble that was last achieved by President Mitterrand prior to his Thatcherite conversion when he managed almost uniquely to get borrowing, interest rates and inflation soaring through the roof at one and the same time.

The Leader of the Opposition, in his response to the Budget speech, said that it had little to do with the general good. In one respect he is right. It is good for everybody in the country except for the Opposition parties. Only bad news is good for them. A review of his speech could well have echoed the review in *The Economist* of his book

[Mr. Keith Raffan]

"Making our Way", which was described as "a characteristic blend of vacuity and sentimentality". As a former journalist, it reminded me of the famous editor of "The Londoner's Diary" on *The Evening Standard* who decided one evening to skip a party that he was meant to attend and write up for the paper the next day. Despite not attending the party, he still wrote it up before it took place, only to discover the next day that it had never actually happened.

The Leader of the Opposition wrote his speech in advance of the Budget. His speech was a response to a Budget that was not delivered. The editor of "The Londoner's Diary" was subsequently fired and the same fate awaits the Leader of the Opposition at the general election.

8.25 pm

Mr. Max Madden (Bradford, West): A week ago the west Yorkshire low pay unit issued a press release with the headline: "What hope for west Yorkshire low paid in Tuesday's debate?" Prophetically the low pay unit said a week ago:

"a 2p cut in the basic rate of tax would cost the Chancellor around £2,600 million. Average earners would be more than £3 a week better off, whilst many low paid workers would benefit by less than £1 a week."

Mr. Jonathan Fry of the low pay unit added:

"a cut in the basic rate of tax is not likely to provide much help to the low paid or our local economy. To the extent that tax cuts have some impact on jobs and the economy, they are more likely to benefit those areas with high average earnings and a strong and developing economic base: the south east of England rather than west Yorkshire."

Some time ago I was looking at the list of 50 constituencies with the highest rates of unemployment and 50 constituencies with the lowest rates of unemployment. I was not surprised to see that there was only one Conservative Member of Parliament representing a constituency with a high rate of unemployment and only one Labour Member representing a constituency with a low rate of unemployment.

Ever since 1979 Government policies have been deliberately aimed at ensuring that the southern constituencies of the United Kingdom were given every encouragement and support to ensure a return of a Conservative Government. It is those southern constituencies which this Budget is all about. The Budget has been deliberately designed to buttress those southern constituencies to ensure that every last Conservative vote is wrung out in a desperate bid to ensure that this Government are re-elected.

It is not surprising that there has not been a single Conservative Member representing a constituency in Yorkshire or Humberside in the Chamber throughout the whole of this debate on unemployment, and still less surprising that no Conservative Member of Parliament has sought to catch your eye, Mr. Speaker, to speak in this debate on behalf of their constituents who are unemployed and who are facing great misery, desperation and anxiety over what the future holds for them.

It ill becomes the hon. Member for Delyn (Mr. Raffan), a former *Daily Express* newspaper journalist, to accuse others of economic illiteracy and to tell us that the problems in his electorate are the problems of success. Every Opposition speaker represents constituents desperately worried about the economic situation and the extent of unemployment. They have not spoken about the problems of success or economic illiteracy. They have been speaking from the heart.

I pay tribute to my hon. Friend the Member for Jarrow (Mr. Dixon) who spoke as the authentic representative of those millions of people in the northern half of this country who are desperately ill served by this Government and its policies. Those people have nothing to thank this Government or its policies for and they are desperately worried about their futures and their families. My hon. Friend the Member for Jarrow was speaking with the authentic voice of those of us who have the honour to represent those constituencies, which are extremely hard pressed.

Let us remove a few myths. Firstly, we are told by some Government Members that tax cuts and the 2p cut in the standard rate are necessary to give incentives to people to work harder. Why is it that the Government and Conservative Members believe that it is necessary to give people, already well off, a lot more to persuade them to work harder? Many other people who are not well off are supposed to receive even less to persuade them to work harder. I have never understood the logic behind the argument that rich people need more to persuade them to work harder, but poor people should get less to persuade them to work harder. That is the natural philosophy behind the Government's persistence in reducing tax for the well off. Since 1979 they have got the poor to subsidise those tax cuts.

Since 1979 £8 billion has been given in tax cuts, but the poorest six million taxpayers have received only 8 per cent. of that figure while the richest one million taxpayers have shared one third of total tax cuts. The taxpayer on £70,000 has received a tax cut of £367 a week. The low-paid have received under £2 a week and that has been offset by increases in national insurance contributions, VAT, excise duties and other indirect taxes.

What about all this stuff about incentives and the necessity of tax cuts to make people work harder? I am told of a Treasury report — buried long ago — that exposed that myth. It said that tax cuts do not make the rich work harder. In fact, they look at their net pay, see that they are doing reasonably well and, if anything, work less hard than before. Therefore, even in Conservative party logic that is nonsense.

We are also aware that many people have absolutely no choice about whether to work overtime, and therefore tax cuts are no incentive to them. If anything, there should be concern about those living in poverty who are on marginal rates of tax at 90 per cent.—the most vicious tax rate prevailing in this country. If people earn an extra £1 they lose 90p of it. We should be concerned about their tax rates rather than those of people earning £50,000 or £60,000. People should not be kidded into believing that those receiving such salaries are rare animals and pop up only in the Hickey column opening the champagne on Tuesday night to celebrate the money that they were pocketing from this Budget. Oh no! There are 50,000 people in this country earning £70,000 a year.

Let us consider one of the other myths—that there is no money around. There is a myth that there is no alternative to what the Government have been doing since 1979 because there is no money around to do anything

different. The truth is that this country is flooded with money. There are oceans of money and enormous amounts of wealth. Where has it gone?

My hon. Friend the Member for Jarrow urged that we should not talk about millions or billions, but sometimes it is necessary to do so. Some of the money has gone on £8 billion worth of tax cuts, £20 billion to finance 4 million men and women to waste their talents, skills and enthusiasm on the dole queues. Some £600 million has been spent on flogging cheap butter to the Russians, £1 billion on keeping the Common Market food markets in place, £2 million a day on fortress Falklands and hundreds upon hundreds of pounds on Trident nuclear submarines. If this lot are re-elected we will be squandering £10 billion on Trident nuclear submarines.

That is where some of the money has gone. A lot more has gone on sending out lifeboats to banks and propping up all sorts of other ventures. However, in my city tonight there will be 30,000 families going to sleep in houses that need serious renovation. There are 10,000 owner-occupiers on low incomes who desperately await home improvement grants. There are 8,000 families on the housing waiting list.

Today I was told of a group of houses that need £40,000 to renovate them. Once that renovation is complete the market value of the properties will be half that figure. That is the reality in inner city Bradford and other inner cities up and down the country. The cost of construction or renovation is substantially more than the market value of property. That is a reflection of the recession and the mass unemployment that we are witnessing up and down the country, but which is concentrated in the north.

We need £10 million to electrify our railway between Bradford and Leeds. That is another important project that requires public spending and that would create jobs and improve our ability to overcome unemployment. It would expand our local industry and promote tourism. There are many crumbling schools in my area—scores of them are literally falling down. In my constituency half the schools were built when Queen Victoria was on the throne. My children attend schools that are overcrowded, with class sizes well above 30. Teachers are desperately trying to give those kids a decent start in life, but are prevented from doing so because equipment is in short supply. The schools are in a dreadful condition. The opportunity to give those kids a decent start in life is extremely limited.

We hear a lot from the Government about their desire to support high technology. However, cuts imposed in 1981 on the university of Bradford decimated that university. The Government similarly attacked Aston and Salford — both technology universities. Last week, the chancellor of Bradford university announced another 60 redundancies as a result of this year's grant allocation to the university.

In a few days' time the maternity grant will be abolished. That grant was £25. Most Conservative Members despise £25. It would not even meet the price of a decent lunch for most of them. However, for women in Bradford and throughout the country an extra £25 at a time when they are expecting a baby is extremely handy. The amount of money that is available to pregnant women and mothers with children will be considerably reduced as a result of the measures in the Social Security Bill—steamrollered through Parliament in the past 12 months by the Government. Women will have their financial support reduced, and their maternity rights will also be greatly reduced.

Men and women in my city are aware that, if the Government are elected and the rest of the measures contained in the Social Security Bill are implemented, 10,000 free school meals will be abolished. Many pensioners will lose their housing benefit. Many others will be in desperate conditions because they will lose their incomes. Some 19,000 households in my constituency will lose up to £5 a week as a result of the Social Security Bill.

That is the reality of what is happening in constituency after constituency north of Watford. However, the Government do not care, they have not cared and they never will care. All they are concerned about is buttressing the comfortable people who live in the comfortable southern constituencies of this country, which have been their electoral target ever since 1979 and which remains their target.

We must remember that when the Chancellor came to the Dispatch Box on Tuesday he faced a number of choices. He had £6 billion in resources to allocate. He deliberately chose to ensure that the available resources were given over to cutting tax in the full knowledge that most of those resources would go to the well-off and that the major benefit would go to those with substantial incomes. He chose to cut public spending.

The Chancellor could have chosen to put available cash into providing work, into new homes, improving older homes, building new schools, renovating old schools, building new hospitals, repairing the collapse of the National Health Service, and doing all the other things that we know are desperately needed, particularly in the north of England. The right hon. Gentleman could have chosen to help the unemployed by providing work. He could have chosen to help the pensioners by substantially increasing their pension. He could have chosen to help the low paid by trying to ensure that child benefit was increased — the most effective way of combating child poverty.

The thing that appalls us most is the waste of money that has been the hallmark of this Conservative Government. There has been a waste of people. Despair and desperation are written all over the faces of most of our constituents. They have given up hoping for better things. They are just enduring the present and are fearful of the future.

Bradford is an extremely disadvantaged and deprived city, yet we have been robbed by this Conservative Government of £70 million in rate support grant in the past seven years. There are 30,000 unemployed in Bradford, 10,000 in my constituency. One in five people is unemployed. Every job is being chased by five or six unemployed people. Half the long-term unemployed — the posh name for those who have been out of work longest — are under 35. That is the reality of my consitituency and my part of the country.

This hard-faced, uncaring and uncompassionate Conservative Government used to talk about real jobs. When the Prime Minister was the Leader of the Opposition in 1979, and before that, I remember that she used to trot up and down the country talking about the Conservatives wanting real jobs. What have we had instead of real jobs? We have seen the unemployment figure fiddled and an expansion of the so-called job training programmes.

[Mr. Max Madden]

Jobs have been created. I have to say to the hon. Member for Delyn that most of the new jobs that have been created are part-time and low-paid. The self-employed statistics are highly questionable. So we must question the quality of the new jobs that have been created by this Conservative Government. We must say that we are not prepared to settle for more of the same, that we in the Labour party are determined to see the creation of more than 1 million real jobs in two years. In the past few days we have set out in clear detail specific proposals for achieving that return to work by men and women who want to work, and who recognise that work needs to be done. That need is crying out to be met. We shall fulfil that challenge when we are given the opportunity by the electorate.

Monetarism is dead. I am surprised that Conservative Members here tonight are not wearing black ties in memory of monetarism, which is no longer with us. Earlier this week the Chancellor got upset with a radio presenter who remarked on the death of monetarism. In reply he accused him of being a Labour party supporter. I understand that the chairman of the Conservative party became upset recently about remarks that he is supposed to have made to the effect that no one with a social conscience votes Tory. I do not agree with him. Many Conservative supporters and voters are deeply unhappy at the performance of their Government in office. I believe that large numbers of natural Conservative voters are repelled by the effects of Conservative policies on constituences such as mine and constituencies throughout the north of England.

Those Conservative voters are expressing their concern about the Government's policies. They did not want a cut in the standard rate of tax. What they wanted their Conservative Government to do was genuinely to try to devote available resources to creating work, rebuilding the NHS, repairing the damage done to the education service and improving the quality of life for all our people. That is what Tories with a social conscience wanted. They are bitterly disappointed by the Budget. Those in the southern half of the country will show their dismay at and bitterness about the Budget. My constituents and those of others who represent northern constituencies are in no doubt that the Budget is a Budget of missed opportunities. Above all, it is a Budget that ignores the needs and desperate anxieties of those whom we in the House represent.

8.47 pm

Mr. Stephen Dorrell (Loughborough): I am not wearing a black tie, nor am I wearing a solemn countenance, for one good reason. I have listened to every speech by Opposition Members during the debate. None mentioned, welcomed, was pleased about or celebrated the fact that today's fall in seasonal unemployment is the largest ever to have been announced by a British Government. I do not have to wear a black tie for that. It is a long-delayed but welcome step in the right direction. I am proud of it and certainly do not apologise for it.

Nor do I see any reason to apologise for the Government's recent record on public expenditure, which the hon. Member for Bradford, West (Mr. Madden) made much of. He is living in a different world from the one that is formed by the Budget package, which has been brought forward over the past few months by my right hon. Friend the Chancellor. It is important, in any sensible and intelligent comment on the Budget package, to consider the Budget announced by my right hon. Friend on Tuesday and the public expenditure White Paper published a few weeks ago as a total package. I disagree with the emphasis of my hon. Friend the Member for Banbury (Mr. Baldry) who insisted that the two should be treated separately. On the contrary, they should be treated as two sides of the same coin. They are both part of the Government's economic plans for the financial year beginning this April.

Far from representing a scheme where the Government are cutting back public expenditure to finance tax cuts, when taken together, those plans represent a scheme where the Government are able substantially to increase public expenditure and at the same time to introduce tax cuts. It is instructive to look at the balance between those two different ways of using the resources that the Chancellor felt were at his disposal.

Let us look at the effect of the decisions that will be implemented at the beginning of the next financial year. The Government's spending programme foresees an increase in Government spending of £4·5 billion and tax cuts of £2·5 billion. In round figures, of the room for manoeuvre that the Chancellor felt that he had, he has used two thirds to increase public spending and only one third to reduce taxes. It is a grotesque distortion to represent that total package as one where we are cutting spending to finance tax cuts.

Our opponents say that most people are willing to forgo some tax cuts in order to see proper public services. I agree with that. My right hon. Friend the Chancellor obviously agrees with that because it is precisely the policy that he has pursued. It is not the same as saying that the public are not interested in any form of tax cuts.

When considering the balance of the package that my right hon. Friend the Chancellor has introduced for the next financial year, it is clear that he has weighted it two thirds to one third in favour of public spending increases. It is also instructive to look behind the total figures. There is £2·2 billion additional public expenditure for the Department of Education and Science alone. In other words, the total cost of the 2p reduction in income tax exactly matches the total increase in public spending on education. To suggest that the two factors are out of balance seems, as I have said, to be a grotesque distortion.

I very much welcome the fact that my right hon. Friend the Chancellor, as a result of a growing economy and of the fact that our economic recovery is now well under way, has been able to introduce public spending increases of £2·2 billion in the education service, £2·2 billion for the budget of the Department of Health and Social Security and £500 million for job creation in the Department of Employment. I do not see any reason to apologise for those figures.

One Opposition Member said earlier that he could not see where the benefits would come in his constituency. It is very clear. There is a 25 per cent. increase over 18 months in teachers's pay and there has been a 20 per cent. increase in real terms in spending on the National Health Services since 1979. Those are the results of a public spending commitment by the Government, which some of us have been pushing on the Government for several years. Now that that is taking shape, I am pleased to welcome it.

In an intervention earlier in the speech of the hon. Member for Kingston upon Hull, East (Mr. Prescott), I sought to highlight the difference between the public spending plans introduced by my right hon. Friend the Chancellor and those espoused by the Opposition. We are not seeking to create artificial jobs by, as one Labour spokesman suggested, regarding local authorities as a job creating machine. We are trying to improve the level of services available to people who want to use services such as the Health Service, the education service and other services that the vast majority of people look primarily to the state to provide. We are trying to provide a better targeted, better managed and growing level of service from the public sector. I warmly welcome that as one of the elements of my right hon. Friend's Budget strategy.

My right hon. Friend the Chancellor was correct to see the public sector borrowing requirement fall from the plan that he originally had for the next financial year. There are two reasons for that. The immediate reason is that the announcement of the fall has allowed interest rates to begin to fall and we can hope that they will continue to fall. That has an important effect on businesses and job creation and an important effect on mortgages and therefore on home ownership.

My right hon. Friend the Chancellor is right to see the PSBR at a lower level for another reason, which should appeal to the Opposition. The Opposition, like me, say that they believe in the principles of demand management. In that case, I believe, as the Opposition claim to believe, that public borrowing should be allowed to rise during a recession. However, the corollary to that must be that in a recovery the PSBR is allowed to fall. I have no dogmatic objection to public borrowing as such. However, I have a clear objection to excessive borrowing.

At the moment, private borrowing is buoyant. That is precisely the time when it is right, under any form of demand management approach to the economy, for the Chancellor to be reining back on his own borrowing requirement. In demand management the total level of credit creation in the economy is important. When the private sector has a high demand for credit leading to high credit creation towards the private sector, that is the moment when the public sector should be reining back its demand for credit to ensure that we have a balanced economy that does not run into the dangers of overheating of which Opposition Front Bench spokesmen repeatedly talk. The policies espoused by the Opposition would cause such dangerous overheating.

My right hon. Friend the Chancellor is right to see public borrowing fall at this stage of the economic cycle. If he had allowed the borrowing requirement to rise to a much higher level, there would have been a significant danger of overheating. I enthusiastically endorse my right hon. Friend's approach on that subject.

I want to raise another point which does not arise directly from the Budget, but which concerns taxation policy in the medium and longer term. I hope that my right hon. Friend the Chancellor will be working on this point now in anticipation of a third term in office during which he can put the results of his deliberations into practice.

My hon. Friend the Member for Eastbourne (Mr. Gow) and my hon. Friend the Member for Reigate (Mr. Gardiner) referred to the importance of the marginal rate of tax on incentives and they both concentrated on the standard rate. I believe that they understated their case when they considered the effect of a 30 per cent. or a 35 per cent. standard rate of tax on incentives and that they missed the important solution to the real problem of inadequate incentives that exists in the income band in the country of between £80 and £200 a week. In that income band, the effective marginal rate of tax is not 27 per cent., 29 per cent. or 30 per cent. It is the standard rate of tax plus the national insurance contribution, plus the housing benefit taper, plus, very probably, the rate of withdrawal from family income supplement and the withdrawal of other means tested benefits. In many families in that income band, the effective marginal rate of tax can be around 90 per cent. In the next Parliament, the key taxation strategy that I want a Conservative Chancellor to adopt as a high priority is that marginal rate of tax and benefit loss on low income households should be brought into line with the maximum rate of marginal rate of tax that we are prepared to tolerate for other income groups.

After all, if we believe that 60 per cent. is too high—as some of my hon. Friends claim — for high rate taxpayers, surely 90 per cent. is too high for low income households. There should be a clear priority from a Conservative Chancellor in the next Parliament to reduce the marginal rate of tax and benefit loss that applies to low income households.

The history of this Government since 1979 shows that there have been some very welcome reductions in taxation, for example, the national insurance surcharge, action to increase thresholds by more than inflation and action to reduce the standard rate. However, I hope that in the next Parliament my right hon. Friend the Chancellor will concentrate his strategy on a particular group of people among whom the problems of high marginal rates are still very intense and a major disincentive to go to work or do an extra hour's overtime at work and which he has it in his capacity to improve.

Finally, as the hon. Member for Loughborough, it would be entirely wrong for me to let the Budget pass without welcoming the fact that the Governor of the Bank of England chose my constituency to make the speech described today as the funeral oration for sterling M3. From my humble position on the Back Benches, I have been encouraging that approach since 1979. It always causes me a certain wry amusement when my right hon. Friend the Chancellor refers to the governor's Loughborough lecture, but I am very glad that that lecture has been included in the text of the Budget, laying to rest an unfortunate aberration in monetary policy. I shall not develop the argument at length but, like the Governor of the Bank of England, and perhaps even my right hon. Friend the Chancellor, I hope that, having buried a monetary meter which was always inaccurate and never gave us the information that we needed, there will be a clearer statement in the next Parliament of an alternative approach to monetary policy which in my view should be based on membership of the European monetary system.

The general tone of the Budget is very welcome, however, and I especially welcome the fact that I am able to make this speech in support of it on the day on which unemployment fell by the largest monthly figure since records began.

8.59 pm

Mr. Allen McKay (Barnsley, West and Penistone): I shall be brief. The hon. Member for Loughborough (Mr. Dorrell) is wrong about unemployment. We acknowledge that there has been a fall in unemployment and we

[Mr. Allen McKay]

welcome it as a step in the right direction, but what type of fall has it been? What type of jobs have been created? Even more important, where are those jobs? They are certainly not in my constituency, although my constituents are greatly affected by unemployment. In 1982 unemployment was 2·73 million, in 1985 it was 3·05 million, in June 1986 it was 3·11 million and in January 1987 it was 3·16 million, so there has certainly been no fall in unemployment, and no jobs have been created in Yorkshire and Humberside. In south Yorkshire, unemployment is still 18·8 per cent. In my constituency of Barnsley it is 20·5 per cent.—one person in five—and the male unemployment rate is about 22 per cent. So when the Government say that employment has been created, I can only ask where, when and how, because it has certainly not been in my area. The number of people unemployed for more than 12 months in Yorkshire and Humberside is 132,791—an increase of 2·27 per cent. over the 1986 figure. I applaud any decrease in unemployment, but I have to ask where, when and how it has taken place.

This is a cynical Budget. The Government are pandering—unsuccessfully I hope—to people's tendency to say, "I'm all right Jack" and blow the 4 million unemployed, the low paid, the sick, the needy and the old. That is a deliberate ploy for the next election, whenever it comes. According to the Red Book figures, the Government have hedged their bets by keeping back the amount of money still available from the sale of this country's assets. It is a blatantly cynical Budget for an election period, but people are far better informed nowadays than they used to be and they will recognise the Budget for what it is. Those in work have children who are unemployed and parents who are pensioners, so they will take note of those factors and the Government's ploy will come unstuck.

When I saw a newspaper headline proclaiming that the Budget meant £7 in the pocket of the average worker, that looked pretty good until I discovered that the average worker in question earned £17,000 per year and lived in a £30,000 house. There will be no dancing in the streets of my constituency on that basis because those are certainly not average wages and house prices for the people whom I represent.

Many people will applaud the Government's proposals with regard to on-course betting, but clawing back the lost tax from gaming machines is a move in the wrong direction because it will take £250 from every working men's club in my area when they depend on income of that kind to keep going. If the Government had targeted amusement arcades, which should never have been allowed to grow up in the first place, I could have applauded that as it would be taking a hard look and making a real cut in teenage gambling. I do not know whether Conservative Members are aware of the *Yorkshire Post* campaign, but the Chancellor has missed a great opportunity to do something about this.

I hope that the Government will give serious attention to the mining industry. Over the past few years 70,000 jobs have been lost following the closure of a number of collieries, and there are more to close. The average age of those made redundant has become much lower and the operation of the redundancy scheme means that the enhanced payments have become much lower. The training period offered to redundant mineworkers is six weeks, which is too ridiculous for words. It should be based on that which prevails in the steel industry, which is two years.

In Yorkshire and Humberside we have the men, the women, the will, the way and everything else that it takes to recreate industrial activity in the area. Unfortunately, we do not have Government help and direction. In particular, the area which I represent needs to become a development area.

9.5 pm

Mr. Tony Blair (Sedgefield): The Budget was proposed in the context of a two-nation Britain. Its real significance is that it represents a decision to try to build an electoral majority in one half of the division instead of an attempt to heal the divisions. As with all previous Budgets since 1979, it is designed for the comfortable Britain.

My hon. Friend the Member for Jarrow (Mr. Dixon) has said that he feels that he is living on a different planet from the one that is inhabited by Ministers. He was right to say that, for there are two different planets or worlds. The Government address themselves to the part of Britain that can afford to pay its way and has the services that it wants while Opposition Members address themselves to those who lack the essentials of life, the standard of living that they should have and the benefits that the other Britain enjoys.

The division in Britain shows itself in the smaller measures as well as the larger ones. For example, the personal equity plan was introduced in last year's Budget, and some of my hon. Friends will remember how. The Chancellor of the Exchequer said:

> "Although the scheme will be open to everyone, it is specially designed to encourage smaller savers, and particularly those who may never previously have invested in equities in their lives."—[*Official Report*, 18 March 1986; Vol. 94, c. 178.]

In other words, the PEP was for the small investor or first-time investor. That was the pledge and that was the headline that appeared in the newspapers.

I have undertaken some research on PEPs to ascertain who has benefited from them. My survey has encompassed some of the larger plans, such as those run by Barclays Bank and the Midland Bank, Save and Prosper and Hill Samuel. It appears that about 75 per cent. to 90 per cent. of those in PEPs have stocks and shares already and that the average investment is £2,000, which is almost the limit of £2,400. More details are available about the Barclays scheme than the others. The Chancellor of the Exchequer has spoken of it and it should be the most populist in terms of people's capitalism. However, the majority of those with Barclays PEPs have been lump-sum investors, and 80 per cent. of them have invested the full £2,400. Overall, 40 per cent. of those using the plans are either higher rate taxpayers or those paying capital gains tax in substantial amounts already. This means that the benefits to be gained from PEPs have been enjoyed mainly, as the Opposition warned last year, by those who already have capital gains tax commitments. In other words, it has been used principally as a tax-free shelter to those who are already better off. I make that point not to criticise personal equity plans but to show the priority that divides the two sides of the House.

My hon. Friend the Member for Jarrow spoke about the difficulty facing one of his constituents who had had the prescriptions he used to use withdrawn because the

drug was not on the Government drugs list. We had an announcement a couple of weeks ago that some £10 million was to be raised by increasing prescription charges. I estimate that on the personal equity plan tax shelters, those people already paying capital gains tax—in other words, those using PEP simply as a straight means of avoiding capital gains tax commitments—will benefit in this tax year by about £15 million to £20 million. That would be enough to pay for the sort of thing my hon. Friend the Member for Jarrow was talking about.

There are differences not just in small measures but in the broader scope as well. When the Financial Secretary spoke yesterday he mentioned the wider share ownership survey that has been prepared by the stock exchange and the Treasury. I do not want to go into detail about that today. But let us assume in the Government's favour that 20 per cent. of the adult population has benefited from the privatisation measures.

That still leaves 80 per cent. of the population that is losing unfairly in two ways. First, they are losing in a way that reduces the money coming into the Exchequer, therefore, reducing the benefit that they could receive. They lose because there has been a policy—it must be a deliberate policy—of under-valuing the assets sold off in privatisation. The figures are too stark. On British Airways, British Gas and British Telecom alone the under-valuation on the first day of trading amounts to over £2,000 million. I am aware that when share issues come on the market there will always be a premium. People will always want a small premium in order to make the share issue go with a buzz. That is understandable. The average share issue premium for 1986 on major share issues was 7 per cent. On privatisation issues, the average premium on the first day of trading has been 77 per cent. I could understand the Government being wrong by a few per cent. but I cannot understand them being wrong by a factor of 11.

In that under-valuation, let no one think that the benefit has gone even to the 20 per cent. of the population; it has not. Some £350 million first-day profit was made by foreign institutions such as Japanese and American banks and so on. Indeed, it is interesting that when Japan privatised its telecommunications network a couple of weeks ago it did not allow any foreign participation. Yet we allow a windfall profit of hundreds of millions of pounds to be made by foreign speculators.

We lose in a different way. My hon. Friend the Member for Burnley (Mr. Pike) is absolutely right. There is a feeling, particularly on Government Benches — I dare say it has percolated through to the general population —that there are only winners in privatisation and no losers. They feel that it is a bonanza where everyone wins. But, when we privatise one of the assets such as gas, telecommunications or British Airways, we lose the income from that asset. The figures for the income we have lost from those assets, based on net dividend payments for the coming financial year — that is the fair basis on which to do it—are, for British Airways £43 million, for British Telecom £256 million and for British Gas £262 million. The total is over £560 million. We have lost that income and that is why we say that when the Government treat the sale of assets — as they do — as a deduction from running costs in Government accounts—as part of their revenue—that is not merely wrong in accounting terms; it is criminally irresponsible in terms of safeguarding the nation's assets.

Mr. Gow: Does the hon. Gentleman not agree that when the last Labour Government sold shares in BP they treated the receipts from the sale of those shares in a way identical to the way in which my right hon. Friend the Chancellor is treating receipts from sales of public assets?

Mr. Blair: The total of the BP share sale was a few hundred million pounds. The Select Committee on the Treasury and Civil Service dealt with the specific point that the hon. Member for Eastbourne (Mr. Gow) rightly raises. The Committee said that that was fair enough if one was talking about a one-off programme or a few hundred million pounds. That must be right. But with this Government we are talking about privatisation that runs into tens of billions of pounds, and it cannot be right to treat the proceeds from capital assets simply as a deduction against running costs. That income could be used to pay for better pensions, better child benefit, a better National Health Service and better education. The income from the sale of those assets has been lost. It is a matter of choice.

Mr. Pike: The point that one must emphasise and that my hon. Friend is making, although I do not think that Conservative Members accept it, is that we do not lose that income for just one year but lose increasing amounts year after year.

Mr. Blair: My hon. Friend is right. That is why in the long term the sale of assets is such an incompetent way of raising money. In the course of the Budget debate the Government told us that there will be no new schemes or new programmes to assist the unemployed. The Chancellor says that the best hope for the unemployed is the Government's record on the economy. It is time that we looked at that record. In the past few days several bumper myths have been put about by the Chancellor and by Treasury Ministers about the British economy. The first is that we have some sort of glorious growth rate in the economy that is a marvel and the envy of the Western world.

In the 1986 edition of a set of statistics called the "United Kingdom National Accounts", a comparison is made between the growth rates of Britain at various times in the past few decades. In the 1950s the average growth rate was over 2 per cent., in the 1960s it was over 3 per cent., in the 1970s it was over 2 per cent., and in the 1980s it is less than 1·5 per cent. If one looks at the comparative growth figures for Britain and other European Community countries over the entire period of the Government's term of office, one sees that we have one of the worst growth rate records of any major industrial country.

One of the boasts that we heard from the Prime Minister the other day is that we have record exports every year. I was curious about that statistic and asked the Library staff to do some research. Since 1949 there have been only seven occasions when exports have not been at record volumes year on year. Five of those have been under a Tory Government, one was in the year when the right hon. Member for Glasgow, Hillhead (Mr. Jenkins) became Chancellor of the Exchequer in a Labour Government and the last occasion on which it occurred was under the last Labour Government. The average growth in exports under the last Labour Government was about 5 per cent. The average growth in exports under this Government has been only 3 per cent.

[Mr. Blair]

The notion that we are living through some great export boom is farcical, and that is evident when the figures are examined. The important change in Britain over the past few years has not been the level of exports but the level of imports of manufactured goods. We are told by the Prime Minister that we need not worry about what has happened to traditional British manufacturing industry because the new technology industries will come on and provide growth and new hope and give manufacturing impetus to the economy. However, the deficit in manufactured trade is not just on the old traditional industries but on the new technologies too. Not merely have the Government failed to save our traditional industries; they have failed in the creation of new ones. At the present time manufacturing output is still below 1979 levels.

The only crumb of comfort that the Government can take from that picture is their allegation that manufacturing productivity has increased substantially. There may be many reasons why that has happened, but the most significant factor has been the shedding of manufacturing jobs. Also it is right to ascribe the most recent surge in manufacturing activity to the cyclical turn in output as employment lags behind the upturn in manufacturing trade—an upturn brought about by the lowering of the exchange rate, which the Government resisted.

A much better guide to the health of manufacturing is manufacturing output, because the total output determines whether Britain can pay its way. When we compare ourselves with other EC countries in that respect, we see that none has done worse than Britain. From 1979 to 1986, we have been at the bottom of the table. That is the measure of what has happened. When the Opposition argue about manufacturing industry it is not simply in the context of the loss of manufacturing employment; it is in the context of manufacturing as a wealth-generating base to the economy. Unless we build that wealth-generating base, discussion about the level of services or spending on services will be otiose, because we shall not have earned enough money to spend.

The Government say that, because of their prudent financial policies and especially because of the cut in borrowing, they can reduce interest rates. The right hon. Member for Brentford and Isleworth (Sir B. Hayhoe) and the hon. Member for Loughborough (Mr. Dorrell) said an eloquent elegy over the deathbed of monetarism earlier tonight, but it is as well to remember that monetarism was supposed to reduce interest rates. When the hon. Member for Eastbourne took a trip down monetarist memory lane, he tried to tell us that the Government were running into trouble on the money supply and that interest rates might have to be increased.

Mr. Leighton: He is a recidivist.

Mr. Blair: He should go for a long period of rehabilitation.

Even with the reduction during the past couple of weeks—we had to prod the Government into that—interest rates are still the highest of any of our major industrial competitors. Why do we have such high interest rates? Why are we starting to reduce them from that high level? Is it the case, as the Government have tried to say, that public expenditure is too high? From the Red Book, we discover that that is not the case. Indeed, the Government's reason for interest rates being high has nothing to do with public spending or public borrowing. As the hon. Member for Loughborough confirmed, the Government's reason is this:

"Private sector borrowing has been rising and is now over 10 per cent. of GDP. It has clearly contributed more than public borrowing to upward pressure on real interest rates."

The culprit is not public borrowing, but private borrowing.

The significance of that fact is that we are living through a boom in consumer expenditure which is dangerously out of control. Indeed, one need not be a monetarist to ascribe importance to the fact that the £2·9 billion increase in bank lending demonstrates the amount of consumer debt that is growing in the British economy.

Mr. Dorrell: Is the hon. Gentleman therefore advocating an increase in interest rates to choke off that increase in consumer credit?

Mr. Blair: No. The hon. Gentleman said that if there are high levels of personal debt and high personal borrowing, the Chancellor was right to cut Government borrowing to compensate. However, we have such high personal levels of borrowing because the Government have encouraged that level of personal consumption and debt. The worst thing that one could possibly do in such circumstances is to cut income tax, as that will fuel the consumer boom further. The real case against income tax cuts as the best economic policy for the macro-economy is not simply on the grounds that a reduction in unemployment would come better with increased public expenditure, a point made by many of my hon. Friends, but that all that income tax cuts do is fuel the consumer boom and put even greater strains on private borrowing. As the hon. Member for Loughborough said, that is the reason why the Chancellor felt that he had to cut public borrowing.

Mr. Dorrell: I am sorry to persist with the point, but the hon. Gentleman has expressed concern about the rate of consumer borrowing. He has rejected an increase in interest rates as the way to choke it off. How else does he propose to do it?

Mr. Blair: By ensuring that any room for manoeuvre that the Chancellor has is directed to planned public investment, not to a consumer boom through income tax cuts, which will simply make borrowing worse. As my hon. Friend the Member for Bradford, West (Mr. Madden) said, tax cuts will go on imported consumer goods. Hon. Members do not need to take my word for that. It is thought by others as well. Before the Budget, a pamphlet was prepared by a body called the Tory Reform Group, of which some of my hon. Friends may have heard. It says:

"A cut in the real burden of income tax will result in significant extra personal expenditure on foreign goods. This will create new jobs for our competitors and widen the current account trade deficit in 1987, which will already be causing political damage. This is not the year to boost consumer spending."

The patrons of this Tory Reform Group include not merely several senior Conservative Members of Parliament but several Cabinet Ministers, including the Paymaster General. I agree with what he and his right hon. and hon. Friends say. The difficulty is that he seems somewhat schizophrenic. Part of him is a member of the Tory Reform Group and the other part is a Cabinet Minister. The worst thing that we can have is income tax cuts, which will fuel the consumer boom even more.

The recent interest rate cut may not be as long lived as industry, home owners and my hon. Friends will hope for. The Red Book gives a clue to the real state of the British economy as opposed to the state set out in the Chancellor's Budget. If one calculates back from the housing retail price index the Government's projections of what the interest rates will be in a year, one sees that at the very most the Government are planning for a 0·5 per cent. reduction. One should treat with a great deal of caution not merely whether the income tax cuts will last but whether the fall in interest rates will last.

The case made by my hon. Friends is clear. It is that income tax cuts are the worst thing that can be done for the economy and the least effective way to provide jobs. The Treasury model has been decried by the Paymaster General recently, but every round of the Treasury model shows that planned public expenditure is a much more effective way to produce jobs than cuts in income tax. The Paymaster General may decry models, but the figures in the Red Book, which cover practically every aspect of the economy, are done on the basis of Treasury models.

It is not simply Treasury models that tell us that income tax cuts are the least effective way of creating jobs. Common sense tells us that as well. Durham county council put forward a programme a few months ago on harnessing unemployed people in its area to the needs that required to be met in that area. It showed that, if one used unemployed people, long term and otherwise, and related the unemployed resources to the needs, money was saved in the long run because there was no need to pay unemployment benefit and again there was a benefit on taxes.

Hon. Members on the Government Benches say that our job creation programme is simply about providing jobs, not meeting needs. That is not so. We started in that programme from the point of view that every single job had to meet a specific need. There are literally millions of jobs to be done in the British economy. The Government's task is to put the two together, people's needs and the resources available in the form of unemployed people.

Two factors underlie the Government's judgment in this Budget. The first is a cynical belief that people will prefer cash in their hands to better public services—better education, better health, better training. In other words, the Government believe that the short-termism that afflict them afflicts also the British people. We dispute that. We also dispute the second premise of the Budget, that the divisions to which the Government are indifferent can be tolerated for another few years. These divisions are set up everywhere by the Government: between home owners and council house tenants, between those in BUPA and those who use the National Health Service, between share owners and those who have none, between the employed and the unemployed, between the comfortably off and the poor. It is a Budget about division that addresses itself simply to that one part of divided Britain.

No one can claim that the priorities of this Budget are about the lower, worse-off half of Britain. When it is described as a prudent Budget, prudent for whom? Prudence is a game that is played by the comfortable part of Britain while the other half stands outside with noses pressed against the window. The Government's tactical consideration is that there are enough on the inside to vote down those on the outside.

This was a Budget for a divided kingdom. It will be the duty of the Labour party on coming to office to reunite our kingdom.

9.32 pm

The Minister of State, Treasury (Mr. Peter Brooke): One thing on which the hon. Member for Sedgefield (Mr. Blair) and I are agreed is that the closing speeches on the Thursday night of the Budget debate are one of the high points of the parliamentary year. It has been a vigorous debate and it is perfectly clear that at no stage did anyone have to be brought in from the highways and byways to speak. It is a pleasure to be debating opposite the hon. Gentleman, although I know that he will forgive me if I say that his pre-Budget headline of "The Bribes of March" was ill-advised on two counts. First, in the light of my right hon. Friend's eminently cautious Budget, it was a poor piece of forecasting and, secondly, at this moment in the history of the Labour party it seemed curious for a Member of the Labour Front Bench to draw attention, even indirectly, to the opening speeches of "Julius Caesar" and those memorable lines:

> "The fault, dear Brutus, is not in our stars,
> But in ourselves, that we are underlings."

The hon. Member was, however, in good company on the issue of forecasting in that his right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) yesterday quoted the Labour party's favourite stockbrokers, Phillips and Drew, as judging that the

> "markets are holding their breath for an early election and expects an immediate reversal of policy afterwards". — [*Official Report*, 18 March 1987; Vol. 112, c. 954.]

What Mr. Bill Martin, the chief economist of Phillips and Drew, actually said yesterday in the aftermath of the Budget was:

> "Our earlier fears that policies would have to be thrown sharply into reverse post-election to cool the economy down have duly subsided. When tighter policies do start post-election they will be more akin to a touch on the brakes than a throwing out of the anchor."

That sober judgment is a broadside below the water line for the bizarre and unconvincing thesis that the leadership of the Opposition have been peddling—that the Budget is part of a "cut and run" strategy.

It is all of a piece with their soubriquet of my right hon. Friend the Chancellor as "lucky Lawson". Ever since Napoleon made luck one of the criteria for being a marshal the world has regarded luck as a blessing rather than a disadvantage. In any case it is only appropriate in the case of my right hon. Friend under one definition. My right hon. Friend's Budget is a culmination of years of sensible policy. The only ground for calling him lucky is under that definition of luck that says it occurs when planning meets opportunity.

I have been genuinely lucky under a wider definition. All of us bring to the House the impedimenta of our past careers. For my part, the 18 years before I joined the Government were spent entirely as an employer in a small business in the private sector, with all the rewards and tribulations that are involved in sustaining employment, in good times and in bad — but above all with a profound familiarity with the statutory paperwork with which small business men have to cope. I therefore count myself peculiarly fortunate, as my right hon. Friend the Member for Brentford and Isleworth (Sir B. Hayhoe) said, to have been the Minister responsible to Parliament for

[Mr. Peter Brooke]

Customs and Excise at a time when my right hon. Friend felt able to announce such far-reaching reforms of VAT in the interests of small business.

Over a score of hon. Members on both sides of the House have welcomed my right hon. Friend's announcement about VAT and cash accounting even if the right hon. Member for Sparkbrook was wholly mistaken yesterday in thinking that the Opposition were its progenitors in last year's Finance Bill. Of course, in addition my right hon. Friend announced an optional scheme of annual accounting for those businesses with a turnover of up to £250,000 so that they will need to make only one VAT return in a year instead of the four required at present. This will reduce the form-filling burden.

The Government have increased the VAT registration threshold to the limit allowed under Community law. There is much pressure to increase it further, but it is only fair to point out that there was strong opposition to our earlier proposal, which we have dropped, to require businesses with a turnover below the threshold — of which there are 250,000 — to deregister. Our collection system is cost-effective: £600 million of net VAT yield is collected from small businesses with a turnover of under £50,000 and the cost of collecting all VAT — the whole £23 billion — is only £200 million.

I am pleased to announce a further package of measures on Inland Revenue matters to help small firms and the self-employed. The aim is to offer further advice and guidance on topics where small firms say they most need it. There are three main areas. First, there will be help with decisions on employment status such as whether a person is employed or self-employed for tax and national insurance contriubution purposes. Secondly, there will be help for employers in the operation of PAYE and national insurance contributions. Thirdly, there will be help and guidance about the Inland Revenue's investigations of small traders' business accounts. There are further details in an Inland Revenue press notice which is being issued today.

Any steps that we can take to ease administrative burdens on business are important and worthwhile. This practical package of help and advice deserves a warm welcome from small firms and the self-employed. Entrepreneurial small businesses are very important for job creation. Tax reductions increase incentives and demand from the local economy. So much for the charge that this Budget has nothing to do with the unemployed.

My right hon. Friend the Chief Secretary gave a trailer yesterday that I would expand tonight on profit-related pay, a subject eminently suited to today's debate. The key to continued strengthening of economic performance is increased adaptability and flexibility. Performance has been damaged for too long by trends towards increased rigidities throughout the system. Business cannot survive in that atmosphere. Whether we like it or not, the world is rapidly changing. If United Kingdom businesses are to prosper we must be able to respond quickly.

Major steps have already been taken, including deregulation. But major rigidities in the labour market, and in particular in pay determination, still exist. The pay of most employees is still little influenced by how well businesses are performing. This often means that the only way firms can adjust to difficult trading conditions is by redundancies, and the work force has no direct personal incentive to help generate, and then share in the results of, improved performance. Many of our more successful businesses have already realised the need to break out of that trap.

The right way forward is unlikely to be identical for all. There is an existing and continuing role for employee share schemes, but profit-related pay has a major part to play because it means that the work force automatically has a direct interest in helping businesses succeed. A measure of flexibility in total wages means that employees share the rewards of successful performance and receive some protection from the threat to continued employment when conditions are difficult. It will improve motivation, incentives and long-term rewards for all.

The proposal follows on from the Green Paper. The great majority of responses favoured such a move. All private sector employees, other than controlling directors, will be eligible for this new relief once they are included in a registered PRP scheme.

The essential requirements that schemes must satisfy to qualify for tax relief boil down to three points. First, there must be a clear relationship between PRP and profits. Secondly, the schemes must last for at least a year. Thirdly, PRP must be a minimum proportion of total pay, at least 5 per cent. if the prospect is that profits are unchanged.

Like any new proposal, it is bound to look complicated at first sight, but it is designed to operate as simply as possible. In some respects, details have been simplified since the Green Paper — for example, the registration requirement. As long as the basic requirements are met, there will be great flexibility in designing schemes to meet the needs of individual businesses. It can operate at company or sub-unit level and relate PRP to a share of profits or to year-on-year changes in profits. There is flexibility on the frequency of PRP payments, and freedom over the treatment of joiners and leavers.

Before PRP can be paid, schemes must be registered. Therefore, I urge early planning of schemes. A press release on key features is available now, and in a few weeks employers will be invited to place themselves on the Revenue mailing list for detailed guidance notes following the Finance Bill receiving Royal Assent. I encourage employers to act now to get the benefits as early as possible.

PRP schemes offer major advantages to employers, employees and to the economy at large, even without tax relief. The proposal to introduce this relief, for which there is no time limit, reflects the Government's wish to promote urgently needed flexibility. This is underlined by the fact that the relief which is now proposed — half of profit-related pay within specified limits — is double the rate envisaged in the Green Paper.

Even if PRP is only 5 per cent. the relief for a married man on average earnings is equivalent to 1p off the basic rate of income tax. If PRP is at 20 per cent., then, as the Chief Secretary said yesterday, the maximum amount eligible for relief will be equivalent to 4p off the basic rate.

I urge employers and employees to seize this opportunity to make a major contribution to the long-term strength and adaptability of their businesses and the economy at large.

Profit-related pay was one subject of which last year's Budget was a harbinger. Another scheme which comes to fruition this year, after being launched last year, is payroll giving. As the Minister responsible for pay in the Civil Service, I want to say a brief word about payroll giving in

the Civil Service. In his 1986 Budget, my right hon. Friend the Chancellor announced a new scheme for tax relief for payroll giving to charities. It enables employers to contract with a registered payroll-giving agency which will distribute employees' donations to the charities of their choice. Employees then receive tax relief on donations, up to a total of £120 a year.

Like many others, civil servants are keen to participate in this scheme, which benefits charities and the people who give to them. In December, my right hon. Friend announced that the Government, as employer, would participate. We are moving quickly to set up a scheme for the 216,000 people who are paid through the largest Civil Service payroll system, which is centred in Chessington.

On 11 March, the Inland Revenue published the names of the payroll agencies that are already registered. Within days the Treasury had written to all the organisations in England and Wales registered as payroll agencies, and to one other that has announced its intention to seek registration, asking whether they would be interested in tendering for the scheme that we plan to set up this summer. We look forward to their responses.

I shall turn now to the questions that I have been asked during the debate. One that was raised by the hon. Members for Kingston upon Hull, East (Mr. Prescott), for Colne Valley (Mr. Wainwright), and for St. Helens, South (Mr. Bermingham) related to British Petroleum. I am happy to clarify that matter. As my right hon. Friend the Financial Secretary announced in the House yesterday, the Government will sell their remaining holding of shares in BP, subject to market conditions, during the 1987-88 financial year. The proceeds will be paid in instalments, of which only the first will be due in 1987-88. The sale will be a further major contribution to our policy of encouraging wider share ownership and reducing Government involvement in the private sector.

I was asked about the Budget arithmetic. The Government announced their estimate of £5 billion a year from privatisation proceeds from 1987-88 onwards in the November autumn statement, and again in the January public expenditure White Paper. As the Red Book makes clear, the same figure was taken into account in the Budget in setting the PSBR for 1987-88 and in indicating the PSBR path for later years. The sale of BP shares will not add to this £5 billion a year estimate, but will help contribute to it. It has nothing to do with the future scope for tax cuts.

Mr. Blair: Can the Minister explain why the moment the Government announced the sale of their holding in BP the share price decreased sharply? Is not a reason the fact that it is appreciated that to sell the holding at one go, and partly paid, is a much less competent way of selling it than selling it in tranches, if it is to be sold?

Mr. Brooke: The behaviour and reaction of the market will be analysed, but, obviously, it does not relate to the specific announcement that I have just made.

My right hon. Friend the Member for Brentford and Isleworth spoke about the low paid. I know that he moved from the Treasury to the DHSS and he will recall that the new social security system which will operate from April 1988 is based on net income. This will mean that rate cuts and allowance increases will in future have similar effects on people in the poverty and unemployment traps. He asked about public expenditure, but, as he knows, that comes at a different moment in the rhythm of the year. In response to his comments on pensions, the average annual rate of growth of income for pensioners has been significantly higher under the Government since 1979 than it was between 1974 and 1979. It is higher even on retirement pension plus income-related benefits. It is much higher on occupational pensions. What increases it in particular is the fact that there was a negative return to pensioners from investment income in the 1970s because of the disastrous effect of inflation.

My right hon. Friend and my hon. Friend the Member for Eastbourne (Mr. Gow) asked about tobacco. There has been a 51 per cent. real increase in the duties on tobacco since we came to office in 1979, compared with a decrease in duty under the Labour Government. Manufacturers pleaded with us about the effect that our recent increases have been having on imported cigarettes. The hon. Member for Sedgefield was among those hon. Members who approached me and asked for a year off and such we gave to manufacturers. The presumption has always been that duties will be adjusted in line with the movement in prices from one year to the next—that is a medium-term judgment.

The hon. Member for Newham, North-East (Mr. Leighton), who is not with us, referred to the 1 per cent. of restart members who get jobs. That is the percentage of those who get a job straight from the interview. The Department of Employment does not follow up each interviewee, but a large number get jobs subsequently. The programme is only a first start.

My hon. Friend the Member for Reigate (Mr. Gardiner) asked about the higher rates of tax and my hon. Friend the Member for Eastbourne took up the subject of the marginal rate of tax. I draw their attention to the remark of my right hon. Friend the Chancellor in the *Financial Times* on 5 January, that we may well need to bring our top rate down further in the next Parliament.

There were speeches by northern Members, including the hon. Members for Jarrow (Mr. Dixon), for Burnley (Mr. Pike) and for St. Helens, South, tempered by a vigorous speech from my hon. Friend the Member for Delyn (Mr. Raffan), making a plea about the state of the north compared with the rest of the country. By chance I come to the debate as someone whose father in 1934 wrote a series of articles in *The Times* which are always described by historians of that period as having been the genesis of regional development policy. They related to the county of Durham where the constituency of the hon. Member for Sedgefield is located. Anyone who reads those articles would say they had been written about human beings in the manner that the hon. Member for Jarrow was discussing.

My hon. Friend the Member for Banbury (Mr. Baldry) said that the prosperity that we are enjoying in this country is spreading regionally and provincially and he quoted a whole series of statistics about advertising for vacancies around the country. There is no question but that prosperity is moving through the country as the economy expands. Since 1985, in the north-east and north-west, 31 major hospital buildings have been put up, 25 are under construction and 26 have been approved.

Since April 1985 eight roads schemes costing £40 million have been completed in the north-east and north-west and 45 schemes costing £482 million are in the forward programe. My hon. Friend the Member for Bexhill and Battle (Mr. Wardle) referred to the national

[Mr. Brooke]

insurance contribution. He has a new and unexpected ally in the right hon. Member for Sparkbrook, who said on 29 April 1985:

"the Labour party has never believed that such changes to the cost of labour and employment could contribute to the solution of the central problem of the economy, which is the reduction in unemployment."

He also said:

"We have never believed that an adjustment in the national insurance contributions could be what the Chancellor regards as something synonymous with or comparable to a tax incentive which would in itself create more jobs."—[*Official Report*, 29 April 1985; Vol. 78, c. 35.]

The hon. Member for Burnley asked what happens when the privatised assets run out. That seems to be the same sort of rhetorical question that was asked earlier about what happens when the oil revenues run out. My right hon. Friend has demonstrated in the past 12 months with great vividness how strongly the economy can carry on even when oil revenues have been diminished. The hon. Member for Burnley also produced the curious suggestion that the Chancellor had kept the tax cut down to 2p so that he could reduce it further after the election. That suggestion is at somewhat puzzling variance, as were his other remarks, with the position that the Opposition Front Bench has been taking, that as soon as the election is over we shall be confronted by a crisis.

The hon. Member for Bradford, West (Mr. Madden), in addition to his more general remarks about the north, returned to the subject of Bradford universities and the cuts of 1981. Since the cuts occurred in non-scientific and technological subjects in the universities that he quotes, that argument is becoming a little tired and, considering the vigour with which those universities have recovered, we can now put it behind us.

My hon. Friend the Member for Delyn asked a specific question about redundant Courtaulds workers. The proposal in the Budget is for tax relief to be available from 6 April for training provided by ex-employers as well as current employers. Ex-Courtaulds employees may qualify but that would depend on the particular circumstances. The scheme will be most useful when retraining can be offered before redundancy, or very quickly afterwards.

The hon. Member for Barnsley, West and Penistone (Mr. McKay), who joined my hon. Friend the Member for Loughborough (Mr. Dorrell) in welcoming the falling unemployment, referred to gaming machines. The rise in duty there is simply taking indexation back to 1982, but I will look at what he said on alternative targets.

The hon. Member for Sedgefield referred to PEPs and recited various details about them. I think that after two and a half months it is a little early to be coming to firm conclusions about how that scheme is going. One recalls that it has taken 10 years, since the Finance Bill of 1978, to climb from the 30 companies that first started out with profit-sharing schemes that year to the total well in excess of 1,000 that we have today. In terms of Barclays' initial tranche, 23 per cent. were totally new shareholders. That is a remarkable statistic considering how much share ownership has grown over the last eight years, and the Inland Revenue survey suggests an average investment of £1,600.

I listened to the hon. Member for Sedgefield on the subject of privatisation and came to the conclusion that the way in which he was addressing himself to that subject was based on Marshal Foch's principle of attacking so that one did not have to defend. One of the questions to which the whole country is interested to learn the answer is what the Labour party proposes to do about those operations that have already been privatised.

I found the hon. Gentleman's argument curious because he criticised the Government for selling off assets that were income-producing when the Opposition constantly criticise the Government for the increase in net overseas assets and the income flow that the country receives from them. I thought that the reply that the hon. Gentleman gave to my hon. Friend the Member for Eastbourne was curious. Essentially, he said that whether the principle was right or wrong would depend on the amount of money involved. Since the amount of money involved in the Labour Government sale was £564 million—of course it would be a much larger sum today than that—I did not find his argument wholly convincing.

The hon. Gentleman quoted the British growth rate as against others. We are claiming our relative performance against other economies. The United Kingdom economy has grown faster than that of any other major country in the European Community.

Mr. Blair *rose*——

Mr. Brooke: I will give way, but we are short of time.

Mr. Blair: If it is right to study comparative rates of growth—Britain and other comparable countries—is it not also right to judge inflation in those terms?

Mr. Prescott: Not tonight.

Mr. Brooke: In this instance I will take my cue from the hon. Member for Kingston upon Hull, East (Mr. Prescott) and agree, "Not tonight".

With regard to the argument put forward by the hon. Member for Sedgefield, about productivity and output, it is our performance in productivity that has enabled us to achieve our economic growth. Since 1983 our export growth has been running at 5½ per cent. per annum, as against 3¼ per cent. under the Labour Government. Of central concern is what would be the effect on interest rates if Labour was, improbably, to gain power and brought in its suggested borrowing plans.

I owe an answer to the hon. Member for Colne Valley about corporation tax receipts. The receipts in 1986-87 are affected by investment in 1985 and not, as I believe the hon. Gentleman was alluding to, in 1986. As time moves on it is increasingly difficult to disentangle the effects of the 1984 reform from other factors influencing both profitability and corporation tax paid on those profits. The corporation tax reform that reduced the marginal rates was one of a number of measures to increase the efficiency, dynamism and well-being of the corporate sector. The increase in company profits speaks for itself. In the longer run, when the reform has worked its way through, it will mean a reduction in the tax burden borne by companies. The investment intentions survey suggests a 6 per cent. volume increase in investment in 1987 by the main industrial sectors.

We have been discussing practical matters today. I believe that the whole House will have read with interest the elegiac comments of Mr. Samuel Brittan about the speech made by the right hon. Member for Glasgow, Hillhead (Mr. Jenkins) yesterday. The right hon. Gentleman has just become the biographer of Baldwin,

but in an earlier age he was the biographer of the first Earl of Oxford and Asquith. His speech yesterday was riddled with the doctrine "wait and see." Indeed he reminded me of A. J. Balfour's remarks about the first earl:

"his lucidity of style is a positive disadvantage when he has nothing to say."

If one adapts that to the right hon. Gentleman's speech and the alliance's attitude to income tax, it is clear that it is a disadvantage too when one wants to avoid saying something.

As the Walrus said:

"The time has come"—

I quote from the alliance's new pamphlet—

"To talk of many things: Of shoes—and ships—and sealing wax—Of cabbages—and kings—And why the sea is boiling hot—And whether pigs have wings."

But if one does not wish to talk about income tax, then "why the sea is boiling hot—And whether pigs have wings" is the epitome of the alliance's speculation. Unfortunately, not all of the right hon. Gentleman's supporters possess his adeptness.

If the alliance choose to talk of

"why the sea is boiling hot—And whether pigs have wings"

the Government prefers the more mundane subject of

"shoes—and ships—and sealing wax",

the title of last year's bicentenary history of the Board of Trade.

Tonight I have one last announcement to make about the disclosure of importers' details. British industry is now well placed to compete effectively in both home and export markets. But one factor that will influence their success is the information available about their competitors in the market place. One particular suggestion, put forward cogently and most recently by the economic development committee for the knitting industry, has been that information should be made available from the records of Customs and Excise about the names and addresses of importers of individual products into the United Kingdom. Such a move would be consistent with the aim of facilitating the free flow of goods and information within the European internal market. The idea merits thorough examination, and officials will be consulting industry and commerce about such a move over coming months. Should the consultation suggest that the balance of advantage lies in favour of the extension of information currently made available, the necessary change in the Customs and Excise Management Act 1979 could be introduced in a future Finance Bill. If it is subsequently decided to go ahead, the aim would be to legislate in the Finance Act 1988 for implementation at the start of 1989.

It being Ten o'clock, the debate stood adjourned.

Debate to be resumed tomorrow.

SCOTTISH AFFAIRS

Ordered,

That Mr. Tom Clarke be discharged from the Scottish Affairs Committee and Mr. Jim Craigen be added to the Committee.—*[Sir Marcus Fox, on behalf of the Committee of Selection.]*

TRADE AND INDUSTRY

Ordered,

That Mr. Robert McCrindle be discharged from the Trade and Industry Committee and Dr. Keith Hampson be added to the Committee. — *[Sir Marcus Fox, on behalf of the Committee of Selection.]*

Occupational Pension Funds

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Brooke.]*

10.1 pm

Sir Brandon Rhys Williams (Kensington): There are many reasons why the House should not yet adjourn but should give consideration to the responsibilities of occupational pension fund trustees.

Here are some of the reasons: the changes in the tax treatment of pension funds in last year's Budget and in this; the reforms of the law, which offer great new opportunities for employers and employees to accumulate capital to provide for retirement in different ways; the spate of recent takeovers and company amalgamations in which pension funds are often conspicuously involved; and the very rapid growth in the value of the assets of the funds held in trust, coupled with the fall in current inflation and inflationary expectations. All these are creating a new context for pension fund managers or, as I prefer to call them, pension fund trustees.

The Occupational Pensions Board has been too economical, in my view, in the guidance that it has been giving lately to trustees in these conditions. The House should therefore speak clearly on the various questions which trustees now have to ask themselves, bearing in mind that approved occupational pension funds enjoy valuable tax concessions because they are considered to perform an important public service. The trustees have an obligation to act in a way that is genuinely in the public interest.

I would like to express my own opinions, which I hope my hon. and learned Friend the Minister will be prepared to endorse. I know that they are widely shared on both sides of the House. First, I would like to look at the public sector schemes, to see if they provide an example. The Civil Service scheme is a good scheme, firstly because it is very generous. I believe that its real cost to the taxpayer is some 17·5 per cent.—or even more—on top of public sector wages and salaries. Secondly, it is a good scheme because it is fully transferable over a very wide area of employment, for the whole length of the early leaver's service. In both these ways, it is still well ahead of the great majority of private sector schemes and sets an example that they ought to follow.

I personally dislike the fact that the Civil Service scheme is a final salary scheme, that is to say, a scheme which allocates benefits preferentially to the high-paid rather than to the low-paid. That is a feature of all final salary schemes. I find it objectionable. On principle, I prefer money purchase, and I hope that employers and pension fund trustees, in considering how to institute or to improve their schemes, will look favourably at the money purchase principle, at least for the core of the pension entitlement. A final salary scheme can possibly then be set up on top, as a frill at the edges of the conditions of employment, to attract high fliers or for some other purpose.

Another feature of the public sector schemes which I do not like is the availability of a tax-free lump sum. I am not ignoring the popularity and the advantages of a lump sum option, but I believe that it is now being exploited in a way which is not part of the real object of pension schemes, which is to provide a reliable annuity for members in retirement and for their closest dependants. I would

[Sir Brandon Rhys Williams]

therefore prefer to see the tax-free element in the lump sum entitlement phased out in respect of entitlement accruing in years of future service. However that may be, I would like the trustees to make the provision of income their priority, rather than lump sums. I believe that would also represent the view of the great majority of members.

I look forward to a time when private sector schemes will provide benefits as generous as can be obtained right up to the limits which prevent the tax advantages from being exploited unacceptably. That is the best way to prevent members from a humiliating decline in their standards of life after retirement or possibly lapsing into the need to apply for supplementary benefit.

The provision of better occupational pension annuities in the private sector is not just a matter for employers: it is very much a matter for the trustees as well in the large number of schemes which are currently technically over-funded in relation to their ascertainable commitments.

What should the trustees do—and what should they avoid — if they have a surplus in their fund? The Occupational Pensions Board looks favourably at an increase in the benefits, and that is surely right. In my opinion, the opportunities for trustees to improve pension benefits are not exhausted until they have done all of the following things.

First, they should have increased pensions in payment fully to uprate their real purchasing power to the point where they have lost nothing at all through inflation since the date of award. Very few schemes do that, although very many could now afford to do so.

Secondly, they should give full measure to those people who have left the scheme before the normal date of award in search of other employment or through early retirement to protect them from a decline in the purchasing power of their retained asset.

Thirdly, they should uprate the benefits to members currently in service as far as the employer is able to sustain such a commitment in the long term.

Next, they should pay over the full accrued value of the entitlement of the early leavers who ask for a transfer to a new fund into a personal scheme.

I defined in an amendment to the Finance Bill on Report on 17 July last year the way in which the transfer value should be ascertained. I said that it should be

"the sum that would be required by the withdrawing member's scheme for the purpose of admitting a new member of the same age, sex and pensionable remuneration as the withdrawing member in order to credit him with the same number of years of pensionable service as the withdrawing member." — [*Official Report,* 17 July 1986; Vol 101, c. 1228.]

Of course, that formula would apply only in final salary schemes or other, as I think curiously misnamed, "defined benefit" schemes.

My hon. Friend the Economic Secretary to the Treasury, in replying to the debate last year, undertook —if I recall correctly—to consult the DHSS about my recommendation. However, I think that he has not yet done so. In the meantime, few if any defined benefit schemes are paying transfer values which fully cover the whole of the early leaver's accrued entitlement and they ought to do that.

I made my maiden speech in 1968 on this subject and in 1969 I introduced a Protection of Pension Rights Bill, which would have given effect to the transferability of pension rights in full on very much the lines that I am recommending now. I suppose that, 20 years after I made that first move, we may now get near to what I have been fighting for all these years.

I would strongly endorse the view of the DHSS that pension schemes should be put on a strictly equal unisex basis. The simple way to achieve that result, bearing in mind that women live longer than men and may retire earlier, while men are much more likely to leave a surviving spouse, is to balance the spouse's benefit so as to produce an equal actuarial entitlement for men and women employees. Schemes which do not give equal treatment or do not give awards to surviving spouses adequately should hasten to amend their rules accordingly.

Those are some of the ways in which trustees can put funds which are surplus to current commitment to good use. I want to state two very clear opinions as to the nature of trustees' responsibilities in other situations. They should recognise that they are holding funds in trust for the members and other specified beneficiaries of the scheme. They should not, for instance, indulge in self-investment in the shares of the sponsoring employer, to an extent, I believe, greater than 1 per cent. The trustees have no obligation to return surplus funds to the sponsoring employer, because they are indeed trustees. They are not administrators with a divided loyalty and they are certainly not appointees with a primary loyalty to the employer. That is a matter which deserves to be clarified and made extremely explicit for the guidance of the many people who find themselves acting as trustees, but who are not certain of their responsibilities and status.

In my view, therefore, there is never any justification for making a return payment of money out of trust to the sponsoring employer or anyone else, except in the rare circumstance where the fund is greater than is needed to pay the maximum benefits permitted for approved schemes under the tax rules. The trustees must find another way. This is particularly relevant in takeover and merger situations. Secondly, they should regard the employer's contribution as a form of deferred pay which is due on top of current wages and salaries whether the fund is flush with cash or not. A contribution holiday for the employer is therefore difficult if not impossible to justify, because it constitutes a cut in wages. A contribution holiday for the employee is also unacceptable because it is just a way of encouraging the members to live on their capital.

The reason why schemes are overfunded is almost certainly in part that they are holding funds which have grown as big as they are because of the tax concessions. They should be held for the purpose for which the tax concessions were granted, remembering that part of the money belongs in effect to the taxpayer. That is money which is held in trust but which has accumulated because of the existence of very substantial tax advantages; it will be recovered for the benefit of taxpayers at the time when the pensions are paid out. The principle on which all these schemes are established is, "Save now, pay tax later:" That is an invaluable principle on which we should build. The schemes pay tax later when the benefits are put into award, and at that point the taxpayer recovers that share of the fund which was in effect the taxpayer's property all along.

In this connection, I should like to censure with particular emphasis the very bad suggestion by Philips that its employees should take a contribution holiday and that

their wages and salaries should be adjusted accordingly. What is proposed is an utterly improper use of pension trust money and amounts to a barefaced attempt to take money out of the capital account and put it into the current account at the employees' expense. I hope that my hon. and learned Friend the Minister will join hon. Members on both sides of the House who are shocked at this appalling proposal. I trust, too, that that great Dutch company will drop the idea immediately and that it will not be followed by any other company in Britain.

An unfortunate phrase in a recent Philips advertisement caught my eye in *The Times* of 12 March. It states:

"In today's financial jungle we have a number of unfair advantages".

A firm of the standing and reputation of Philips ought not to exploit its employees by making such a proposal. It may have the unfair advantage of a very satisfactorily funded pension scheme. It may also have a reputation as an excellent employer, I am sure it has. Nevertheless, the idea should not have been conceived and certainly should not have been proposed to the employees.

To make certain what the issues are in this and similar cases, the Occupational Pensions Board should immediately put out a guidance note to clarify the matter. I hope it will follow the general lines of the recommendations that I have made today.

10.13 pm

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. Nicholas Lyell): The concern of my hon. Friend the Member for Kensington (Sir B. Rhys Williams) for the interests of members of occupational pension schemes and the protection of their rights is well established and ought to be better known, although it is widely known among those who understand these matters. He has fought a long and often valiant campaign to improve the lot of the early leaver. The Government have recognised the problems of members of occupational pension schemes who leave before pension age and have done much to remove those problems.

Today, my hon. Friend has drawn attention to the obligations of trustees in the comparatively new situation in which pension funds, though by no means all pension funds, are reported to be in surplus. He has expressed the desire that surpluses should be used to assist beneficiaries, both current and former employees, and the point is one with which I have sympathy. We must, however, set the issue in perspective. Looking back, say, over the period that my hon. Friend has been a Member of the House, one sees that the present situation has not always been the case.

A pension fund surplus can arise due to a number or combination of circumstances. In part it may be due to a decrease in long-term liabilities, or the financial markets may perform better than allowed for by the actuary when assessing the security of the scheme's funding. But markets may also under-perform—my hon. Friend remembers well the period of high inflation during the 1970s—and trustees have a responsibility to ensure that they have planned wisely to meet their obligations in the long term.

Pension schemes are, of course, voluntary arrangements set up by employers to provide benefits to employees. There are wide variations in the types and levels of benefit provided under different schemes. These reflect the employers' expectation of the long-term costs that they expect to be able to afford. A fund may elect to improve transfer values beyond what is required by legislation, or improve benefits generally. It must be borne in mind, however, that if these are long-term commitments with long-term cost implications beyond what the employer could in the long-term afford, they could undermine the security of all scheme members' prospective benefits.

It is clearly desirable that, in cases where a scheme is in surplus, surplus funds should be used to benefit scheme members. We believe it would be wrong to force this option on scheme administrators ahead of all others and regardless of the circumstances. Nevertheless, in many cases we would expect that benefit improvements, particularly increases to pensions already in the course of payment, would indeed be the favoured approach. And we would hope that, wherever the circumstances permit, surpluses should be used in this way.

My hon. Friend has mentioned a particular case involving suspension of contributions into a scheme. I shall not comment in detail on that case, but two points of general application should be made. First, a contribution holiday may, in certain circumstances, be a perfectly proper course of action. It is the case with most benefit-defined schemes that the benefits are financed from the proceeds of investing contributions paid by the employer and—in most cases—the employee throughout working life. The contribution rates are calculated on the basis of an actuarial assumption about a number of factors, including the relationship between the rate of return on the scheme investments and the growth of earnings. The actuary makes a new assessment at regular intervals and, if he finds in the light of experience or changed prospects that the scheme assets and liabilities are not in balance, he may well advise a change in the level of contribution so as to bring them into balance.

The second point is that the duties of the trustees of a pension scheme extend—I know that my hon. Friend will welcome this—to all the members of the scheme. This includes not just the current employees of the company but those retired members who are receiving pensions, and former employees still under pension age who have preserved pensions in the scheme.

My hon. Friend will know that the Government have, in recent years, looked very carefully at the question of whether trust law is a suitable framework for the operation of occupational pension schemes. The decision to set up an occupational pension scheme rests with the employer. While the views of employees and their representatives will no doubt have an influence, it is the employer who decides whether there shall be a scheme, who will be eligible for membership, and the rules under which it is to operate. To qualify for tax exemptions, however, the scheme must be set up under an irrevocable trust. That means that in practice virtually all schemes are set up under such a trust. I believe it would be helpful if I were at this point to set out some of the duties imposed by trust law.

Trust law places a general duty on trustees to act at all times in the best interests of all the members in accordance with the provisions of the trust deed and scheme rules. The trustees are therefore answerable to the members for any breach of that duty. The trustees have the duty of carrying out the terms of the trust, of acting prudently, reasonably, and in good faith, of paying the stipulated benefits, of exercising discretion over other payments and of keeping proper account. In addition, the establishment of a trust

[Mr. Nicholas Lyell]

fund alienates the funds set aside for pension provision so that they are held separate from the employer's other assets.

If a member or group of members sued the trustees for any breach of trust, the civil sanction which would be available at the High Court would include court orders to secure compliance with the deed of trust, or the appointment of a judicial trustee or, as a last resort, the administration of the trust taken over by the court itself. I must stress that, for the most part, occupational pension schemes pay members their full entitlements under the scheme rules, and in many cases members' expectations about increases of pensions in payment are fully met. Where the trustees of a fund properly feel that they can do so, it is certainly a step that the Government welcome.

Scheme members obviously have a very direct interest in the way their schemes are managed. One of the most important ways in which they may be helped to ensure that trustees are acting in accordance with their obligations and in the best interests of all the members—a matter to which we attach the great importance—is to give them access to information about the way in which the scheme is run. It is in this area that the Government have recently introduced important new measures.

The Social Security Act 1985 and regulations made under it have introduced new requirements on pension schemes to disclose information to members. Broadly speaking, members and those who represent them must have access to the trust deed and scheme rules, and to an annual report which embraces the audited accounts, an actuarial valuation and an investment report, as well as information on the rights of individual members. This gives members and their professional advisers—I invite them all to take note—a real opportunity to scrutinise the degree of skill with which their scheme is being run and the way in which its proceeds are being, or if it be the case are not being, deployed for the fair and balanced benefit of the scheme's members as a whole. I invite all beneficiaries of such schemes to make full use of that opportunity.

The 1985 Act introduced two other important measures to improve the position of scheme members whose pensionable service ends before pension age. These were the revaluation of preserved pensions and the right to a transfer value. The legislation followed a report by the Occupational Pensions Board — "Improved Protection for the Occupational Pension Rights and Expectations of Early Leavers", Cmnd. 8271, published in June 1981— and two consultative documents issued by my Department.

Since 1975 members who leave occupational pension schemes after a minimum period of qualifying service must have a pension preserved for them until normal pension age. That preserved pension was often eroded by inflation and unless the scheme was prepared to allow a transfer to another scheme, the early leaver could do little about it. The improvements introduced in the 1985 Act require a measure of revaluation of preserved pensions in line with the rise in prices, up to a limit of 5 per cent. per annum compound. But the Government have gone further than that. I would not underestimate that, given a Government who believe in keeping inflation down.

It is now a requirement that those who leave a pension scheme after 1 January 1986 shall have the right to a transfer value. That transfer value must be the cash equivalent of the preserved benefits in the scheme, increased to take account of the projected revaluation. The effect of these provisions is that when a member leaves a pension scheme before pension age he has three options. He may leave his preserved pension in the scheme where it will be subject to revaluation, he may have a transfer payment to a new employer's scheme, or he may use the cash equivalent to purchase a deferred annuity with an approved insurance company of his choice.

What is more, the important provisions of the Social Security Act 1986 have to be taken into account. When these provisions come fully into effect, there will be a further option—that of putting the transfer value into a personal pension scheme. The provisions of the 1986 Act will allow employees to withdraw from an employer's scheme to take out a personal pension scheme which will be completely independent of any particular employment. This and other types of pension provision which will be encouraged by the 1986 Act, money-purchase schemes and industry-wide schemes, where early leaver problems do not arise, will be of particular value to those who change jobs frequently. My right hon. Friend the Chancellor of the Exchequer announced on Tuesday that from October all members of occupational schemes will be able to make additional voluntary contributions independently of their employer's scheme.

I realise that my hon. Friend thinks that these measures do not go far enough, and he has on more than one previous occasion proposed that a higher value should be placed on transfer payments than that attributable to the preserved benefits. But, as the Occupational Pensions Board said in its report, the choice between a transfer payment and preserved benefits should be financially neutral. Were it not to be so, those early leavers who were entitled to an enhanced transfer payment would have a considerable advantage over those who opted for a preserved benefit. Furthermore, unless the whole basis of funding the scheme were to be changed, it could act against the interests of those scheme members who remain in employment.

In this short debate, I have sought to make the Government's view on occupational pension schemes clear. We believe that it is important to retain the voluntary principle in occupational pensions provision: in relation to the employer who can provide arrangements that he thinks are right in the circumstances of his business and tailored to the needs of his work force, and in giving the individual greater choice in making the pensions arrangements which suit him. We believe that the provisions of trust law provide a framework which is flexible in the variety of arrangements that it will allow and effective in the protection that it affords properly informed members. We believe that the Social Security Acts 1985 and 1986 taken together represent a significant advance. My hon. Friend will recognise from what I have said that the occupational pension scheme is fully free to go far down the route that he would prescribe—and if such schemes, so many of which are very well run, should choose to do so they certainly have the Government's blessing. Where he and I might part company is only in this—that, although we would certainly encourage it, we would not think it right to compel it.

Sir Brandon Rhys-Williams: May I take the opportunity to thank my hon. and learned Friend, who has made an

extremely helpful statement of the Government's position. It is gratifying to see how very much progress has been made in the interests of beneficiaries, particularly of early leavers. But, as my hon. Friend supposed, I believe that there is still a distance to go and I shall continue to press my points. I hope, too, that the Occupational Pensions Board will take note of this short debate and will make it very clear to the trustees of occupational pensions schemes where their duties lie.

Question put and agreed to,.

Adjourned accordingly at twenty-seven minutes past Ten o'clock.

House of Commons

Friday 20 March 1987

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BILL PRESENTED

PLANNING PERMISSION (DEMOLITION OF HOUSES)

Mr. Hugh Dykes presented a Bill to make it obligatory to apply for planning permission before demolishing a dwelling-house: And the same was read the First time; and ordered to be read a Second time upon Friday 1 May and to be printed. [Bill 20.]

Law and Order

9.35 am

Mr. Iain Mills (Meriden): I beg to move,

That this House welcomes the increasing emphasis on prevention in the fight against crime; believes that the development of closer links between the police, the community and industry has an important part to play in both the prevention and detection of crime, including industrial crime; and calls upon the Government to ensure that the range of sentences available to the courts is sufficient to enable them to deal effectively with those who commit crimes.

I am pleased to have drawn first place in the ballot. It is the first time in my eight years in the House that I have been so fortunate. This is a useful opportunity for me and other colleagues to look at this most important subject. The figures published this week on crime in the statistical document from the Home Office show that it is a subject that is most important to the House and the nation. Most colleagues were as horrified as I was to see the figures that show increases in crimes of all types. I was particularly concerned at the figures for offences against the person. There were 126,000 offences of violence against the person recorded in 1986—3 per cent. more than in 1985.

That constant increase in crimes against the person cannot be laid, as some Opposition Members have suggested, at the door of a simple set of Government policies. It must be illustrating huge changes in society's attitude and in people's attitude towards each other. I believe that there is a need for individuals, for people within a family group, for people and families within the community and for the community itself, in its relationship with the institutions, particularly the police, to take responsibility and to see the need for joint action if we are to see a reduction and improvement in that appalling and unhappy situation.

It would be too simple to try to give any one answer to the question — why have crimes increased? It is important to say at the start that one cannot simplify and say that a single matter such as unemployment is the whole reason for the increasing level of violence. The age of offenders and the number of offenders under working age shows clearly that, although unemployment may be one of the factors involved it is certainly not the only factor and cannot be claimed by anybody, other than somebody so simple-minded as to defy belief, to be the only cause for the increase in crime.

Having said how disturbed I am, I should say that the House will have the opportunity shortly during proceedings on the Criminal Justice Bill to debate a number of matters. This morning we should look not only at the problem but at some of the solutions. It disturbs me greatly that we do not have a deterrent in the form of capital punishment, which would be seen by deliberate, evil wrongdoers as a sufficient deterrent to prevent crimes. I would like to recall the words said to me by the Reverend Robert Bradford, who, before his murder at his advice bureau in Belfast, was a Member of this honourable House.

As an ordained Methodist minister his view and advice to me was that there were people of deliberate evil intent and that society had to accept the fact that some people were evil and would commit crimes capriciously and for evil reasons, and that they would be deterred if capital punishment was available to the courts. Since then, I have been firmly convinced that there are people who would be

[Mr. Iain Mills]

deterred. There are those who argue that crimes of passion and crimes that happen suddenly and not for evil intent will not be deterred by capital punishment, but some will.

Part of the problem is caused by the wrongdoer thinking that society will let him off and take a lenient attitude towards crime. This atmosphere, aided and abetted by the media, and by television in particular, must lead on some occasions to the potential wrongdoer concluding either that crime is not bad or that there is no real penalty against crime. In the letters column of the *Daily Telegraph*, a prison chaplain says that inmates had told him,

"No-one told us it was wrong."

Unless we stress in all our efforts, led by Government and institutions and fostered by the community and most important, by the family, that there is wrong and evil in certain acts, young people will not grow up to understand the nature of such acts. The ultimate act — that of murder — must surely attract a penalty which instils in the minds of those who might be considering such a crime such fear that they do not commit it.

I understand that we shall have an opportunity to debate this matter before long. I have signed the proposed amendment to the Criminal Justice Bill. I hope that we shall be able to vote on it. I shall vote, as I have on each occasion when the matter has been brought before the House, for the return of capital punishment. The amendment proposes that the death penalty should be available to the courts so that a person convicted by the unanimous verdict of a jury

"of the premeditated killing of another person or of knowlingly and intentionally killing another person in a manner, or for a reason, or in circumstances which a reasonable person would consider to be evil, shall suffer death in the manner authorised by law."

I cannot stress enough how important that is in achieving more safety for our citizens. Murder is committed less often than other crimes such as violence, burglary and serious personal injury, but it is that most important example that sets the attitude and the perception of potential wrongdoers about the attitude of society to them. To relinquish the availability of the death penalty to the courts must, in the minds of many potential wrongdoers, indicate that society is kind and lenient and that it will condone crimes such as murder.

I shall now discuss other serious crimes. The figures show that offences against the person have risen by 3 per cent. to over 100,000 a year. That must give rise to great concern about people's attitudes to each other.

Many of us are anxious about the operation of the Bail Act. Serious crimes and murder have been committed by those who should have been in prison at the time and would have been, but for the operation of the Bail Act. They have been allowed their freedom as a result of that Act. I am not criticising the technical decisions by the judiciary. I understand that in most cases, including that which was resolved yesterday concerning the murder of PC Blakelock, the Bail Act is used correctly. However, the operation of the Act has caused huge concern in that and many other instances.

The police request that an individual about to be tried should not be allowed to be free on bail, but that person is granted bail and, whilst on bail, is able to commit other serious offences. I ask for a response from the Minister about the Government's attitude to a fundamental review of the operation of the Bail Act, so that courts are more responsive to requests from the police to keep an accused person in captivity. Such requests should lead to such captivity more often.

Society has a right to expect such crimes as rape to attract penalties that will act as a deterrent. I understand that, statistically, the penalties for rape have increased, but many people believe that penalties for such crimes are too light. In a recent rape case, the sentence imposed was thought to be too lenient and such is the power of our media that that was conveyed to every living room in the country. It resulted in a flood of letters to myself and others. One in a huge pile of letters from constituents says:

"I should like to ask you if some law could be passed on sentences for criminals who rape women."

Another says:

"I am furious about the way judges act in the courts."

Yet another says:

"Criminals must see the reactions of the courts as much as to say, 'Don't do it again, but you must serve two years or thereabouts if you did not mean to do it.'"

That is not my grammar but are the words used in heartfelt letters from constituents.

Mr. Kenneth Hind (Lancashire, West): In the light of genuine disquiet by the public about cases such as the Ealing vicarage rape case, has not the time come for the House seriously to consider giving to the prosecution the right to appeal against lenient sentences and to give to the Court of Appeal the right to increase sentences to meet the guidelines laid down for judges in the lower courts?

Mr. Mills: My hon. Friend has made the next part of my speech for me. He is right. My hon. Friend's learned knowledge makes him better able to put the point than me. Not to have a mechanism through which lenient sentences can be reviewed is most unhappy.

Another letter from a constituent, using better grammar, states:

"I wish to express my concern at the leniency of sentences passed by Mr. Justice Leonard at the Old Bailey on 2 February. Five years and three years respectively for rape seems inappropriately short when compared with the five years received for aggravated burglary. Natural justice has been ill served by the justices. I hope that you will use your voice in Parliament to make it plain that at least one of your constituents is unhappy about this leniency."

That is a well-written and well-constructed letter. It is just one of many that we received about lenient sentences. That may be just one case, but, because of the widespread nature of the publicity that such cases receive, it has a huge impact on society. Many wrongdoers or potential wrongdoers who plan to rape, when they see the leniency of sentences, must take the mental attitude that, if that is the way in which justice works in our country, that must be the way that society feels and, therefore, that there cannot be anything wrong in doing what he is about to do. That is the burning point.

If the courts' decisions, for whatever reason, are not to be seen by the public to be over-lenient in view of the tragic, awful, unwholesome and unpleasant consequences of rape, the penalties must be high, strict and seen as a real deterrent against crime. If, because of the nature of our judicial system, that will not always happen, it is important to have some mechanism so that wider retrial powers can be available to the Appeal Court. Our democratic society, in trying to be kind and helpful, allows the Appeal Court to reduce sentences.

It has always seemed to me as a layman to be quite odd that the Appeal Court cannot increase sentences. My right hon. Friend the Home Secretary expressed some support for the idea. Indeed, I understand that a clause in a Bill that was amended in the House of Lords not so long ago would have given such powers of appeal. I urge the Minister to consider whether wider retrial powers should be part of the Government's future policy. Over-lenient sentences can be corrected by powers being made available to the Home Secretary or Ministers, or, far better, by the Appeal Court having the ability to increase over-lenient sentences in the same way as it can reduce sentences if it believes that it is justified. That is probably one of the most important parts of our debate and discussions today.

According to newspaper and police reports, it seems that, in our constituencies, old people are attacked, often for almost gratuitous reasons, and for very little gain if the intent is to steal money. The tragic attacks upon elderly lady pensioners aged 80—they obviously do not have many hundreds of pounds but only a few pence in their purses—can only mean an extension of the attitude that the weak and the feeble can be exploited and hurt. The only way in which a criminal can be brought to see sense and be deterred from carrying out his ghastly crimes is for him daily to see in the papers and to hear daily from friends and relatives that crime is punished in this country by penalties given by the courts that would make him shudder and think twice before committing crime. It is not just a matter for the courts. In essence, it is a matter for society, and the courts, in representing society's view and interpreting justice for society, must recognise that.

I ask the media — on some occasions they are friendly, on other occasions they are unfriendly, but they are always seen and heard by millions of people — to consider carefully the reports of a number of committees. I have in mind the Wyatt committee report. By and large, the media, in essence, provides the young in particular with immediate access to programmes that they will inevitably copy and will inevitably see as putting forward suggestions for lifestyle and propositions or ideas that they will inevitably — perhaps not always consciously — seek to copy. Although we all enjoy the great heroes of television, equally the purveying of violence can act on the minds of young people who wish not only to be heroes but to copy violence and be criminals.

In my constituency, I have experienced the lack of deterrence among young people in particular, who create social havoc when they carry out social crimes. It has led to a certain attitude, for example, at Chelmsley Wood, a council estate of about 18,000 homes in my constituency. It is a small area of a couple of square miles. The planners, in all their wisdom, decided that the great human race requires old and young people to relate to each other. That is absolutely right. It is a great objective. The only trouble is that the relationship between elderly, frail pensioners, some of whom are in wheelchairs, and agile youngsters on bicycles, motorbikes or even on foot, who rush around narrow walkways in crowded estates, often leads to friction. Many people in my constituency see me to complain about vandalism, and often vandalism with violence. A brick thrown through a window is almost commonplace. The solution is partly police patrolling—police presence—and the growing success of neighbourhood watch and crimewatch groups.

I now refer to the aspect of prevention. I spent rather longer than I intended on the other aspects. The debate has given me a rare opportunity to say some of the things that I would have liked to have said eight years ago.

Mr. Clive Soley (Hammersmith): The hon. Gentleman talked about some of his constituents who think that deterrence is important in the type of case that he described. I am sure that he must be aware that, at the last police consultative meeting in his area, nobody called for tougher sentences but for more police patrolling in the area and for a far greater provision of youth facilities. The hon. Gentleman's borough, which is a Conservative borough, has the lowest level of such facilities.

Mr. Mills: The first part of what the hon. Gentleman said forms the next part of my speech. I shall refer in some detail to the latter part of the hon. Gentleman's intervention. I have full details. In fact, the police liaison committee is to meet this evening. I shall report to it if I am permitted to leave the debate, which, I suppose, could go on for as long as 10 or 20 hours today, in view of the importance of the subject. With a bit of luck, I may attend the meeting.

The solution to violence and vandalism is partly to do with police on the beat and partly to do with the relationship between the old and the young. On a number of occasions I have said to constituents, "Instead of shouting at the kids why don't you give them a few sweets and make friends with them?" It might seem to be rather odd, but in a few cases that extraordinary technique has worked. Sometimes I have acted as mediator. Perhaps my rather large feet in black shoes may have given rise to a suspicion among children that I was a plain clothes policeman. I have said to youngsters, "Do you realise that, by tormenting this old lady, you are causing her huge concern?" The youngsters are mainly mischievous, but some are not. I can think of two or three solutions that occurred by getting the people to know each other.

On such crowded estates, one of the terrifying problems is that people do no often know who are their neighbours. They may recognise their faces but they do not know them as friends. The prevention of crime is desperately important but the interrelationship of people to combat crimes is vital. That means that parents must take responsibility for the actions of their children. Families who live in streets or blocks of buildings must come together to form neighbourhood watch or crimewatch groups so that they can revive what was originally tribalism.

I am reminded of a young black friend, a solicitor from Zimbabwe, who said to me a couple of years ago that the problem in Europe is that we have lost tribalism. He said that within his tribe people would never be allowed to behave like that, that people were looked after by each other and that the tribal leader was not expected to look after them. He said that, although the members of his tribe are not blood relatives, they nevertheless relate to one another. Therefore, it is most important to encourage people, wherever possible, to form crimewatch and neighbourhood watch groups to help identify potential criminals, to inform the police and therefore help to deter criminals. These groups also help to rebuild the family and the community spirit, leading to cohesion and a feeling of togetherness. The action of these groups leads to criminals

[Mr. Mills]

knowing that there are no easy pickings: that elderly and frail people cannot be picked off by them because they are being looked after by their neighbours and friends.

It is important that there should be a spirit of cohesion within our communities so that criminals are deterred from committing crime. It is also important that the police should be able to carry out the tasks that are given to them by society. To carry out those tasks they must be well motivated, by which I mean that they must be well paid, well led and well trained. Great strides have been made by this Government towards ensuring that police pay is adequate. The police provide an extremely high standard of training, leading to the creation of self-disciplined individuals who are capable of dealing with all aspects of crime. I have been out with my local police force in Chelmsley Wood. I admire their training and discipline and on occasions I have also admired their courage. We are not supposed to listen, I understand, on small radios to the radio broadcasts late on a Friday night in Birmingham, but if one does so one hears about various incidents. Recently two young constables had to face a riot of about 40 drunken youths at a pub, and one of them had to be taken to hospital with severe facial injuries.

I welcome the increase in the establishment of the police force nationally. There has been a welcome increase in the number of police officers in the west midlands recently, with an increase of 175 recruits, but it is vital that there should be a further increase in manpower. The matter has been discussed with the Home Secretary. I have written again to him and I have discussed it with the chief constable. I have also discussed it in some detail both with the police liaison committee in Chelmsley Wood and with police officers.

I pay tribute to the superintendent and the police force at Chelmsley Wood police station for their efforts, but it is clear that they have insufficient manpower resources and that, despite the increase in the police establishment, there are a number of problems. The additional posts that were approved by the Home Office in 1980 were in response to an application from the west midlands as a whole for an increase of 1,042 police officers. However, the increase in the police establishment, though welcome, has been offset by the reduction of police overtime in the authority's budget. That reduction is equivalent to 361 police officers.

Although the west midlands police force is now up to its authorised establishment of 6,684, it can be argued that the loss of overtime will lead to a reduction of between 200 and 300 police officers. That is part of the problem to which the hon. Member for Hammersmith (Mr. Soley) referred. On one occasion the police liaison committee met at a police station that controls a huge area. Four or five police officers were on duty. That number was quite inadequate on a Friday night to deal with any problems that might have arisen. I know that police procedures mean that police can be brought in from Birmingham, Coventry, and elsewhere, but we are obviously insufficiently manned. Therefore, I ask my hon. Friend the Under-Secretary of State for the Home Department to speak to his right hon. Friend the Home Secretary and stress that I and other Members of Parliament, of all the political parties, strongly support the suggestion that there should be an increase in the police establishment in the west midlands.

Also I congratulate the police nationally—although I know more about the west midlands police—on the programme that will lead to police jobs being given to civilians, wherever possible, so that police officers may patrol our streets and undertake other important tasks. It is vital that the police establishment should be increased. Therefore I ask my hon. Friend to listen most sympathetically to what I am saying and also to Mr. Dear, the chief constable of the west midlands, who has requested an increase in the police force. It is vital that these requests should be acted upon quickly because the training programme is arduous. One of the problems in Chelmsley Wood is that although there has been an increase in the police establishment, police training takes two years.

Until a police officer is both trained and has gained experience, he cannot be left on his or her own. There was a period when the police were grossly under-established. The numbers might have looked reasonable, but many people had to be taken through the training process before they could become experienced police officers. Decisions must, therefore, be taken now if there is to be an increase in establishment before too long.

It is vital to look not just at statistics but at people's perceptions of the penalties for wrong doing. Those that hit the headlines are the lenient penalties. Therefore it is vital that there should be consistency and strictness in the penalties for crime and wrong doing. If the penalties are over-lenient, the Court of Appeal or the Home Secretary must have the power to review and, if necessary, to increase them. I look forward to debating and voting upon the clause, which I hope will be passed, that will lead to the return of capital punishment as a penalty for murder and other serious crimes.

You may have wondered, Mr. Deputy Speaker, why I included industrial crime, but I have been interested in this aspect of crime for a number of years. For a number of years I have advised the industrial anti-counterfeiting group, as well as leading groups of trade mark agents who are concerned about the loss to great British companies, due to industrial counterfeiting. We do not talk a great deal about industrial crime, but it is important that all hon. Members should be aware of this problem. Although industrial crime is an offence under the Trade Descriptions Act and can attract penalties, it is not a criminal offence. It has been estimated that more than 100,000 jobs are lost each year because people steal Great British designs, trade marks, names and products and many other products sold in Britain under different brand names. Billions of pounds are lost throughout Europe because of this criminal act.

Counterfeiters take products and replicate them down to the last shade of colour. They include bottles of whisky, perfume, watches and car parts. Safety considerations must be taken into account. Many counterfeited car parts such as brake linings and brake diaphragms are seriously defective. While appearing to be the same as the products that have been counterfeited, they are likely to fail and are thus highly dangerous.

It may be said that this is a matter for the Department of Trade and Industry. I am sure that my hon. Friend's Department has briefed him. I spoke to the Minister of State, Department of Trade and Industry yesterday and asked that he should be briefed. It is now a matter for the Home Office, whose officials are discussing it with a working group from the Department of Trade and Industry. Both Departments have received copies of the

proposals of the anti-counterfeiting group. I hope that my hon. Friend will agree to make counterfeiting a criminal offence when the appropriate Bill comes along although he may not be able to do so now because the discussions are still taking place.

This serious offence is costing us hundreds of thousands of jobs and is losing British companies good, legitimate profits. But what penalties are available for the wicked criminals who are stealing our industrial property? Officials say that there are severe penalties, but what is actually happening? In a written answer a few months ago, my right hon. Friend the Home Secretary said:

"In 1985, the average fine imposed on offenders convicted under section 1 of the Trades Descriptions Act 1968 was £203".—[*Official Report*, 10 December 1986; Vol. 107, c. 169.]

What a vicious penalty! We spoke earlier about stiff penalties and life sentences, and I called for the return of capital punishment. At the other end of the scale, the average fine for stealing intellectual property, which everyone admits is a serious crime, is £203. That is hardly confirmation of the argument that the law is acting justly or adequately. It is not acceptable for the Government to say that it is a matter for the courts that the penalties are available to the courts and they should use them. We are an Administration, and we have a serious problem which has been going on for years, but the penalties are derisory. Any counterfeiter worth his salt will simply build a small amount into his huge profits with which to pay the fine, and say, "Who cares? If it is only £203. Does it really matter?"

It is important that my hon. Friend should respond, either now or later, to the need for strong deterrent policies to deal with industrial and commercial crime. The criminals are in it for the money, and are getting away with the money, having lost the odd £200 if they are caught. A firm of investigators dealing with computer fraud has said that the average amount stolen in that way is 10 times the amount stolen in the average bank robbery. We all agree that bank robberies — particularly those involving violence—should attract strict penalties, but here we are saying that a similar act should attract a fine of £200. That is no deterrent whatever.

We speak of counterfeiting as a crime because it is recognised as such, not only in this country but worldwide, and in other countries is treated as such. Until it is specified as a separate criminal offence here, as it is in the United States, counterfeiting will increase and we shall be out of line with Europe and the United States. The Trade Mark Counterfeiting Act 1984 passed in the United States made counterfeiting a specific criminal offence attracting fines of up to millions of dollars or many years in gaol.

It may have been felt 10 or 15 years ago that there was no need to change the law because not much counterfeiting was taking place. I raise the matter today because many of my hon. Friends may not realise what a rapid increase has taken place in the past 10 years. It is estimated that some $60 billion of world trade is in counterfeit items. That is a particularly serious problem for the more sophisticated western democracies, because counterfeiters in developing countries find heavily branded and trade mark protected goods easier to copy. It is an almost inevitable cycle that, as countries develop an industrial capability, they will ask themselves whether they should spend millions of pounds on research and development, advertising, branding, marking and naming products, or whether they should counterfeit some well-known and popular product. Until we ensure domestically that the penalties are sufficiently tight, the practice will continue — not only in such countries as Taiwan, Korea, the Philippines and Hong Kong, but in all the developing countries. Many of their Governments have acted, but the commercial entrepreneurs will continue to commit the crime. Counterfeiters weigh up the profit against the risk of prosecution and punishment and often decide that the risk is worth taking. One well-known counterfeiter has done it time and time again, and, with the fine at £200, can we wonder? That is why it is so important for my hon. Friend and his Department to obtain a full report from the Director of Public Prosecutions to confirm the level of penalties.

We must act quickly. The action taken in the Criminal Justice Bill on conspiracy to defraud is welcome, but although it deals adequately with parts of the problem, it does not face the need to make counterfeiting a criminal act. As a convinced European, I feel that we should not be seen yet again to be reacting to a request from the European Commission by imposing stronger penalties. It is time that we got our act together and did what is right before being requested to do so.

In reply to a question asked by Dame Shelagh Roberts, the European Commission replied:

"The US Trade Mark Counterfeiting Act 1984 makes it a felony for a person to traffic or attempt to traffic in goods or services bearing a counterfeit trademark. As far as the Community is concerned, after the recent adoption by the Council on 1 December 1986 of Regulation (EEC) No. 3842/86"

—that is an excellent move—

"laying down measures to prohibit the release for free circulation of counterfeit goods, the Commission intends to examine the adoption of appropriate measures to combat the manufacturing of counterfeit goods and trade therein within the Community's frontiers.

This examination will, at the request of the Honourable Member, be extended to include the penal legislation of the Member States."

It is pretty clear from that answer to a Member of the European Parliament's question that the European Commission will look at our domestic penalties for those crimes. If one compares those penalties with other countries in Europe, one finds that a fine of £203, in practical terms, will hardly act as a deterrent. So rather than be pushed by Europe, surely we should act now. If the Minister cannot give me the answer yes today, I ask him to make sure that Home Office officials respond to Department of Trade and Industry officials, and give us a clear time scale so that we can achieve some advances on counterfeiting.

The R. *v.* Ayres case—House of Lords 1984—which created a loophole on conspiracy to defraud, involved some £5 million of Chanel perfume. The counterfeiters got off—I am not sure whether one should say scot-free or perfume-free — but they certainly got off free. I hope that my hon. Friend will confirm today that clause 12 of the Criminal Justice Bill will rectify that matter and ensure that the defence under conspiracy to defraud is now covered by his Department.

I should like to quote a few myths and facts on counterfeiting. Most hon. Members tend to think of it in terms of £5 notes or, if they are richer, £50 notes, or that it is a problem, with jeans, or, because they have read about the Chanel case, with perfume, or, because they have heard about the watch case, with watches. However,

[Mr. Mills]

I remind the House that all industries are vulnerable, including the manufacturers of car parts and drugs. In the pharmaceutical industry, the counterfeiting of drugs not only affects the jobs and profits in British companies, but it can be dangerous. Even if it is not dangerous, the drugs can be misapplied or misdirected. They might not even be the proper product. We are all simple and innocent when we buy from a reputable chemist a drug on prescription.

If the box looks right, we believe that the little pill inside, or the powder, is all right. But if it is counterfeit, it might not be. The chemist or pharmacist might be reputable, but goods might come in through his supplier that are not right.

When someone buys a well-known brand of brake linings or replaces the disc pads, he has full confidence that the next time he is, perhaps, driving to the House of Commons on the M1 and has to brake at 70 mph, the car will stop. But he might find that a counterfeit part has been sold, perhaps unwittingly, by the local garage or shop, and the car goes straight on, with the result that there is a terrible accident. Not only have the lads in Birmingham lost their jobs because somebody has stolen their design but the driver is endangered.

One of the myths is that such an incident happens only with goods produced abroad. The United Kingdom has always had domestic counterfeits manufacture, and now it is increasing. Exactly the same arguments apply as to other crimes—the penalties are not sufficient to prevent that counterfeiting. If the Minister says that the Department of Trade and Industry told him that under the Trade Descriptions Act 1968 the penalties can be severe, my question is: if they are, why are they not being applied? It is exactly the same argument for other crimes. the figure of £203 given as the average in the Home Office answer shows that whether it is under the Trade Descriptions Act or not, courts could have recourse to stricter penalties, but they are not doing so.

Part of my motion was about the relationship between the community and the police. I talked about that in tremendous detail in relation to other crimes. It is most important to examine it in the context of industrial crime. As I said, we need more police. People will be sympathetic to the view that in Chelmsley Wood the police should be patrolling the beat, preventing violence and vandalism. But the time that the police have to investigate industrial crimes is limited. It is therefore important that there is a relationship between the trading standards departments, trading standards officers and the police. I have some interesting examples.

In the perfume case, the police involvement came about only because they stumbled across counterfeiting while they were doing another investigation. It is apparently a matter of policy that the police will normally decline to become involved in counterfeiting cases on the grounds that trading standards officers should deal with them in the absence of any substantive serious offence. Investigators' experience in anti-counterfeiting work confirmed that, while at local level the police are often helpful and co-operative, the policy that they have to enforce is that counterfeiting is a matter for the trading standards officers. The criminals know that. It is interesting that an investigator reported that while he was working under cover he was told that a consignment of 20,000 to 30,000 watches was about to be processed, and that there was no need to worry because the matter involved only trading standards. He was told, "The police don't want to know."

In 1986 a large quantity of counterfeit watches was seized by the police in Hatton Garden. The police found it difficult to believe that that was happening. They were anxious to bring charges, but it was apparent that there was no clear offence with which the man who was counterfeiting the watches could be charged. After some consideration, the charge of being equipped to cheat was brought under section 25 of the Theft Act 1968. I believe that the case is still to come before the court.

Another example is in the Manchester area. In early 1986, 100,000 bottles of counterfeit perfume were found. Apparently the packaging as well as the perfume had been obtained, and the counterfeiters were ready to put them together and make a profit. That was known to the police, but no action could be taken because no offence had been committed at that stage. Eventually the perfume was sold and retailed, and action was then taken. Had criminal action against the counterfeiters been possible at an early stage, the problem would have been prevented at the start.

We must recognise that trading standards officers are not seen by criminals to be the instruments of the law. The level of penalties is seen to be abysmal. We see Europe looking into the matter and being likely to suggest that we should have stronger penalties in the United Kingdom. That is vital. My hon. Friend the Minister and the Department of Trade and Industry will know that the Bill prepared by the Anti-Counterfeiting Group is available and could be made law at any time the Government should wish. I have been pressing and campaigning for it, and welcome the support of any colleagues on both sides of the House.

I hope that the Home Office will respond to the Department of Trade and Industry. I agree with the view expressed by the commercial interests, that the amount of time taken by the Home Office to consider its view on the level of penalties and respond to the request to make counterfeiting a specific offence is far too long. I have much correspondence, but I should not speak for much longer. I think that I have covered most of the points.

The motion has been a welcome opportunity. I have mentioned industrial crime as well as other crimes because it is a serious matter. I look for a detailed response. My last word is that no hon. Member can say today that the level of crime, which is rising, is due to one simple factor. One cannot say that one party or one type of political philosophy is responsible. There are great changes in society. They have taken place elsewhere. We have seen changes take place in America.

If we ignore the family, the individual and the community in the prevention of crime, we are ignoring the very basis of what was once so important to our community—the spirit of dependence on each other and the relationship with each other. By acting together, I am sure that we can start to stop those crimes. It is vital that we have penalties that will help to deter and prevent them.

10.29 am

Mr. Chris Smith (Islington, South and Finsbury): I must first offer my congratulations to the hon. Member for Meriden (Mr. Mills) not only on his speech but also on the extremely appropriate timing of his choice of subject. We are debating law and order, crime, and the relationships between the police and the community this

morning in the light of the tragic and disturbing crime figures that were issued earlier this week. That fact makes our debate peculiarly appropriate.

I want to take up first one of the final remarks made by the hon. Member. He said, rightly, that there was no one single cause of the rise in crime and no one single answer or party political answer. I hope that that message will get home to the Prime Minister. Twice this week at Prime Minister's Question time the Prime Minister shut her eyes to some—not all—of the root causes and the social upheavals that are scarring too many of our inner cities at the moment as part of the cause of the rise in crime.

We cannot ignore the rise in unemployment, the extent of poverty, the dereliction of our inner cities, the extent of homelessness and the lack of facilities for young people in particular. We cannot ignore those as inevitable factors leading to lawlessness and crime.

There are some areas in which really good work has been done. I will consider in a moment how they begin to roll back the tide of crime. When I claim that unemployment, lack of youth facilities, and poverty, are part of the root cause of crime. I do not say that as an excuse for those who take to crime. That is no excuse at all. However, we must understand the linkages between poverty, unemployment and crime if we are to begin to tackle the problems of crime effectively. We should be redoubling our determination to begin to tackle some of those underlying social problems.

There is not only an erroneous assumption on the part of the Prime Minister that unemployment has nothing whatsoever to do with the rise in crime; there is also an erroneous assumption on the Prime Minister's part that policing is in some way the only answer to rising crime. Time and again over the past three to four years, when we have been pressing the Prime Minister in the House on issues of law and order and rising crime, her only answer has been that her Government have spent more on the police, have recruited more police officers and have provided the police with more weapons.

Policing is part of the answer to rising crime. However, it is not the only answer. We must recognise the fact that policing must, if it is to be effective, be policing in the community and with the community. In that again the hon. Member for Meriden was absolutely correct. That means that a number of things must happen. I am sure that most hon. Members who talk to ordinary people about their fear of crime will agree that we must ensure that more police officers are on foot, on the beat going around the streets and estates in our constituencies.

When I raised with the Home Secretary at a meeting with London Labour Members a week ago the question of the extra complement that he has recently announced for the Metropolitan police — a very welcome extra complement—I asked specifically how many of the extra officers will actually end up on the beat in my constituency. Every time I talk to the local chief superintendent about the need for home beat patrolling around the estates in the southern parts of Islington, I am told that the police are terribly stretched for manpower and that it is difficult to devote the resources to home beat patrolling that should be there.

Mrs. Virginia Bottomley (Surrey, South-West): Would the hon. Gentleman agree that part of encouraging the home beat officer on to the streets and to feel welcome in the community should involve him feeling that he has a welcome in London schools and that the schools should make every effort always to have an open door for their local home beat police officer?

Mr. Smith: I entirely agee that a sensible relationship between the police and schools is extremely important. I am pleased to say that the schools in my constituency have traditionally invited the police in to meet children and discuss their work. It is absolutely right that that should happen.

The report of the Comptroller and Auditor General about the funding and cost of the Metropolitan police published a year or so ago reveals some worrying figures. It shows that only 25 per cent. of police time is spent on patrol. That covers not just patrolling on foot but patrolling in cars as well. The conclusion that we must draw from that is that police time is not spent as well as it could be at the moment. We must get police officers, whose skilled job should be out on the streets relating to people, out of the police stations and away from the paper work. We must ensure that there are more civilians in the police stations carrying out the administrative tasks to release skilled policing work for the streets so that more officers can be on foot, patrolling the beat.

Another requirement for good policing is that the police must tackle the crimes that people want them to tackle. In Islington a year and a half ago, a thorough crime survey was carried out and 2,000 households within my constituency and that of my hon. Friend the Member for Islington, North (Mr. Corbyn) were interviewed in depth about the priorities that they felt should attach to policing in the area. The figures that emerged from the survey make very interesting reading indeed.

Out of 17 types of offences ranging from burglary, racist attacks, vandalism and sexual assaults, householders were asked which five were, in their view, the crimes deserving the greatest police priority. For anyone taking a common-sense view of what people are worried about, and anyone talking to ordinary people about the things that they fear most about crime, the results of that survey should come as no surprise. Top of the list of priorities was robbery with violence in the street; second was sexual assaults on women; third was the use of heroin or hard drugs; fourth was burglary of people's houses; fifth was drunken driving; sixth was racist attacks; seventh was vandalism. The bottom of the list shows those offences which deserve priority in those people's eyes: such crimes as shop lifting, company fraud, prostitution, burglary of shops, theft of motor cars, rowdyism in the street and the use of cannabis. Although the people did not believe that those crimes should be ignored, they thought that they should have less priority than other, more important crimes.

Those priorities have been thrown up in many surveys, not just in Islington but in the Policy Studies Institute survey and the Merseyside crime survey. Interestingly, when those surveys have asked the police which are the most important crimes that they should be tackling, the answers ar not always the same. We must make sure that police priorities match the priorities of the people in areas which those officers must police.

The third point is that the police must work with local people. In my constituency, there has been great success in rolling back the tide of crime on some council estates. One example is the Barnsbury estate in the middle of my

[Mr. Smith]

constituency. About three years ago, there was much vandalism on the estate. People were frightened to go out at night and some were terrified to go to the community centre, perhaps for the luncheon club, during the day.

At the initiative of the tenants, a meeting was set up between tenants, the police and the local authority to try to discover what was needed to improve crime prevention on the estate. The tenants told the police how they wanted their estate to be patrolled. They told the council what improvements were needed in lighting and in entry phones and what facilities should be made available. The transformation has been remarkable.

That is an example of the direction in which we should go. Local people should be able to sit down with the police and the public authorities to make sure that their neighbourhoods and estates are policed as they want them to be policed and that, simultaneously, the essential work of crime prevention to make those neighbourhoods safer and more secure is carried out.

Mr. Hind: Although I accept the hon. Gentleman's point, does he agree that in some areas, especially those with large ethnic communities, a larger proportion of police officers should be recruited from among those communities to build confidence between the community and the police? Is that not the way forward?

Mr. Smith: The hon. Gentleman will know from our discussions in the Committee that considered the Criminal Justice Bill that I do not always agree with everything he says, but on this occasion he is right. We must try to resolve the catch-22 problem that people from the ethnic minority communities, especially in London, are reluctant to join the police force because they regard it as not being interested in their concerns and as not containing many members of their communities. We must ensure that there are more black and Asian police officers on the streets, because that is one way of ensuring good policing in concert with the community, rather than rubbing up against the community.

Mr. Richard Hickmet (Glanford and Scunthorpe): The hon. Gentleman says that we must build confidence in the police and good relations between the police and the community. Is he happy about the relations between police liaison committees in inner London and the police in the Metropolis? In some cases, that relationship is very bad. Outside London, is he happy about the relationship between some police committees and the police forces? how can those relations be improved?

Mr. Smith: The hon. Gentleman has, unusually perceptively, anticipated what I was about to say. On some occasions, criticism of the police is justified. I remind the House that, in June this year, several officers will be tried in connection with an assault three and a half to four years ago just off the Holloway road on five youngsters who are my constituents. As the matter is sub judice, I shall not discuss it in detail, but there was undoubtedly an incident that brought discredit on the police force and in the interests of good policing, it is important to resolve the matter.

There will be many more occasions when working closely with the police is jusitifed and necessary. It is important to get the balance right. I am pleased to say that, in Islington, the right balance has been struck. There is a police consultative committee on which I, representatives of the borough and many representatives of the community sit, and it does a constructive job. Relations between the local authority and the police are good. It does not always praise the police, but it works well with the police and has developed several initiatives and multi-agency projects on estates, including the provision of a victim examination suite for the victims of rape. some good work is being done in Islington between a local authority, which some Conservative Members wrongly try to characterise as being beyond the realms of reason, and the police who do the work on the streets.

In Brighton, the Labour authority, which, sadly, has been rate-capped by the Government, is working with the constabulary in crime prevention. There are many good examples of Labour-controlled authorities working closely with the police. It is not always an entirely adulatory relationship on either side — indeed, it should not be adulatory — but they are working well and constructively. That is the way forward. I would accept criticism from Conservative Members about some Labour authorities more easily if they also mentioned the constructive work that is being done.

Policing is not the only answer to crime. We should explore the many other solutions. I welcome the Government's new-found commitment to crime prevention, but we should consider the improvements that are desperately needed in most of our inner cities. For example, street lighting must be improved so that there are fewer dark corners and the streets are made safer, especially for women and elderly people. We need entryphones in blocks of flats on council estates. We need not just physical barriers, but caretakers, porters and concierges to ensure that there is a human presence controlling entry.

We need stronger doors for flats — at the moment such flats have flimsy doors that can be booted in all too easily. There should be window locks to prevent people gaining entry to carry out burglaries. There should be railings around basement areas to make access more difficult. There should be more youth facilities for young people so that they have something to do, especially during the evening, instead of simply hanging around street corners or gathering at the bottom of blocks of flats.

Those are the sort of things that are desperately needed and they would make a massive contribution to the prevention of crime in inner city areas.

Mr. Patrick Nicholls (Teignbridge): Will the hon. Gentleman give way?

Mr. Smith: No, I have given way too often and I must get on.

What have the Government done in the past eight years about precisely those measures that would aid crime prevention? We inevitably come to the conclusion that they have been making it more rather than less difficult for local authorities to carry out their work.

Mr. Nicholls *rose——*

Mr. Smith: I will give way reluctantly.

Mr. Nicholls: I am grateful to the hon. Gentleman for giving way. Before he runs away completely with the idea that his party can claim credit for crime prevention and that the Conservatives are against such work, will he take

the opportunity to dissociate himself from the remarks made by the chairman of Lambeth police committee, who said that he disapproved of neighbourhood watch schemes because they tended to divide the community? I believe that that is a more accurate reflection of his colleagues' views on crime prevention.

Mr. Smith: I knew that I should not have given way to the hon. Gentleman—his point is totally unrelated to the basic work of crime prevention. However, I shall answer. Many neighbourhood watch schemes do much good work, but, in my view, a neighbourhood watch scheme that simply calls on people within an area to keep a lookout for crime is not the best approach to crime prevention in that area. A neighbourhood watch scheme should also include an awareness of the physical needs of the area. It is also important that all authorities in the area—the local authority, social services and the police—assist in improving crime prevention in that area.

Many neighbourhood watch schemes have developed in that way; and I welcome that. However, some have not, and that is sad. To say that all neighbourhood watch schemes should be immediately welcomed is a simplistic approach. The neighbourhood watch scheme is potentially a good development, but it must encompass the entire physical fabric of an area as well as the residents' actions in that area. That is an important point and one which I hope that the hon. Gentleman will accept.

We should consider the support that is given to local authorities to improve the physical fabric of their area. The Government's record is not a good one. My local authority, which is currently rate-capped, has struggled to find £150,000 in this financial year to upgrade street lighting in the area. I have been pressing the authority to devote as much of its resources as possible to that extremely important work. I would dearly love the authority to be able to double that figure, but that is impossible because of the Government's financial constraints upon that local authority.

We must consider the balance of the Government's priorities over the past eight years. The Government are now spending 30 per cent. more, in real terms, on the forces of crime control—the police, the courts and the judiciary. The Government are also spending 70 per cent. less, in real terms, on housing. Housing improvement in most of our inner-city areas represents the best way of preventing crime. That is the path the Government should follow.

The Government's priorities are entirely wrong. We need more crime prevention and we need more support from the Government for the essential crime prevention work that local authorities wish to carry out. If the Government put their money where their mouth is, we might see a dent in the horrible, appalling crime figures published earlier this week.

10.54 am

Mr. Mark Carlisle (Warrington, South): I am grateful for the opportunity to speak after the hon. Member for Islington, South and Finsbury (Mr. Smith). Although he would not expect me to agree with certain of his concluding remarks I agreed with a great deal of the earlier part of his speech. I agree especially with his welcome to the motion put down for debate by my hon. Friend the Member for Meriden (Mr. Mills). It is an extremely topical debate, and I believe that it is right to draw attention to the need for greater emphasis on crime prevention measures and for greater emphasis on the relationship between the police and the community.

Obviously, I agree with the hon. Member for Islington, South and Finsbury that the crime figures produced this week are depressing, disappointing, serious and disturbing. At the beginning of his speech the hon. Gentleman said that he hoped that he would get across to the Prime Minister his message that the causes of crime are complex. I suggest to the hon. Gentleman that he addresses a similar message to the Opposition Front Bench spokesman, the right hon. Member for Manchester, Gorton (Mr. Kaufman) and points out to him, in exactly the same way as he has attempted to point out to the Prime Minister, that the causes of crime are complex. It was ridiculous for the right hon. Gentleman to imply, as he attempted to do earlier this week, that, somehow or other, the crime figures were wholly the fault of the present Government.

Yesterday I looked back at the crime figures during the period that I have been a member of this House. Comparing the figures for 1964 with the present figures reveals a rise of about 350 per cent. In that period crime figures show a rise from just under 1,200,000 to about 3,800,000. The period between 1964 and 1987 has been divided almost equally between periods of Labour and Conservative Government. The 1986 figures are serious and disappointing but over the past 30 years recorded crime has been rising by about 6 per cent. a year.

We are all aware that recorded crime is not an accurate portrayal of the amount of actual crime. The figures for burglary leave no doubt—both sides of the House would agree on this—that reports of such crime have grown because of the wider use of insurance and because of people's' greater concern to report matters that they believe represent offences against their property. It is significant to note that of the reported burglary figures, 9 per cent. represent attempted burglary. Having said that, however, the rapid rise in crime over this period is serious, depressing and something to which the House must address itself.

Mr. Michael Foot (Blaenau Gwent): If I understand the case that the right hon. and learned Gentleman is making, does he not think it highly regrettable that, in 1979, before the election, the present Prime Minister tried to imply that the rising crime figures were the fault of the Labour Government and that her Government would be able to deal with the matter much more effectively. Does he not agree that the Prime Minister should withdraw those remarks? It would assist the position.

Mr. Carlisle: I do not agree that my right hon. Friend should withdraw those remarks. What my right hon. Friend said at that stage was true—I shall develop that argument later. My right hon. Friend intended that the Government should put greater emphasis on certain aspects of the fight against crime. Nevertheless, crime has continued to increase.

I am afraid that the right hon. Gentleman's intervention has rather thrown me off the line that I was pursuing in my speech——

Mr. Tony Banks (Newham, North-West): Perhaps I can assist in bringing the right hon. and learned Gentleman back to the point that he was making, as that was the point that concerned me. He said that there was a higher incidence of reporting of crimes, especially burglary. A

[Mr. Tony Banks]

recent Harris opinion poll in Newham showed that only one in 20 instances of racial harassment was reported to the police, so in that context there is substantial under-reporting of a very serious crime.

Mr. Carlisle: No one doubts that there is a great area of hidden, unreported crime. It has always been accepted that recorded crime figures do not reflect the total incidence of crime. I was simply saying that over a 30-year period the willingness to report crime has increased, but the total volume of crime has also risen continuously throughout the period.

To respond to the comments of the former Leader of the Opposition, the right hon. Member for Blaenau Gwent (Mr. Foot), we must recognise that there are no easy solutions to crime and that the Government's role in the fight against crime, though extremely important, is limited because, as the hon. Member for Islington, South and Finsbury said, the causes of crime are extremely complex.

In my view, the role that the Government can and should play is threefold. First, they must ensure that adequate resources, power and manpower are available to the police. Secondly, they must ensure that the sentences available to the courts are adequate. Thirdly, they must ensure that adequate resources are put into the whole fight against crime, including not only the prison building programme but the probation service, social services, and so on.

To answer the question posed by the right hon. Member for Blaenau Gwent about my right hon. Friend the Prime Minister's comments in 1979, I believe that the Government have done well in those three limited areas and have increased resources in the way that I have described. I have seen and heard nothing from the Labour Front Bench to suggest that a Labour Government would have done better. Indeed, it is clear from many of their statements and attitudes that they would have given these matters lower priority. As the hon. Member for Islington, South and Finsbury said, there are more policemen about today than there were in 1979 — 15,700 more, if one includes ancillaries — and the powers available to the police have been strengthened over the period.

I firmly believe that the Government's reviews and the maximum penalties now available to the courts show that Parliament has carried out its duty to ensure that adequate penalties are available to the courts. It is vital to remember, however, that although it is Parliament's duty to ensure that the penalties available are adequate, the passing of individual sentences is a matter for the judiciary and not for Ministers. My hon. Friend the member for Meriden said at one stage that he favoured powers to allow the Home Secretary to review over-lenient sentences, but I am sure that that was a slip of the tongue as it would clearly be disastrous if the Executive ever became involved in sentencing.

I am becoming increasingly concerned at the constant calls from some areas of society for ever longer sentences and the frequent attempts to lay all the blame on the judiciary in individual cases. I am concerned about this, not just because it is wrong, but because it is counterproductive. I accept that part of the purpose of punishment is to deter people from committing crime, but calling for ever longer sentences gives the impression that the courts are weak on serious crime and pass derisory sentences for serious crimes of violence. I simply do not accept that. Perhaps I should declare an interest as one who practises in the criminal courts and sits as a Recorder. Statistics for the past two years show that the length of sentences is increasing and it is nonsense to suggest that crimes of violence are not treated seriously by the higher courts.

Those who constantly criticise the judiciary and claim that sentences are derisory undermine the deterrent effect of the courts. The allegation is often not just unfair to the individual member of the judiciary concerned, but it attacks the system and people's perception of it. My hon. Friend the Member for Meriden is right that perception is important. If people go around saying that one can get away with serious crime and nothing will happen, people will begin to believe it. In fact, the sentences passed by the higher courts for serious offences of violence are generally longer in this country than in any other European country and they are still increasing somewhat.

Mr. Hickmet: How important a role does my right hon. and learned Friend think that diminished respect for the rule of law or for the police plays in the amount of crime committed? Secondly, if judges are constantly attacked for their decisions and sentences, will this not further diminish respect for the rule of law and further promote crime?

Mr. Carlisle: My hon. Friend has, in far more felicitous language, repeated the argument that I was trying to make. I make no political point about this, but we must remember that it is this House which lays down the law and sets the penalties, and that it was this House which passed the Bail Act. It is the responsibility of judges to exercise discretion within the powers given to them by Parliament and in accordance with the wishes expressed by Parliament. Sentencing is a very difficult task. I believe that in the vast majority of cases it is approached with responsibility by members of the judiciary, who rightly seek to reflect what they believe to be their responsibilities both to society and to the individual before them.

I end this part of my speech on a purely personal note. As a junior Minister in the Home Office, I was responsible for giving approval that led to the release of someone from Broadmoor — I shall not mention the name — who committed several further murders. Am I asked to take the responsibility for that decision? Should it rest on my conscience? I have heard that phrase used recently.

As one would, I went back and reconsidered the papers. I found that that decision had been reached after much care and thought, and after taking the best possible professional advice that one could receive. The scandal would have been to have rejected that advice and those recommendations, and to have used one's own hunch against all the evidence that was provided about that man's condition.

With hindsight, it was tragic that that man was ever released, and with hindsight it is easy to criticise the individuals concerned. However one must remember that the responsibility of those who sit in our courts is to use their experience and professionalism, on the basis of their knowledge at that time. I confirm the comments made by my hon. Friend the Member for Glanford and Scunthorpe (Mr. Hickmet) that continual criticism of the individuals involved in such cases undermines respect for the rule of the land.

I turn now to the resources that are available in the fight against crime. I refer to the prison building programme

and to the other resources that are provided for fighting crime within society. I have no doubt that we all accept that those who commit serious crimes should go to prison and serve long sentences. We must have an adequate prison service that can deal with those whom the courts sentence.

We must keep the facts in perspective. In 1970, there were just under 40,000 people in prison. One of the first papers that I received as a junior Home Office Minister in 1970 was a Home Office projection of what was likely to happen to the prison population during the next decade and the next 20 years if no action was taken. If the pattern of the graph had continued, it was predicted that there would have been a far higher prison population than we in fact have today.

We did two things about that. We brought in the Criminal Justice Act 1982, which widened the opportunities for alternatives to imprisonment, especially the community service order and, under the late Mr. Reginald Maudling, we started a substantial prison-building programme. I regret to say that the incoming Labour Government killed that programme. Therefore, Opposition Members should not criticise the overcrowding that now exists.

The 1971 annual prison report stated:

"The Prison Department is now embarked on a very large building programme. The primary aim of the programme is to produce the large number of additional places needed in the system to meet the expected rise in the prison population during the 1970s and, so far as may be predictable, depending on the future size of the population, to reduce or eliminate overcrowding."

That building programme continued. I refer now to the 1975 annual prison report, which stated:

"The general strategy developed in 1970 of providing more adult training prisons and young offenders accommodation by building new purpose-built establishments, by adapting former service camps and by making additions to existing establishments, continued during 1975."

But in the next paragraph it said:

"As a result of the 1975 Public Expenditure Survey the estimated expenditure for the prison building programme for the years 1975/76 to 1978/79 was reduced by over £40 million. This has meant the indefinite deferment . . . "

The report refers to three major schemes that would have produced 1,600 new places by 1979, and to five further schemes that would have produced another 1,700 places. The ending of that prison building programme, started in 1970 when Mr. Maudling was Home Secretary, was largely responsible for the degree of overcrowding that we have in our prisons today.

In 1970, there were just under 40,000 people in prison. That figure dropped and only reached 40,000 again in 1975. From 1975—1984, it gradually increased. As I have already said, during the past two years it has suddenly and dramatically started to rise again.

There is a problem of overcrowding, and we must recognise that its only solution is an adequate prison building programme. We must approach crime on the basis that we must try to keep out of prison those who could be dealt with in other ways. However, one must have an adequate prison system to provide imprisonment for those whom society and the courts believe should go to prison.

Mr. Soley: The right hon. and learned Gentleman knows that he has presented only half of the argument. He knows that the Government's projections show that, even with the full building programme, there will be acute overcrowding into the next century. He also knows that the Criminal Justice Act 1982 introduced the concept of executive release because they know that the only way in which they will keep down prison numbers is to use executive release. A far better way would be to use a conditional release scheme, similar to the one operating in Northern Ireland for non-serious non-violent offenders.

Mr. Carlisle: The hon. Gentleman has completely missed my point. Of course, the Government are aware that there is still serious overcrowding. That is the reason for the size of their building programme. However, if in 1975 the Labour Government had not substantially reduced the prison building programme, and the projected building programme that they inherited from the previous Conservative Government, there would have been considerably more places available now and the overcrowding would have been less. However, as it happens it would not have kept up with the total increase in the number of crimes. One accepts that.

The hon. Gentleman should also be aware that when people say, "Look how the prison population has increased", they should be aware that until 1984 the increase in the prison population was much less than the increase in the level of crime over those years because emphasis has been placed on other resources. I welcome and am glad not only that the Government have set about a major prison-building programme but welcome also the resources that they are putting into community service. Where possible, we can and must deal with non-violent criminals outside imprisonment.

I must not go on too long, but I should like to refer to the comments made by the hon. Member for Islington, South and Finsbury about the causes of crime. I have tried to relate my comments to the three areas in which the Government have a responsibility. The causes of crime are complex and I do not pretend to deny that the devil makes work for idle hands. But there is no significant evidence of a connection between crime and unemployment. As the hon. Gentleman said, it is important to tackle the problem of resources and to occupy young people's time. Surely the answer to his suggestion of a link between the rate of crime and unemployment is the fact that the highest rate of offending is among 15-year-olds. A reduction in truancy rates in schools would have the greatest impact on the amount of crime being committed.

Clearly, opportunities for crime have increased and a tremendous amount of crime is opportunistic.

Mr. Chris Smith: The right hon. and learned Gentleman mentioned the statistic which is the Prime Minister's favourite refrain, namely, that the peak of crime appears to be around the 15-year-old age range. Does he accept that a child of that age will be affected if his parents are unemployed and by the prospect of unemployment on leaving school?

Mr. Carlisle: I thought that I had conceded to the hon. Gentleman that, generally, a lack of occupation, whether work or making use of facilities, can have an effect on the level of crime among people of all ages, especially the young. It is a fact that the peak year of crime is 15. A reduction in truancy may have the greatest effect of all on the volume of crime.

There are more opportunities for crime today. In many ways crime is a by-product of affluence, rather than of poverty. The only answer to opportunist crime is a greater

[Mr. Carlisle]

emphasis on crime prevention. That is why I welcome the motion of my hon. Friend the Member for Meriden and what the Government are doing. I believe that the neighbourhood watch is a good scheme and so, I believe, does the hon. Member for Islington, South and Finsbury. With great respect, he did not answer my hon. Friend's question because he did not want to, and I do not blame him for that. Neighbourhood watch involves the community in helping itself protect itself, and it discourages opportunistic crime.

There are other causes of crime. Clearly one must accept that probably the major cause is the breakdown of the traditional barriers against crime—what others in the community would feel about it. The degree of violence to which people are exposed in various ways today is a partial cause of crime, and the growth of drugs and of pornography are also causes of crime. I cannot believe that those powerful forces do not influence the minds of young people and of those who may be susceptible to committing crime. We must deal with those causes.

The last part of the motion refers to the importance of the relationship between the public and the police. It is vital that we restore respect and understanding for the police. As my hon. Friend said in an intervention, we must encourage the police to explain to children of school age what they do, so that the children realise the problems that the police face and the police are regarded as allies in providing a secure society rather than as enemies of the young. It is a great pity that certain quarters heap criticism on the police when direct encouragement should be given for a closer relationship between the police and the community.

That, together with the great initiative which the Prime Minister has taken over crime prevention in the seminar that she called and in the follow-up under the Home Secretary, provide our greatest hope for containing the level of crime. They are far more important than some of the solutions that are being offered these days.

11.24 am

Mr. David Alton (Liverpool, Mossley Hill): I, too, congratulate the hon. Member for Meriden (Mr. Mills) on giving the House a chance to discuss this important topic. The right hon. and learned Member for Warrington, South (Mr. Carlisle) stoutly defended the judiciary and said that it was wrong for us to condemn it for carrying out Parliament's orders. Nevertheless, it would be inappropriate for the House to disregard public disquiet, although I do not think that he was suggesting that. In this context the hon. Member for Meriden pointed to the use of the Bail Act 1976 in the case of the murder of PC Blakelock. The public are quite understandably worried about the way it has been used. I endorse his request for a review of the Bail Act.

I agree with the hon. Member for Islington, South and Finsbury (Mr. Smith) that there is no single cause of the complex problem of crime. I also agree that it is necessary to involve ethnic minorities more in the policing of our communities. He is also right that the police cannot be above criticism. There is a great need for a fully independent police complaints procedure. Too often the watchdog is over-identified with the burglar.

The right hon. and learned Gentleman said that forces at work within society create the climate for crime. I agree, and I believe that, in particular, television violence and real life violence have a complicated, but real relationship. Techniques of violence on television can often seem admirable to and be imitated by young people. Children are strongly affected by realistic events close to their world. We have not yet taken the intrusion of television into our lives fully into account.

For six years I taught disturbed children on Merseyside and I saw how violence on television created the wrong kind of images and anti-hero figures in their lives. Those children were often seriously and badly influenced by programmes. The impression should not be given on television that violence does not lead to injury, as it often is. Similarly, dangerous situations which children could easily imitate should be avoided.

In too many television programmes violence has become the norm and that has de-sensitised children. Some 700 pieces of published research show a link between watching violence on television and enhanced aggressiveness among viewers. Channel 4 provides a red triangle against programmes to warn viewers that the programme could contain distressing sequences. Perhaps, that could be emulated by other television stations.

Mrs. Virginia Bottomley: Is the hon. Gentleman aware that the red triangle has increased the viewing of those programmes? Does he not think that it is a light-hearted gimmick and that it is having unintended consequences?

Mr. Alton: Some sections of the community are more inclined to watch those programmes as a result. However, most parents care what their children see and determine what their children watch. If they know that a programme will be unsuitable, I am sure that the average, responsible parent will switch off the television. I also accept the hon. Lady's implicit point that television producers should keep a careful eye on some of the material produced in our television programmes.

Mr. Chris Smith: Does the hon. Gentleman agree that a large part of the problem is not so much programmes where the impact of violence is obvious, but programmes where violence is sanitised, such as "The A-Team"? It does not carry a red triangle, is broadcast in the middle of the afternoon and is watched by many children. Violence there has no detrimental effect on the recipients of the violence and that is the problem.

Mr. Alton: As I said, violence on television often appears not to lead to personal injury or harm. Certainly, television producers should examine that carefully.

Mr. Nigel Spearing (Newham, South): Will the hon. Gentleman give way?

Mr. Alton: I shall give way once again, but I must then make progress.

Mr. Spearing: The hon. Gentleman has raised an important point about which there is a great deal of public concern. Does he admit that two other factors are involved? Is not pressure from peer groups undermining parental decisions about programmes such as those that bear the red triangle? Secondly, do not television plots too often show violence as the resolution of a problem, whereas in real life we know that it is not?

Mr. Alton: Criminal techniques should not be used by television producers as a legitimate way of achieving objectives. Far too often that is the case in television

programmes. Violence on television is simply a part of the complex picture that right hon. and hon. Members have been trying to paint during the course of the Debate. Clearly the problems of crime and the breakdown of law and order are not caused by only one factor.

I would not try to argue that television programmes are the only problem, but they are one factor that has not yet been discussed in the debate. The right hon. and learned Member for Warrington, South referred to the staggering crime figures, which perhaps bear repetition and presentation in a different way.

Mr. Frank Dobson (Holborn and St. Pancras) *rose—*

Mr. Alton: Many hon. Members have been trying to get into the debate; I do not want to hog all the time and must make progress.

Seven crimes are now committed every minute; a total of 3·8 million crimes a year. Since 1979 recorded crime has risen by a staggering 51 per cent. and there has been a rise of 97 per cent. during the same period in recorded cases of domestic burglary. One reason for that is that techniques for recording crime have been changed and improved. However, detection rate—another important indicator shows that two out of three burglars get away with their crime. That demonstrates that in some instances crime seems to pay.

There has also been a 127 per cent. increase in robberies and muggings. Simultaneously during the past seven years scenes have taken place that most people had thought gone for ever. Although the right hon. and learned Member for Warrington, South claimed that there had been a steady increase in crime during the past 30 years, the traumatic and violent events witnessed at St. Pauls, Toxteth and Brixton changed all our previous perceptions of one-nation harmony and of the police who had to uphold the law during those riots.

Nevertheless, those scenes do not seem to have shocked the Government out of their complacency towards the problems of policing and rising lawlessness. That complacency is best illustrated in the Tory manifesto of 1983, which, just two years after the riots of 1981, stated:

"Already street crime is being reduced and public confidence improved in some of the worst inner city areas."

Obviously, that manifesto was not widely read in Broadwater Farm. Figures can be repeated ad nauseam. Falling clear-up rates and the increased number of attacks on police men and women are further illustrations. Since 1981, 63 police officers have been killed on duty. There has been a massive rise in drug-related offences in contemporary Britain. The self-styled party of law and order has become the party of riot and disorder. The Government's response has been predictable and pathetic. There has been the short, sharp shock, "bring back hanging," the birch, the packing of prisons and the erosion of civil liberties. Such policies more and more resemble crisis management and their approach shows too much reaction and not enough imagination.

We face a choice. First, we can continue to allow things to drift. We can watch the police being spat on and despised in many communities. We can watch certain elements trying to paralyse the police by grabbing control of their day-to-day operations. We can watch the police shrink back to their garrisoned fortresses, only to venture out in armoured cars—in the future—with dogs, troops or guns. We can watch while the crime figures shoot through the roof—or we can do something about it.

As the hon. Member for Islington, South and Finsbury said, we must recognise that we need more police on the beat rather than behind the desk. We should recognise the social and economic causes of crime. More attention needs to be paid to crime prevention and the relationship between the police and the community must be strengthened. We need an approach more similar to that of "Dixon of Dock Green" than that of the 1960s television programme, "Z Cars." We need more police on the beat, the reopening of neighbourhood police stations and more police living in the communities that they police. However, there is more to the alliance policy than a call for more bobbies on the beat.

Since 1979 the number of police officers has increased, yet that has had no effect on the crime statistics. The recruitment of more police cannot, in itself, bring about a fall in crime figures. More importantly, the increase in establishment has largely been absorbed by special demands on police time: for example, the extra administration resulting from the police and criminal evidence legislation, the policing of riots, strikes and terrorism. There have also been day-to-day changes in the working week, with more time off and more desk-bound officers.

There is a need for an increased level in the establishment. Among other benefits, an increase in the number of police would allow more time to be spent on training. That would give young police men and women the opportunity to get to grips with the new and complex legislation passed by the House, and the special skills that are required to handle people in our multicultural, multiracial society. The increase in manpower should lead also to the reopening of neighbourhood police stations. It would mean that administrative staff could share the burdens of administration which result in police men being locked to their desks.

A survey on Merseyside showed that about 3 per cent. of the Merseyside police force is on the beat at any one time. On Merseyside, some 66 per cent. of police time is spent inside police stations. Merseyside has about 4,600 police officers, of whom 1,900 are allocated to patrol work, but on average a mere 185 divisional patrol officers will be on patrol at any one time. As some of these officers will be interviewing criminal suspects, attending court hearings or answering calls, the number of police officers on the street is reduced further to about 2·7 per cent. of the force. In other words, the greatest number of bobbies on the beat at any one time will be 126. That includes traffic and operational support divisions. That is a long way from the "Dixon of Dock Green" approach.

The public say that they want more police on the beat, but less than 3 per cent. of the local force is used for that purpose in my area. The public want more time spent on answering emergency calls, but only 3 per cent. of police time is used for that, compared with 6 per cent. for interviewing informants, witnesses and suspects. All told, some 56 per cent. of police time is spent inside police premises, and a quarter of it is spent on paperwork and administration. Surely it must be possible to reduce that percentage and to put the police back on to foot patrols.

There is a link between crime and economic conditions. My hon. Friend the Member for Inverness, Nairn and Lochaber (Sir R. Johnston) asked on Tuesday whether the Prime Minister rejected the old adage that the devil finds

[Mr. Alton]

work for idle hands. The truth of that maxim is so self-evident that it does not require any academic research to support it.

Unemployment leads to despair, and that can lead a man to do many things. I often see young people hanging around on street corners with nothing to do and nowhere to go. Criminals misuse, abuse and take advantage of such people, dragging them into vice and crime and using them in burglaries and robberies. Moreover, the consumer boom serves to remind the have-nots of how little they have. It is no wonder that petty theft often leads to more serious offences. It was Winston Churchill—not exactly a poor man, and the grandson of a duke—who once said that to have a little freedom, one must have a little money. Many young people today are constantly beguiled by television advertisements for new pairs of jeans and other new products that they are told they must have to keep up with their contemporaries. If they cannot earn money honestly, it is not surprising that sometimes—albeit unforgivably — some of them turn to crime. Conservative Members must recognise the social roots of crime, and until we agree that people can be driven to crime by their circumstances, there will be no opportunity to raise the law and order debate on to a more constructive plain.

Mr. Hind: Apart from increasing the number of police officers, which is the Government's policy, and opening the neighbourhood police stations, what recipes does the alliance have for stemming the rising flow of crime?

Mr. Alton: I shall come on to some of those points later if the hon. Gentleman will bear with me. There are many positive initiatives on which we can agree across the Chamber.

Another factor that I recognise in my community to be a force in increasing crime is the powerful link between crime and drugs. On the streets of Liverpool and in other cities drug addiction bites deeper and deeper into the personalities of the addicts, who then steal more to finance their habit. The likelihood of people lapsing into crime is self-evident. The heroin addict steals to pay the pusher. I hope that the Government will bear this in mind, do more to help drug rehabilitation centres and recognise that they must tackle the heroin problem. Stopping the inflow of heroin is one way of protecting young people from coming under this evil and powerful pressure to turn to crime.

For too long there has been a knee-jerk reaction to crime. The emphasis has never been on the investigation of the social roots of crime. As *The Guardian* pointed out on Monday, crime is rising because

"agencies and individuals who can have a preventive effect on crime are not pulling together."

The editorial rightly pointed the finger of blame at the Government, who are content to let mass unemployment continue as a way of life, councils which prefer to hinder the police, architects who design exposed and indefensible buildings, parents who fail to take an interest in the preoccupations of their teenage children, and householders who sit and moan rather than do anything positive to help. There are signs that the Home Office is beginning to recognise the need to turn its attention to prevention. It is a pity that eight years of rising crime, eight years of reaction and ranting, have been wasted. Let us now welcome the positive moves that the Government are making.

Prevention can be brought about only through co-operation. That brings me to the point about which the hon. Member for Lancashire, West (Mr. Hind) was asking me. It concerns the relationship between the police and the wider community. The neighbourhood watch scheme is proving successful. As well as reducing the incidence of burglary in areas operating the scheme, it has recreated a sense of mutual responsibility and care. This has to be extended. The police must recognise that the public have a genuine need, even a duty, to involve themselves in their work. I am talking not about political accountability but about the need for the police to embrace their community and for the community to respond by embracing the police.

I was dumbfounded when a colleague of mine, Councillor Gerry Scott in Liverpool, a justice of the peace, who tried to establish a neighbourhood watch scheme in his community and was successful in getting the co-operation of the police, was then threatened with prosecution by the local authority because he had put up carefully manufactured signs on the local lamp posts. We can do without such ludicrous responses. What is required is a more commonsense approach, and real encouragement of these effective neighbourhood watch schemes that involve the community. That is going back to the old Peelite idea of policing by consent.

Liaison committees, which have been mentioned in the debate, have done great work, and it is a shame that there have been attempts to scupper them. There is no excuse for councils such as Lambeth opposing them. Prevention panels that draw the community into decision-making on such subjects as the provision of safety measures to secure the homes of the elderly and of the designs of estates complement the work of police liaison committees. Local councils should work hand in hand with such committees.

The need for such community-based policing is so important that it must transcend formal committees and structures. The police should be welcomed back into our schools and into our voluntary organisations, especially those representing the ethnic minorities. The massive rise in petty crime means that the police cannot possibly do their job without the support of the community.

As well as neighbourhood watch schemes and liaison committees, the Home Office should also be supporting victim support schemes. In the area from which the right hon. and learned Member for Warrington, South and I come there is an effective victim support network, notable for the work of Mrs. Joan Jonker, whose name may be familiar to many hon. Members. We should be encouraging the growth of such victim support schemes. Often, the role of the victim is ignored in the law and order debate. Several years ago I brought before the House a Bill on victims of violence which attempted to redress that balance, and I hope that more attention will be given to that issue.

Political accountability is a vexed question. We in the alliance have no intention of imposing political control on the police. We have no desire or need to control operational decision-making. Those questions are rightly the preserve of the chief constables. However, wider strategic questions are not free from the oversight of those who are responsible for public policy. National policy guidelines are required and inspectors of constabulary

should be given greater powers to report on the development of regional and national responses to crime. The Select Committee on Home Affairs should take an interest in regional and national aspects of policing. Guidelines should be issued by the Home Secretary to police authorities about responsibilities that are currently deemed to be beyond their control. Police accountability should be considered by a Royal Commission.

We must avoid a further knee-jerk reaction to the real problems thrown up by the latest crime figures. Britain has a police force of which it can be proud, but it can succeed only when it is in close collaboration with the community that it exists to preserve and protect. I am grateful to the hon. Member for Meriden for giving the House an opportunity to discuss these complex issues.

11.46 am

Mrs. Virginia Bottomley (Surrey, South-West): Much has been made of the rising crime figures that we, along with other Western countries, have faced for over 30 years. The variables behind them have been discussed — the increase in police numbers and telephone use, the insistence of insurance companies that crimes are reported and so on. Another factor is the increase in motor vehicle ownership. Nearly a third of the crimes in London last year involved motor vehicles; that statistic helps to put some of the emotional but understandable arguments in their proper perspective.

Fear of crime and violent crime is widespread in the country, and in my constituency, although it is remarkably rare. Only one in 20, fortunately, of crimes are those against the person. In 1984, there were 1,400 murders in New York, which is more than double the number of murders we have annually here. For the most part, fortunately, violent crime is not common, although I agree that it is feared. The advice to most families should be, "Lock up your sons," not "Lock up your daughters," because young men are most often the victims of violent crime.

I am fortunate to represent an area that has the lowest recorded crime rate for any police area in the country. There is a high standard of policing and the police officers are well trained, well motivated and well respected by the community. There is an excellent crime prevention programme, with local seminars chaired by local public people co-ordinating local government officers, industry and commerce, the construction industry and many others against crime.

I welcome the motion from my hon. Friend the Member for Meriden (Mr. Mills) and many of the themes that he has identified, above all the vital need to work with the community. Although I represent a Surrey constituency, before that I was closely involved in the difficulties of Brixton and Peckham over 10 years. The breakdown of relations between the community and the police meant that when difficulties arose, there were not the necessary mechanisms and channels of communication. I have visited my police liaison committee and have seen how much time and effort local police are prepared to spend in meeting local representatives and discussing priorities. Priorities may differ according to perspective but they are all important.

I welcome all that the Government have done since the Scarman report to promote and encourage police liaison committees. Recently I accompanied a police officer on his beat in Farnham. It is not an area in which there are major difficulties about law and order, but it was an experience during which I was able to see at first hand some of the equivocal responses that a police officer receives and his need for diplomacy and tact. Every situation that confronts him has to be handled sensitively. It certainly reminded me again of the importance of good training for our police forces.

The hon. Member for Liverpool, Mossley Hill (Mr. Alton) mentioned victim support schemes. Like him, I believe that this is a practical way in which we can have a partnership between the police and local volunteers which will, above all, give support to that far too often overlooked group in the criminal justice system. For generations, we hardly regarded the victim because we were so preoccupied with the crime and the criminal and the processes of law and order. The victim was too easily disregarded.

The Government can claim great credit for all that they have done to enhance the compensation powers of criminal courts and for generally highlighting the needs of the victim. The extra £9 million recently allocated to local victim support schemes is extremely welcome. There has been a remarkable growth in such schemes and there are now almost 300. I have one in my constituency, the Waverley victims' support scheme which has 35 trained volunteers. I have met them and seen the professionalism and the careful commitment that they give to this important work.

Many hon. Members spoke about neighbourhood watch schemes. There are now 18,000 such schemes, which are a working partnership between local citizens and the police, and a timely reminder that, no matter how many police officers there are, we cannot expect every house, every road and every motor vehicle to be observed and safe. Neighbourhood watch schemes rely on what people see from behind the net curtains and on those people being prepared to follow up and report and give information.

One of the most alarming aspects of the ghastly murder of Police Constable Blakelock was the intimidation of local people, who felt that they could not report or give information without recrimination. Encouraging neighbourhood watch schemes so that people understand their responsibility to have a sensible working partnership with the police is an important step forward.

Much has been made of the social causes of crime; we could debate those causes for ever. I should like to say something about the inner-city areas. What do hon. Members think is behind the great range of projects in inner cities if it is not precisely to draw attention to their needs? We have the urban programme, derelict land grants, housing improvement grants and the urban housing investment programme — many different schemes which encourage people in inner-city housing areas to feel a greater sense of involvement in their estates. Damage has been caused by the totalitarian nature of many inner-city areas, where there is a reluctance to sell council houses or to bring in private owners and private schemes for housing. Anyone who read the work on defensible space or the work by Alice Coleman on the need to feel a sense of ownership and involvement in the community and not just to have an alien sense that it all belongs to a local authority, will recognise that that is the way to reinvigorate our inner-cities.

The inner-city initiative by the Department of Employment encourages enterprise and initiative. People who care about law and order should do all that they can

[Mrs. Virginia Bottomley]

to support and welcome those programmes. The community programme schemes of crime prevention operate in many areas.

Why is it that the scheme for visiting the elderly by 15 people from the community programme in north Peckham, for example, has met nothing but resistance and a lack of co-operation from the local authority? Why are so many of the areas that complain most about their crime figures so reluctant to support and welcome open-handed Government in a great range of schemes? They seem to resent practical proposals like introducing tokens for gas and electricity meters. Such schemes are not rhetoric or ideology or marks of a class war: they are practical, sensible schemes about building up community spirit and about giving people the practical assistance that they want.

Work in our schools is most important. What is the purpose of the city technology colleges if it is not to give people a ray of hope, a vehicle of mobility which will help them to get on and improve their chances in life? What is the purpose of bringing parents on to school governing bodies if it is not to give them more of a say in the life of a school? What is the sense of blocking the door against police officers? The hon. Member for Islington, South and Finsbury (Mr. Smith) shows the acceptable face of the Labour party, but I am afraid that too many inner-London teachers show an unacceptable face in a lack of co-operation with police officers.

My right hon. and learned Friend the Member for Warrington, South (Mr. Carlisle) talked about the link between truancy and crime. It has been well said that the peak age for criminal activity is 15. That is the time when such people are the responsibility of the school. I worked for 10 years trying to persuade youngsters in many of these areas to attend school regularly. That was before we had the difficulties of unemployment. How do they and their parents feel about teachers in inner-city areas who take strike action and shut the door in the faces of pupils? They may be making a point about their negotiating rights, but I should like to make a point on behalf of the many children for whom it is hard enough to attend school regularly. How do they feel about that rejection and about the teachers' denial of their responsibility?

Mr. Soley: Perhaps the hon. Lady would like to give a little thought and attention to why her Government have cut public expenditure of the type which would have solved many of the problems that she is talking about. Have the Government no responsibility in this? Apparently it is all the fault of teachers and other people somewhere else. What is the responsibility of the Government?

Mrs. Bottomley: The hon. Gentleman well knows that his point is a travesty of my remarks. I have enumerated a long list of sensible and practical projects on housing, employment and education that are aimed strategically and not just globally. *[Interruption.]* I shall gladly give way to the hon. Gentleman if he wishes to intervene again.

Mr. Soley: The hon. Lady is misleading the House by saying that the Government have increased expenditure. They have decreased it right across the board. They take money away from the local authorities and then put a little bit back in certain specific projects and claim that they are doing something for crime prevention. Almost all the local authorities have had money for crime prevention and victim support schemes cut by millions, and the hon. Lady knows it.

Mrs. Bottomley: The hon. Gentleman's party believes that the answer to everything is to hold all the power in the town hall. Labour has a totalitarian approach to these matters. I have enumerated a list of projects from different Departments. We need co-operation with the private sector and with local employers. Letting them have a say and a bit of autonomy and co-operating with the private sector in housing and not always thinking that the source of all action and all control must be in the town hall is the right way forward. In many of the inner-city areas there are great difficulties for the normal citizen. Are the actions of Brent and Lambeth and the words of their councillors a help to any of those citizens who deserve a better deal?

Mr. Hind: Has my hon. Friend had an opportunity to look at early-day motion 784 that has been tabled by myself and several of my hon. Friends? Does my hon. Friend not agree that as long as teachers in our inner-London schools and city schools actively discourage the intervention of the police bringing in videos on molestation of children or by perverting good relationships between school children and the police, we are going to create barriers that will destroy good community relations whether in immigrant areas or white areas?

Mr. Deputy Speaker (Mr. Harold Walker): Quickly, please.

Mr. Hind: Perhaps my hon. Friend will look at the comments made by some of the teachers representing the Inner London Teachers Association condemning the police and accusing them of criminalising our community and youth. Does she not feel that such comments are a travesty and cause friction between the police and the communities rather than encouraging good policing methods?

Mr. Deputy Speaker: Order. I remind the House that interventions are made only at the expense of the time for speeches of other hon. Members. That is something that I shall have to take into account when hon. Members seek to catch my eye.

Mrs. Bottomley: I appreciate the remarks made by my hon. Friend. However, I remind the House that not all teachers behave in the way of inner-London teachers. In my constituency there is a long tradition of mutual respect and co-operation between schools and the police. There is a danger that one can generalise from the particular to other areas.

I remind the hon. Member for Hammersmith (Mr. Soley) that it was the Lambeth local authority which expelled the police community committee from the Town Hall because it endorsed the use of plastic bullets as a last resort. We are told today that during the difficulties of the Broadwater Farm estate, that was an option and a last resort that the police might legitimately and properly have used. There are many other examples. I prefer the response of the hon. Member for Islington, South and Finsbury (Mr. Smith) who was much more open about the importance and the need to co-operate.

As I said, the peak age of crime is 15. There are fashions and trends in explaining criminal behaviour. Currently, unemployment and its relevance or otherwise is much debated. Over many years, we have discussed whether it

was single-parent families or other social characteristics. I have always felt that many people who may have all the variables—they may be unemployed, disavantaged and a single parent—still keep their children on the straight and narrow, leading law-abiding lives. Harriet Wilson did some important work in Birmingham which demonstrated that parental commitment and supervision can get children over some of the difficulties they face. I find patronising the idea that because one has one or other social characterisics, almost inevitably one will go down the slippery slope. There are many parents from all walks of life and backgrounds who know the difference between right and wrong.

I urge the Under-Secretary of State, who is going to reply, to consider whether there could be a family consultation on family courts. The variable that has not been raised today affecting youngsters getting into trouble is the background of family break-up and disruption. We do not yet have a proper and adequate way of safeguarding the interests and the care and control of children whose parents are going through family disruption and divorce. This is often a key variable. In my time as a chairman of the juvenilee court, it was difficult to find children coming before the court who had not been through a most disrupted and disturbed family life. It is the breakdown of control at home, often leading to the lack of supervision, that predisposes youngsters to criminal activities. I urge the Under-Secretary of State to take that further.

I appreciate the remarks of those who have talked about the impact of television. I believe strongly, and have done for many years, that if independent television can earn its living by persuading people that what one sees on a commercial will influence people's behaviour, it cannot be argued that what one sees on programmes does not influence people's behaviour. For the most part people tend to leave when commercials are on the television, so one would have thought that their impact would not be so great.

One cannot sustain an argument that does not stress the impact of what one sees on programmes. It is no good saying that television is a window on the world. By the age of 16, the average American has seen 200,000 violent attacks and 50,000 attempted murders; that is watching an average of three hours television a day — which, regrettably, is where we are now.

I warmly endorse the remarks made by my right hon. and learned Friend the Member for Warrington, South about the great danger in the light of the dreadful crime of the murder of Police Constable Blakelock. Others have talked about the deeply offensive sentencing in the Ealing rape case. There is an appalling danger that people will react to that emotion by demanding fiercer and higher sentences for all manner of crimes. The evidence is that we should go the other way.

We imprison a greater percentage of our civilian population than any European country except Turkey. We have full and crowded prisons. No one can challenge the Government's remarkable commitment to increased manpower and increased spending on the prison service. Since this Government came to power, the prison population has risen by 12 per cent., but the prison officer population has risen by 18 per cent. The onus is upon the Prison Officers Association to talk responsibly and constructively about the fresh start proposals.

We must continue to fight for public and judicial support for non-custodial sentences, but that is a slow and laborious process. Community service, probation and intermediate treatment orders are methods of punishing people legitimately but without incarcerating them. Imprisonment almost inevitably leads to a criminal or delinquent career. The peak age for offenders is 15. We must ensure that debates about law and order stress the importance of incarcerating violent offenders who are a danger to the public, as distinct from the group of other criminals who require the public's disapproval but should be dealt with by alternative methods.

It is clear that we all have a great concern for the need to maintain law and order. A prerequisite to a democratic society is that it establishes and maintains the rule of law. The Government have taken many steps forward in terms of resources and manpower to maintain law and order. Above all, we have in recent years identified the crucial role of the community and its responsibility to work with the police to ensure the long-term freedom and safety of our citizens.

12.7 pm

Mr. Willie W. Hamilton (Fife, Central): I am inclined to agree with the hon. Member for Surrey, South-West (Mrs. Bottomley) that prisons, in terms of criminals and officers, is a major growth industry in Britain today. The hon. Lady supported the views expressed by the right hon. and learned Member for Warrington, South (Mr. Carlisle) about sentencing. The right hon. Gentleman rightly said that that must be left to the judiciary, without interference from the Executive. The hon. Member for Meriden (Mr. Mills) made a sinister remark and I am glad that it has been corrected by other Conservative Members.

I particularly liked the speech by the right hon. and learned Member. It was more moderate, realistic and modest than some speeches made by Conservatives when in Opposition. They are more defensive now than they were then.

Lord Whitelaw, when he was Shadow Home Secretary in 1978, said that the blame for the crime rate should rest with the then Labour Government. In those days the Tories had very simple solutions. Lord Whitelaw said:

> "If boys and girls do not obtain jobs when they leave school, they feel that society has no need of them. If they feel that, they do not see any reason why they should take part in that society and comply with its rules." [*Official Report*, 27 February 1978, Vol. 945, c. 40.]

That is what the Conservative party said in the run-up to the 1979 election. My fundamental objection is that Conservative Members are asserting that it was as true in 1978 as it is now. We are discussing an extremely complex problem. It was not so complex then. It was all due to the wickedness and the softness of the Labour party and the Labour Government. We all know that the Prime Minister blamed us then. She is now seeking to blame people other than herself and her Government. The hon. Member for Surrey, South-West fell into that trap today. She blamed Lambeth, Ealing, Brent and other democratically elected Labour councils all over the country—anybody but the Government. My hon. Friend the Member for Hammersmith (Mr. Soley) was quite right to remind her that if the money that had been spent on prisons had been spent on housing and the environment in inner cities, we would probably not have the crime rates that we have

[Mr. Willie W. Hamilton]

today. We live in an increasingly violent society, largely because of the social and economic deprivation of large sections of the community.

The Prime Minister and her Government have created a climate of selfishness and greed and have widened the gap between the rich and the poor. There is a suburb of London, not 10 miles from here, in which I have seen a frightening slogan which states, "Why work when you can rob?" That is the consequence of the Government's policies in dealing with education, housing and environmental problems. The Government boast that they have thrown hundreds of millions of pounds of taxpayers' money at the problem in terms of police pay, the number of police, prisons and so on. Of course, we would not deny them that boast. As crime figures and expenditure increase remorselessly, they seek to blame all kinds of people and organisations. The hon. Member for Meriden talked about reintroducing capital punishment. No doubt, he will vote for it. There is not a scintilla of evidence anywhere in the world that capital punishment is a deterrent to murder. Indeed, by and large, murders are not premeditated. They often occur within families. They are often caused by alchohol abuse and other matters that are not susceptible to the deterrent that the hon. Gentleman suggested.

Various arguments have been put about stiffer prison penalties. The right hon. and learned Member for Warrington, South answered that point. The House decides the generality of the law. We create maximum penalties, but we quite properly leave the imposition of penalties to the discretion of the judiciary. Lord Whitelaw, when he was in Opposition, talked about simplified solutions and the short, sharp shock. What happened to that?

It was a crushing failure. It solved a political problem for the Tory party at the time. No doubt we shall hear more from Conservative Members when they get back into Opposition after the next election.

Last November the Government published a 50 page defence of their law and order record, called "Criminal Justice: A Working Paper". They carefully selected their statistics for the decade 1975 to 1985 and cleverly bridged the lifetime of the Labour Government and the first five years of their own Government. In that way they did not compare the figures for the lifetime of the Labour Government from 1974 to 1979 with the figures of the Conservative Government between 1979 and 1986. Last November's report omitted to say that in the categories of crime that are of most concern to ordinary people—robbery, theft and burglary—the rate of increase in the last six or seven years has been far greater than it was when the Labour Government were in power. For example, between 1974 and 1979 the number of robberies increased by about 50 per cent. Between 1979 and 1985 robberies doubled; they increased by 100 per cent. And they increased by another 9 per cent. in 1986.

There have also been great differences in the rate at which theft and burglary crimes have risen in the last six years. Between 1974 and 1979, the number of thefts increased by 20 per cent., but between 1979 and 1986 they increased by 60 per cent. There was a greater rise still in burglary crimes. Between 1974 and 1979, under a Labour Government, there was a 10 per cent. increase in the number of burglaries, but between 1979 and 1985 there was an 81 per cent. increase. And there was a further 7 per cent. increase in 1986.

Another point that has not yet been remarked on in this debate but which it is worth pointing out is that the Government pretend that the Conservative party is the party of law and order. Many Conservative Members are company directors and company shareholders. Companies are legally obliged to file annual accounts and annual reports with Company House. The House of Commons Library has this very morning provided for me the number of companies that have defaulted in their returns of both annual accounts and annual reports. They amount to over 230,000. More than one in four of companies in Britain are in breach of the law. These figures are subject to modification but they are basically in line. However, the number of prosecutions of those 230,000 companies is fewer than 5,000. Fewer than one in 50 of company law breakers are being prosecuted.

In proportion to their numbers, the greatest law breakers in our country sit on the Treasury Bench. In 1985 alone the figures show that the Secretary of State for the Environment was twice found guilty by the courts of breaking the law, that the Secretary of State for Social Services was found guilty three times of breaking the law and that the Secretaries of State for Employment and for Education and Science were each found guilty once. Therefore on at least seven occasions in 1985 Ministers of the Crown broke the law and were taken to court. However, in the five years of the Labour Government between 1974 and 1979 there were only four occasions on which Labour Ministers were taken to court. It was pointed out by Lord Denning that the Secretary of State for the Environment was taking powers in the Rate Support Grants Bill to exonerate himself from breaking the law. That was an amazing proposition. Then there is the enormous amount of City fraud—for example, the Guinness takeover and the Johnson Matthey Bankers scandal. All that comes from a Government who pretend to be the Government of law and order.

Now, in the run-up to the general election, early-day motion No. 735 calls for a national morality day. It is signed by five Conservative Members, led by the hon. Member for Macclesfield (Mr. Winterton), who supports the South African Government — the most evil and immoral Government that the world has ever seen. The motion is signed by the hon. Gentleman, his wife—the hon. Member for Congleton (Mrs. Winterton) — and three others.

That sort of thing makes us sick. I think that the Tory party can do even better: it should set up a committee to draw attention to the decline of our national morals and the consequent increase in crime. The chairman should be the right hon. Member for Hertsmere (Mr. Parkinson); the vice-chairman should be the hon. and learned Member for Perth and Kinross (Mr. Fairbairn); the members should be the hon. Members for Davyhulme (Mr. Churchill), for Littleborough and Saddleworth (Mr. Dickens) and for Winchester (Mr. Browne), and the right hon. Member for Kingston upon Thames (Mr. Lamont); and the chief whip should be the hon. Member for Billericay (Mr. Proctor). The morals of those Members of Parliament make the behaviour of tom cats appear almost respectable. For them to criticise us for being soft——

Mr. Deputy Speaker: Order. I think that, on reflection, the hon. Gentleman will want either to withdraw that remark or to rephrase it in a way that is more acceptable to the House.

Mr. Hamilton: I am not sure to which remark you refer, Mr. Deputy Speaker.

Mr. Deputy Speaker: It is out of order to refer to hon. Members as having the morals of tom cats.

Mr. Hamilton: I did not say that, Mr. Deputy Speaker; I said that their morals made the behaviour of tom cats seem almost respectable.

Mr. Deputy Speaker: I think that the hon. Gentleman understands the point that I am making.

Mr. Hamilton: Of course, Mr. Deputy Speaker, I shall withdraw anything that disturbs you, because you are a good friend of mine.

I am making a very simple point. We refuse to take any lectures from Conservative Members about morals, behaviour or attitudes to criminal activities. We know very well that the people who suffer the most from criminal behaviour are those whom we largely represent — ordinary working men and women. They are subjected to all kinds of deprivation and they now feel a sense of hopelessness. That cannot be divorced from the problem that we are discussing today — the remorseless increase in all types of crime.

It is no good taking the attitude that I suspect has been taken by one or two Conservative Members, and demanding revenge through increased penalties and harder and harder punishments. Those are not the answers to the problem. Most Labour Members believe the answer to be increased provision of housing, jobs and educational opportunities for the underprivileged. Such deprivation among the underprivileged, the feeling that they are not wanted and that they are somehow inferior to the people at the top, when they see the scandals and the vast amounts of wealth and profit that are being made illegally in the City; such a division in our society has created the violence that we are seeing increasingly, every day of the week.

12.25 pm

Mr. Ivan Lawrence (Burton): I shall not refer to the vitriolic nonsense that has been offered to the House by the hon. Member for Fife, Central (Mr. Hamilton), but I should like to congratulate my hon. Friend the Member for Meriden (Mr. Mills) on his initiative. It is not always appreciated outside the House how much quite work my hon. Friend does behind the scenes as a PPS for a Minister. It is not always easy for such a colleague to spend time making speeches in the House. Some credit should be given to my hon. Friend for that and for his initiative.

For anyone to deny that the Government have been other than an outstanding success in their handling of the economy and in most spheres of their activity in advancing the welfare of the people, would be absurd and mere party political nonsense. However, in the struggle against crime, one of the highest responsibilities of any Government, one must honestly admit that the Government have not been manifestly winning the battle. That has certainly not been due to lack of concern or inactivity because no Government in history could have been so preoccupied with legislation, administrative decision, the expenditure of money, the setting up of inquiries, and the involvement of the people, with almost desperate hyperactivity on law and order, in an effort to control the relentless rise in crime.

Therefore, we must ask what is going wrong. Why are we not winning? Are we doing the right things, and could we realistically do more?

It is some comfort to know that the rise in crime is not peculiar to Britain — it is happening in every industrialised, civilised country to a greater or lesser extent. With all the publicity of crimes of violence and the fear that media reports engender in the minds of the people, particularly the elderly, it is still nine or 10 times more likely that a person will be murdered in New York than in London. The rise in crime has not happened only during the Thatcher Government, which is another source of some comfort. There has been a steady rise of between 5 per cent. and 7 per cent. every year for the past 30 years. It may be some comfort to realise that the greater tendency to record or report crime, which comes from the wider use of the telephone, the more extensive insurance of property, and even the increase in the number of police, to some extent misleads us into supposing that the increase in the crime statistics is all due to the actual increase in crime. It is also some consolation to know, particularly as the Labour party is being party political about the matter, that violence against the person, which apparently has risen by one third since 1979, increased by one half under the previous Labour Government. So it would be mere party political claptrap to blame the Government for the rise in crime. Because it would be mere party political claptrap, we hear that allegation made, although with absolutely no conviction, by Opposition parties.

Are we doing enough, and are we doing enough of the right things? There are seven sorts of activity that any Government could engage in; seven steps by which crime could be reduced. First, a Government must encourage people in society to be more respectful of other people's rights — whether to property or to personal security. That is difficult for a Government to achieve, but a society that is more self-reliant and more self-responsible is likely to have more respect for others than if people are dependent on the nanny state for absolutely everything.

In response to that requirement, the Government have taken many steps on many fronts to hasten self-responsibility. We are bringing down the level of unemployment. There is a reduction in income tax, which allows people more readily to spend their own money in their own way and according to their own choice. There has been an introduction of trade union democracy and more people own shares and their own homes. We are trying to raise the standards of education in our schools and there is more parental involvement in education. People can choose private medicine and to some extent we have been doing nearly all that we can to reduce pornography and obscenity in our society. It is difficult to claim that a Government could do much more to make the climate of society better and encourage self-responsibility, though I will in a moment suggest further actions.

The second step in the reduction of crime would be to encourage the availability of crime prevention measures because 96 per cent. of crime is against property and much of that is opportunistic because we leave our car doors open and the windows of our homes unlocked.

The Government's response has been substantial. There are 15,000 more police officers and auxiliaries. We are returning policemen to the beat. The setting up of a

[Mr. Ivan Lawrence]

crime prevention unit in the Home Office and a crime prevention centre at Stafford are useful steps in the prevention of crime and are anti-crime measures. There are 18,000 neighbourhood watch schemes which have resulted in fewer burglaries. Crime prevention projects are encouraged and paid for under the community programme. The Prime Minister's initiative, to which reference has already been made, has produced more publicity and money for inner-city areas, more discounts on insurance policies and better anti-theft standards in cars and so on. The Government have not been found wanting in taking the second step in the reduction of crime.

The third step that must be taken by any Government to reduce crime is to provide an adequate armoury of offences to deal with activities that ought to be stigmatised as criminal. The Government have introduced or simplified new legislation wherever necessary, for example, through the Video Recordings Act 1984. They have made an effort to fulfil some of the recommendations of the Roskill committee report on fraud in the Criminal Justice Bill, and have redefined riot, affray and violent disorder and introduced the new offence of disorderly conduct in the Public Order Act 1986. The Government have also supported my hon. Friend the Member for Hove (Mr. Sainsbury) in passing the Indecent Displays (Control) Act 1981. The Government have been very active with regard to the third step for the reduction of crime, which is the provision of an adequate armoury of offences.

The fourth step for the reduction of crime involves catching the offender. Again, Government action through having many more policemen detecting crime has been impressive. The Government have also passed the Police and Criminal Evidence Act 1984 which strengthens the powers of criminal investigation particularly through stop and search. The Public Order Act 1986 strengthens the powers to prevent street violence and to deal with violent picketing. The Government have provided more money for equipment and have encouraged better training of the police forces. The Government have improved the approach to rape victims and there is a proposal in the Criminal Justice Bill to remove an unnecessarily deterrent anomaly to the reporting of rape offences. The Prevention of Terrorism (Temporary Provisions) Act 1984 has enabled the arrest and ultimate conviction of the Brighton bombers. Perhaps even more effective police action could have taken place if our police forces had been even smaller and more local than we have over the past few years encouraged them to be.

The fifth step necessary for the reduction of crime, the offender having been caught, is to convict him. Again, the Government have taken a whole range of steps to improve that position. The Police and Criminal Evidence Act 1984 improves the powers of the police to investigate and interrogate. Tape-recorded interviews have been introduced in pilot schemes which are soon to become a national scheme. That will do more than almost anything else to speed up criminal trials, ensure that the guilty are convicted and that the innocent are not charged. We have seen more efficient use of court time, more courts, more judges and more consideration for victims, whether they be women victims of rape or victims of child abuse.

The Government have taken many steps to improve the chances of convicting genuine criminals, but it is no use catching them and convicting them if, at the end of the day, they are given a pat on the head and tuppence out of the poor box and are not properly punished. The Government have introduced the Drug Trafficking Offences Act 1986, which will deprive drug pushers of their ill-gotten gains. They have changed the parole system to ensure that those who murder prison officers or police officers do not get parole, or that those who commit offences which attract sentences of more than five years, or violent or drugs offences have reduced chances of parole.

I am not sure whether we should extend to life the sentences for people who are in possession of firearms; I have already told the Government that I am very lukewarm about that matter. There are improved regimes in detention centres. There is more use of non-custodial sentences, which have been effective, especially with community service orders. We have attached more conditions to probation orders and increased the number of probation officers. In that area, too, the Government have been almost frenetic in their activity.

I agree with my right hon. and learned Friend the Member for Warrington, South (Sir M. Carlisle) that too much criticism is directed at judges for imposing inadequate sentences and that that criticism is often misguided. After all, Parliament cannot influence or interfere with the judicial process of sentencing because that would be to corrupt the system. Sentences are getting longer, and Opposition Members are always complaining that those of us who call for stronger and more severe sentences are running counter to what is happening in the rest of the world. But the rule of our courts is that someone who commits a serious act of violence must go to prison and that someone who burgles a dwelling house can expect to go to prison. The trouble is that, hitherto, we have not provided enough decent prison places to which to send people. That often deters the judiciary from sending people to prison. Now we have the biggest prison-building programme of the century, with three new ones opened in 1985 and 17 on the way.

The seventh and final step which Governments must take requires genuine and positive concern for victims of crime. The Government have helped by setting up 279 victim support schemes. They are giving statutory effect to Criminal Injuries Compensation Board awards under the Criminal Justice Bill, and the Criminal Justice Act 1982 gave higher importance to the compensation of victims.

No one can fairly say that the Government have done little or nothing to curb the growth of crime along those seven routes which must be pursued by any Government. Yet still the crime rate swells, and we have not been winning. Can anyone do anything more?

I believe that the Government could do more to improve the climate of society and to widen sentencing powers. Although I agree that unemployment is not the root cause of lawlessness, as the Prime Minister said, because there was less crime when there was more unemployment and most crime is committed by juveniles who are not yet eligible for work, I believe that homelessness plays a significant role. We must deal with that, not by building more council houses, but by realising that there are more empty houses than there are homeless families and that the private rented sector has almost been eliminated and must be restored. The Government must make haste in their reform of the Rent Acts to get the homeless back into decent accommodation where there children will be less tempted to resort to crime.

The Government must show more awareness of the power of television. That power is so great that violence and sexual violence on television have become worrying factors influencing crime. As the broadcasting authorities have fallen down on their obligations to conform to their self-governing guidelines, is it not time that Parliament legislated to control television and broadcasting of violence along the lines suggested in the Bill introduced by my hon. Friend the Member for Cannock and Burntwood (Mr. Howarth)?

I am sure that the climate of our society would improve and be less conducive to crime if those who have important roles to play in society — Members of Parliament, Ministers, Judges and teachers—were to act responsibly and give a better example. I do not accept what the hon. Member for Fife, Central had to say about the unlawful actions of the Government. That represents a terrible confusion. It is one thing to break the criminal law—everyone knows that that involves activities of moral turpitude, and the code of criminal law is clear—it is quite another to discover, in the civil sphere of law, that a Government have taken a decision that, subsequently a court, somewhere along the line, says is ultra vires. There is no comparison between those two kinds of unlawful behaviour — *[Interruption.]* If hon. Members on the Labour Benches laugh about that, it shows that they do not understand the matter.

I do not criticise judges for granting bail in proper cases. I do not believe that it is a wise proposal to refer cases to the Court of Appeal to consider the adequacy of sentences and I shall not support the Government in the Lobby when that matter is discussed in the House. However, some of the sentences imposed by some of the courts on some offenders are more of an encouragement to crime than a deterrent.

I believe that some hon. Members appear to support violence on the picket lines and violence against the police. That is an appalling example for us to give our children. Teachers who take industrial action or strike for more money while they pretend to care about children and their education are giving another shocking example to young people. It is shocking that, when they are offered a 25 per cent. increase, over 18 months, they continue to take industrial action—for no better reason than that their trade unions cannot agree among themselves as to what wage negotiation procedure to adopt—and thus make the Government, against their wishes, take steps to keep the education system going. I have no doubt that that type of action, taken by people to whom students and pupils are supposed to look up to, is such an awful example that it encourages rather than discourages crime.

The effect that a bad home life and bad teaching have upon crime is manifest from the statistics. It goes a long way to explain the alarming fact that the peak age for criminal activity is 15—children of school age. They are also at an age when they are most susceptible to what they see on television.

I believe that the Government could do more to deter crime by strengthening the deterrent effect of sentencing —by restoring capital punishment for the most evil types of murder and killing. When we had capital punishment, we did not have such a high incidence of murder. We did not have such a high incidence of crimes violence; in fact, we did not have such a high incidence of crime, full stop. Everybody was aware that there was a perimeter around human activity in society beyond which nobody could go. Everybody understood that society had a system of law and order which would be imposed. Everybody knew where they stood and had more respect for other people. Whatever the hon. Member for Fife, Central may say, there is no doubt in my mind that capital punishment would deter some offenders.

Mr. Willie W. Hamilton: There is no evidence.

Mr. Lawrence: I can tell the hon. Gentleman that, in the course of my career as a barrister, I frequently spoke to the sort of people who engaged in violent activity and they told me that they were deterred from taking weapons with them to carry out their violent crimes when they had the fear of the rope to contend with.

The vast majority of people in this country want capital punishment restored. I believe that the vast majority of people expect Parliament to do that and I believe that this Government should satisfy their wish. The restoration of capital punishment would represent a necessary last resort of punishment and deterrence in our criminal system.

There is more that we could do as individuals and there is also more that the Government could do. However, I believe that the Government have a good record and it would be utterly churlish to deny it. If the Government had not increased spending on law and order by 50 per cent., if they had not taken the measures that I have outlined—no doubt the Minister will remind us of them more fully when he comes to speak — the situation would be far worse.

It would be very much worse if law and order were starved of resources and the police utterly demoralised, as they were under the Labour Government. As I recall it, the police came close to strike action in 1977. It would also be very much worse if local authorities led by people such as Bernie Grant had political control over the police and if the Government were represented in Parliament by people who thought that it was right to indulge in violent picketing and opposed measures on the statute book directed towards the reduction of crime.

The Labour party has consistently, voted against the Prevention of Terrorism (Temporary Provisions) Act. The Opposition also voted against the Police and Criminal Evidence Act, the Public Order Act and many other manifestations of the Government's attempt to reduce lawlessness in our society. There is no doubt that the Government have done and will continue to do almost as much as they can to reduce crime and that the one step that would produce the greatest increase in crime would be the return of a Labour Government, with or without the support of the alliance.

12.46 pm

Mr. Clive Soley (Hammersmith): The Opposition are delighted that the hon. Member for Meriden (Mr. Mills) won the ballot and decided to debate this motion. My only anxiety was that when he disappeared from the Chamber for so long he had been taken to the Home Office by the Home Secretary and asked to explain why he was so intent on embarrassing the Government by debating law and order in a week which has seen the most appalling crime figures ever released by any Government, Labour, Tory or anything else. It is no wonder that the Conservatives are trotting out tired old speeches such as that of the hon. and learned Member for Burton (Mr. Lawrence) who seems to believe that if he says the same thing often enough it will somehow become true. That is simply not so.

[Mr. Clive Soley]

The hon. Member for Meriden referred in his closing remarks to certain types of fraud and copying in some industries. That is an important and under-debated subject which deserves further attention, but it is not the issue before us today. In the earlier part of his speech, the hon. Gentleman made all the mistakes that the Government and the Conservatives generally make about law and order by assuming that simply throwing police officers at the problem will solve it and that trotting out words of support for the police will somehow cope with the consequences of the breakdown of law and order in this country. That is a strong phrase, but with riots in inner cities and country areas in relation to industrial disputes and in our prisons such as this country has not seen since the mid-19th century, we are coming so dangerously close to a real breakdown in law and order that unless the Government addresses the situation more seriously than they have done recently we shall be heading for trouble.

I was sorry to hear the hon. Member for Meriden align himself with those who wish to reintroduce capital punishment. I hope that he will consider the number of people convicted in the past five or 10 years for crimes of the type for which he would like capital punishment to be reintroduced. About one third of those cases are being reviewed or have already been reviewed and the defendants found to have been wrongly convicted. If the hon. Gentleman had his way, all those people would have been hanged.

In view of today's news, it is important to put on record how much we respect a lady such as Mrs. Blakelock who, having been through the most appalling time in recent months, has had the courage and humanity to say that she does not have hatred in her heart but pity and that she opposes the reintroduction of capital punishment.

Today in this debate, we should say how much our hearts and thoughts go out to Mrs. Blakelock and her family and to Cynthia Jarret's family. If we do that, in some small way we can add to the reconciliation that should be taking place. Therefore, I ask the hon. Member for Meriden to consider the stature of the people who can make comments such as those made by Mrs. Blakelock, before he joins in what I agree is the majority view in the United Kingdom that capital punishment should be reintroduced.

We are here as leaders and must answer to the people who elect us. We should duck out of our responsibilities if we did not look at the underlying arguments in considerable depth and know why we do not fall for those arguments, however persuasive they may seem on a superficial level.

Today we are debating the abysmal failure of the so-called law and order party to deal with the consequences of crime. The crime rate increased in 1986 by 7 per cent. In 1985 that figure was 3 per cent. There are seven crimes every minute and only one third are cleared up. Therefore, it is nonsense and pointless to talk about tougher deterrents. If criminals are not caught, deterrents cannot work; we cannot deter criminals because we cannot catch them.

The fundamental failure of the Government's policy is deeper than has been realised in much of the press. There has not only been an increase in the crime rate but a dramatic fall in the clear-up rate. We are used to the percentage clear-up rate falling. What is now unique and new is that the number of crimes that are cleared up is also falling. I challenge the Minister to inform the House of the last time that there was a fall in the number of cases cleared up. That is an important question, to which we need an answer today.

Deterrents cannot work if the criminals are not caught, nor can they work when people are so desperate that they pursue a particular course of action, or when they are so disturbed that they do not take account of the consequences of their actions. Other common factors are drugs and alcohol.

If one visits a court and talks to people who are either waiting for their case to be heard or who have come out of the court after their case, the first question that one often hears is "what will my sentence be? What will happen to me?" Even when they have been sentenced, they often do not know the full meaning of that sentence. How on earth can we believe that the argument about deterrence is effective? I shall return to that in relation to some of the comments made by the hon. Member for Meriden about his area.

The figures for burglary, robbery, murder and rape have risen dramatically. I accept that the figures for rape are distorted because the police have improved the way in which they handle such cases and publicity has led to a greater increase in the reporting of rape. I welcome that. I shall not make too much of the rape figures because they are difficult to identify fully.

In 1978 the clear-up rate was 42 per cent., which was dangerously low. However, now, under the party of law and order, it is 32 per cent., or less than one third of all crimes. That is the measure of the Government's failure. Crime has risen faster under the Tory Government than under any previous Government. There has not only been an increase in crime, but it has risen more rapidly than under any other Government. That is the imporant point. From 1979-86, theft increased by 40 per cent. Under the Labour Government, it had increased by 20 per cent. Robbery rose by a massive 140 per cent. under this Government, compared with the figure under the previous Labour Government. Burglary increased by 100 per cent., compared to only 20 per cent. under the Labour Government.

I do not want to make too much of what one party can and another cannot do on crime, but the Tory party chose to fight the 1979 and 1983 general elections with law and order as the major issue. It told the British public that it would get tough with crime and do something about it. That is why I stated those figures. It asked the British electorate to judge it on its performance on crime. By any standard the Tories have failed. As my hon. Friend the Member for Fife, Central (Mr. Hamilton) so effectively pointed out, the Tories were quick to criticise the Labour Government. They display appalling double standards.

The Government have no right to be surprised about the increase in crime and they have every right to be ashamed. The problem is difficult for any Government and crime has been increasing under successive Governments and in countries similar to Britain. The charge against this Government is that they have made a difficult position far worse by their general policies.

The underlying problem for western countries is the change in the population structure, particularly the move back to the country from city areas, reversing a historical process which has continued for 200 years. That is having a dramatic effect, particularly on our inner city areas. Any

Government must face that problem. Time prevents me from going into detail, but that movement has meant that previously well-structured, well-developed, close-knit communities, which used to protect themselves against crime have broken down.

The Government have exacerbated that problem by increasing unemployment, which has an effect on the crime rate, alienating large groups from the police and, most seriously, demoralising the police by pretending that the police have an answer to the crime problem when the police acknowledge much more readily than in 1979 that alone they cannot deal with crime. The most devastating way in which the Government have made the position worse is by cutting public expenditure which was used to prevent crime. The massive, dramatic cuts in services, from education, through housing to inner city grants, have made a difficult position infinitely worse.

The destruction of communities has produced a problem which in some areas is getting dangerously out of control. I shall give some examples of the Government's public expenditure cuts and their effect. This relates to some of the comments of the hon. Member for Surrey, South-West (Mrs. Bottomley), who, I know, has had to leave the debate.

Recently I watched the installation of special double glazing at Brighton. The council has installed strengthened windows, with extra locks. The windows can be left partly open but prevent an intruder from breaking in. They are a useful design. But the council cannot install any more because the Government have rate-capped it.

Edinburgh needs £11 million to provide hard doors, which cannot be easily kicked in, for flats and houses in high crime areas. The council have £10,000 available for that task and the Government have rate-capped it. As I pointed out in an intervention, in Meriden — the constituency of the hon. Gentleman who tabled the motion — people recently attending the police consultative committee asked, not for more deterrent sentences —indeed, that was not even mentioned—but for more police officers on the beat, and, above all, more facilities for young people. Why? The crime rate in Chelmsley Wood has increased by 73 per cent. since 1978. Yet, the hon. Gentleman wonders why he is in trouble with the Home Secretary for introducing a debate on law and order. The Conservative council in that area spends only half as much as nearby local authorities on youth facilities. That is the damning indictment of what the Government have done to crime prevention by cutting the spending of local authorities.

Nottingham could improve only 800 housing units this year, but needs to tackle 5,100. Renovation and repair involves introducing stronger doors, locks and windows, for example, and above all replacing windows around which the putty is giving out. We all know the scenario: run the chisel around the frame, take out the pane, put the hand through, slip the latch and the burglar is in. Alternatively, kick in the door because the panel is weak, grab the television and get out. Televisions and video sets sell quickly and cheaply. It happened to me only a few weeks ago — it took a brick to break through the double-glazed window. Sad to say, most people have had a similar experience.

Birmingham introduced a pilot concierge scheme for its tower blocks. In some of the run-down, vandalised tower blocks it is not enough to instal entryphone systems. They are vandalised too. A 24-hour caretaking system, known as the concierge system, is needed, and Birmingham would love to have one. It has introduced 12 such schemes, but it probably needs almost 200 to make the system effective. The Government have cut the money that goes to Birmingham and that has prevented it from implementing its plans.

Leicester is also planning a concierge system but the Government withdrew some of its housing subsidy. It has only £20,000 available for the system, compared with the £100,000 that is needed.

Last Tuesday, the Government had a golden opportunity to put many unemployed people into useful work in a way that would not have sucked in imports from overseas. They could have put them to work in high crime areas on crime prevention schemes of the type that I have described. However, the Government thought that that was not important enough to mention in the Budget. That shows how much the Government care about crime prevention.

The massive cuts in public expenditure are not the only reason for pointing the finger at the way in which the Government have made the problem so much worse. I have mentioned the board and lodging allowance, which forces young people into homelessness, but it was said this morning that there were plenty of empty houses around. Do not Conservative Members know that young people are leaving their homes in the north to come south looking for jobs? The jobs are here, but the houses are not. Do they not know about the distorted housing vacancy rate in the country?

Young people come south and find that they cannot stay in board and lodging for more than a few weeks before losing their supplementary benefit; so what do they do? A few turn to crime, but the real danger is that they will drift into homelessness through no wicked intent, and drugs and alcohol abuse provide a way of coping with stress.

These youngsters become more vulnerable to true homelessness, and, as the Home Office knows from its own research, there is a close link between crime, homelessness, and drug and alcohol abuse. The Government's policies, particularly on young people, have increased the chances of that happening to them.

Nursery education is an area on which money should be spent to bring us into line with the normal level of expenditure in Europe. Many young children who live in high-rise estates have to play indoors all day with their parents. Others are sent outside to play unsupervised in the streets, and many of them drift into scrawling graffiti, vandalism and crime. Those children could be catered for in a way that would take them away from crime. That was another opportunity that the Government passed up.

Hon. Members have argued about whether unemployment and crime are linked, and, of course, they are. What we cannot do is show a clear statistical link between a person being unemployed and committing a crime. That comes as no surprise. There is, however, a statistical link between joblessness, homelessness and going to prison: people in those categories have a greater chance of going to prison than others of similar background, committing the same offence, who have a job and a house in which to live. There is not a direct link, but, as my right hon. Friend the Leader of the Opposition said yesterday, and others such as my hon. Friend the Member for Islington, South and Finsbury (Mr. Smith) have said today, the link is such that it is a measure of the breakdown in society.

[Mr. Clive Soley]

I regret that the hon. Member for Surrey, South-West has had to leave. She is a psychiatric social worker and must know from her training and work that in these situations a family that is just about coping with the problems of parenting and bringing up children — although perhaps the children are on the edges of law-breaking — when faced with unemployment and dramatically reduced income, is faced with a crisis.

The so-called party of law and order also likes to present itself as the party of the family. Despite that, it has done more to make it difficult for families at the margin to cope. Parenting can make all the difference between whether a youngster gets into trouble with the law, but if one makes it more difficult for a family that is already struggling to cope with social, emotional and economic problems, one will increase the chance of the children, or the parents, getting into trouble.

There are other similar analogies. The psychiatric breakdown rate for women is a mirror image of the rate for men who get into trouble with the law. In other words, the figures are reversed. Men are more likely to offend and women are more likely to get psychiatric problems. This happens as a result of economic and social strains and there is a link with unemployment and the way in which the Government have undermined our social fabric. When we talk about the country being torn in two by the Government, we are talking not only in terms of the north-south divide, but about the divide between those who live in deprived, run-down areas with far fewer opportunities, and those who live in better areas.

The hon. Member for Surrey, South-West said that she was lucky enough to live in the area with the lowest crime rate. I could not help saying to myself, "Does she not understand that that is something to do with the income levels and standard of services in that area?" One could probably take out half of the police force from Surrey, South-West without making much difference to the crime rate, unless, as my hon. Friend the Member for Fife, Central said, it was an increase in tax evasion and fraud. However, crimes that hurt people personally, such as burglary, street robberies, muggings and so on, all the crimes that frighten people, would not be affected.

Such a move in a high-crime area, where a community is already splintered, would make all the difference in the world. When the Government put all their hopes on the neighbourhood watch schemes and launched them with a great fanfare, saying that they would solve all the problems, the Labour party said something that we were attacked for saying. We now know from recent reports that we were right to say that while the neighbourhood watch schemes were a good enough idea, their benefit is greatly overstated. We know that they tend to displace crime from the areas where they are successful into the neighbouring areas.

The problem is that neighbourhood watch schemes will not work well in a high-crime area because the community is already splintered. The usefulness of such schemes is that they bring the community together, but one needs to do other things. One needs to have tenant associations, resident associations, youth clubs and other facilities in the neighbourhood watch area if it is to work properly. By putting all their eggs into that basket, the Government failed.

Let us look at the way in which the Tories have dealt with the police. They present themselves as the party of the police. There are more police officers. There is now one police officer to every 395 citizens—20 years ago, it was one to every 602 — but the crime rate has still gone through the roof. That policy of the Government is not working because, as I said at the start of my speech, there is no point in throwing police officers at the problem.

Police officers have a deterrent effect if they are on the streets and they make an important contribution in addressing the crime when it is committed. A recent survey shows that about 7 per cent. of a police officer's time is spent dealing either with the victim or a witness and that about 50 per cent. is spent in the police station on paperwork. We know from Home Office figures that 95 per cent. of all crimes are cleared up by witnesses giving evidence to the police. We can see why the police are getting into difficulty.

The hon. and learned Member for Burton said that the Labour party is opposed to the Police and Criminal Evidence Act 1984. That is quite correct. Let me bring in a supporter of the Labour party on that — the Police Foundation. That is an independent body which finds, in accordance with what we say, that the Act is bureaucratic and an administrative problem for the police. When the Royal Commission reported it said that we needed an Act which gave the police a clear definition of their powers and the citizen a clear definition of his rights. The Police and Criminal Evidence Act 1984 does neither. It is blurred and is neither a clear statement of police powers nor of citizens' rights and has added to the burdens of the police force.

Public order has been discussed in the debate. What other Government, Tory or Labour, would have allowed a foreign citizen, Mr. Murdoch, to go on creating mayhem in our streets by refusing to negotiate?

No other Government, Labour or Tory, would have allowed that to happen. The Tory party talks about people demonstrating in the streets. What do the Tories want to do about that? Do they want to abolish the right to demonstrate? We have mass unemployment and economic distress and whether the Tories like it or not or whether I like it or not, people will demonstrate and express anger and fear about the loss of jobs. Unless we ban that right we shall have to do one of two things. We can do what the Government have done and use the police as the Tory party's private army to try to cope with the social and economic consequences of the Government's policies, or we can do what previous Labour and Tory Governments have done — get the employers and the work force into negotiations through organisations that previous Labour Governments successfully set up for that purpose.

The Tory party attacks Labour councillors. I do not mind when it criticises Labour councillors for something that they have said. As I did yesterday, I shall give another clear warning to the Tory party. When it says that a Labour party member or councillor or someone like that is undermining the law by expressing a view, it is really saying that those people are undermining the law because they are exercising their democratic rights. If somebody is undermining the law by breaking it, that is a different matter.

I want to fight this issue on the issue itself. I do not want to sink to the level of *The Sun* and the *Daily Mail* because there is no advantage in using the invective and the labels that they use. I warn the Tory party that if it wants us to take the gloves off we will do just that. Many people in the

Tory party and at its edges give us ammunition to use if we have to use it. The Tories should keep to the issue. They may be in trouble on the issue of law and order, but, if we fight it on the issue itself, we will do our people a service.

There is a strong reason for having law and order as part of the political debate. I have never complained about it being part of the party political debate. It ought to be, because that is the way which we resolve issues in a democratic country. However, we should not accuse people of undermining the law when they are not actually breaking it or challenging it in the way that the Tory party has tried to suggest.

Let us look at some of the excellent schemes going on in London. Southwark has a mediation scheme for victims and Newham has co-operation between the police and the local authority on racial attacks. Haringey, Lambeth and other councils co-operate with the police on the recruitment of ethnic minorities to the police. All those things are happening, but we do not hear about them from the Tory party. All we hear from the Tories are attacks. In Islington there is the joint initiative on recruitment and safety on council estates. The Association of London Authorities, dominated by Labour but with some Conservative members, was commended by the Metropolitan police because we showed it how to do its accountancy in a way that resulted in a lowering of the rate for Londoners by, if I remember rightly, about 8 per cent. We hear nothing about that from the Conservative party.

If the Government go on attacking the various people who disagree with them, we should notice who the scapegoats are. The teachers and the Labour party are to blame as are certain councils and parents. Everyone is to blame except the Government.

There is one other thing we need to do. In certain areas of high crime rates we ought to look again at the special constabulary scheme. There is a real possibility that if we increase recruitment to that, perhaps with a commitment for guaranteed entry into the police force after, for example, a two-year period and subject to the person having met the minimum standards during that time, we could break through the barrier of recruitment in the inner cities. That is not just a problem with ethnic minorities. The hard fact is that 80 per cent. of the police officers who police London come from outside London and the figures are not that different in other city areas. Therefore, the special constabulary needs to be looked at again. It is already working well but we could make it work better.

If we have the debate at this level and not the debate that the *Daily Mail* and *The Sun* would like everybody to have, we can do a lot to improve the safety, happiness and security of the citizens of our country. If we deal with it in the way in which the Tory party has tried to deal with it from time to time, we will fail and we will be judged to have failed, quite rightly, by the people of this country.

1.17 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Douglas Hogg): I wish to begin by congratulating my hon. Friend the Member for Meriden (Mr. Mills) on prompting such an important and interesting debate. He has raised a number of issues, some of a general character, some of a narrow character and all of them significant.

I shall begin by referring to the problem of industrial counterfeiting, a subject on which my hon. Friend has considerable experience and which he has made very much his own. My hon. Friend is right to stress the essentially fraudulent character of that activity. Industrial counterfeiting is certainly a form of fraud. He was also right to emphasise that industrial counterfeiting imposes a real burden on legitimate industry. In drawing attention to those things, he has done a great service to the House.

Many aspects of industrial counterfeiting are already caught by the existing law. For example, there are provisions in the Trade Descriptions Act 1968 and in the Theft Act 1968. There is the patent legislation and the common law tort of passing off and, as my hon. Friend the Member for Meriden said, there is a provision in clause 12 of the Criminal Justice Bill which is designed to cure precisely the problem to which he referred.

My hon. Friend has rightly drawn attention to what may be a weakness in the law. My right hon. Friend the Minister for Information Technology is now in the process of consulting the prosecuting authorities so as to determine and identify any gaps that there may be in the existing legislation. I cannot pre-empt what he is going to say but I can tell my hon. Friend that my right hon. Friend will approach the matter with considerable sympathy and will take account of the important points he made.

My hon. Friend the Member for Meriden referred to sentencing. Some of the penalties imposed for industrial counterfeiting are low, but I think that he will recognise that the legislation that the House has passed provides for substantial sentences. For example, under section 1 of the Trade Descriptions Act 1968 there is a maximum penalty on indictment for an unlimited fine and for a term of two years' imprisonment. What the courts choose to impose is a matter for them. All that Parliament can do is to lay down the framework of law.

I entirely agree with my right hon. and learned Friend the Member for Warrington, South (Mr. Carlisle) in stressing the fundamental distinction between Parliament's role and that of the judiciary. Although I accept that there is a great deal in what my hon. Friend the Member for Meriden said about industrial counterfeiting, it is wrong to suppose that the law does not already take what he said into account. Certainly the Government will approach the matter in the context of what my hon. Friend so usefully said.

I turn to the more general question of crime. The crime figures are of profound concern to the House and to the country. I agree with what my right hon. and learned Friend the Member for Warrington, South said about these matters. We are deeply concerned about rising crime and about the decline in clear up rates. However, if we are not to mislead our constituents or to delude ourselves, it is essential that we try to place the figures in proper perspective and to understand the facts that lie behind the figures.

It is an undoubted fact that recorded crime is increasing. For 1986, the increase in recorded crime was 7 per cent. This is an increase which, though larger than that for 1985, is very much in line with the annual increases which have occurred since 1955. Figures show that recorded crime increased at an average rate of 6 per cent. between 1980 and 1986, which is very much the same as the annual long-term rate of increase since 1955.

To keep the matter in perspective, I must make some further points. Not all classes of crime have risen at the same rate. Offences of violence against the person increased in 1986 by only 3 per cent. There was, indeed, a small increase in the clear-up rate for violent offences.

[Mr. Douglas Hogg]

It is also important to look closer at the nature of offences committed. That is because the fear of crime, though real and understandable, is not perhaps a true reflection of the character of crimes committed.

Most crimes are crimes against property and do not involve violence. Theft accounts for more than half of all notifiable offences. Crimes of violence against the person account for only 3 per cent. of notifiable crimes and I am glad to say that the elderly are the least likely to be the victims. The worst types of crime—homicide, offences endangering life, and rape—account for less than one third of one per cent. of all offences.

Statistics can be presented in a variety of ways. A burglary a minute sounds, and is, alarming, but that statistic implies a burglary only once in 35 years for the average person of 16 years of age. Such a person could expect a robbery once every 450 years and an assault resulting in injury once a century. Britain remains one of the safest countries in the world. Moroever—this point has been touched on by other hon. Members—it is a bizarre paradox that the more police we have and the more efficient and sensitive their methods, the more the public will report to them the offences of which they have become aware.

Mr. Alton: Will the hon. Gentleman give way?

Mr. Hogg: I shall give way in a moment.

Thus we shall have a rise in recorded crime.

Mr. Alton: The people listening to the debate might be somewhat mystified by the statistics that the hon. Gentleman has given. Surely he would accept that to give that kind of average figure belies a certain complacency in the inner city areas. I was burgled three times in one year. That is not a unfamiliar experience for people living in inner-city areas.

Mr. Hogg: First, it is essential that we present the facts fairly and clearly. That is what I sought to do. Secondly, it is simply unacceptable for the hon. Gentleman, who voted against the Prevention of Terrorism (Temporary Provisions) Act 1984 to criticise the Government's record on law and order.

Let us consider the raw facts. Today, the clear-up rate is about 5 per cent. down on that for 1985. However, the raw figures do not reveal the whole story. Thus, for example, there is a high clear-up rate for serious crimes of violence. The rate of clear-up for homicide is around 92 per cent. The rate of clear-up for offences against the person and sexual offences is around 70 per cent. Moreover, it is interesting to note that, in the last quarter of 1986, there was evidence of a recovery in the clear-up rate. What is the cause of the decline of the clear-up rate? I shall suggest some causes.

First, there has been a change in the crime profile for 1986. About one quarter of the overall fall in detection rates can be attributed to a change in the composition of recorded offences. Thus, for example, there has been a fall of 12 per cent. in the number of recorded cases of shoplifting. Shoplifting is a self-detecting crime. If one knows of a case of shoplifting, one almost certainly knows the offender. As a consequence, the fall in the number of recorded shoplifting offences has greatly reduced the proportion of clear-ups. That has been associated with a larger than average increase in the recorded number of thefts of and from cars, which also have a particularly low level of clear-up. That goes a long way to explain the decline in the clear-up rate.

We need to face two other important points. First, the introduction of the Crown prosecution service may have had a temporary impact on the figures. The introduction of the Crown prosecution service has been almost universally acclaimed — certainly in the House. Its introduction may have had an impact on the clear-up rates because we have brought new people, new procedures and new methods into play. It would not be in the least surprising if, for a short time, that had an effect on clear-up rates. But it goes further than that.

Parliament has decided — in my view, rightly — to introduce a range of measures designed to enhance civil liberties and to protect the offender against injustice. Those measures have been widely acclaimed and were certainly supported in part by Opposition Members.

Those measures could have had an impact on clear-up rates. For example, the right of an offender to have his solicitor present early in an investigation was called for by Opposition Members. But solicitors say to their clients, "Don't you say anything to the police." That leads to a fall in the clear-up rate. Another example is the requirement that is imposed on the police to take verbatim contemporary notes. That was called for by the Opposition, but undoubtedly it reduces the flow and the style of the interview.

Mr. Soley: Will the hon. Gentleman give way?

Mr. Hogg: No, not at the moment.

Yet another example is the restriction that is placed on the time that police officers can hold an offender for questioning. That has an effect on the clear-up rate and that, too, was called for by the Opposition. To some extent, these problems may bed down and resolve themselves.

Mr. Soley: Will the hon. Gentleman give way?

Mr. Hogg: No, not at the moment. We have embarked on a comprehensive programme that is designed to introduce the tape recording of interviews. There are certain features that will militate against that programme, but measures that are designed to improve civil liberties may have a price. It is unacceptable for the Labour party to call for such measures and then to say that it is not ready to pay that price.

Mr. Soley: This is the most complacent speech that I have ever heard on a Friday. The hon. Gentleman's example concerning civil liberties is particularly bad. I said that the Police and Criminal Evidence Act is a problem for the police, and the examples that the hon. Gentleman has chosen are precisely those that I gave. The Royal Commission wanted an absolute right for an offender to see a solicitor. The Government — only after pressure from the Opposition — introduced a limited right that makes it difficult for the citizen to know what his rights are and also makes it difficult for the police to know whether or not they have got it right. Therefore, the amount of time that police officers have to spend working out that and similar problems relating to the code of conduct, is ridiculously long.

Mr. Hogg: In his convoluted and difficult-to-understand manner, the hon. Gentleman is saying that he

supports measures that would have an even more disastrous effect on the clear-up rate. I should not have thought that even he would want to advocate such measures.

That takes me to another matter—the Labour party. I should like to make it clear that neither the country nor Parliament will be lectured by the Labour party on law and order policies. The hon. Member for Hammersmith (Mr. Soley) is an expert in weasel words, an example of which he gave this morning when he referred to Wapping, and he made the curious suggestion that he was going to take off the gloves. Was that a reference to the question that he asked my right hon. Friend the Prime Minister yesterday, for which he was called to order by Mr. Speaker and rebuked—a curiously humiliating experience for a Front Bench Spokesman, even of the Labour party?

Despite that, I do not point the finger at the hon. Member for Hammersmith; he is by no means as bad as might be made out. But what the hon. Members for Hammersmith and for Islington, South and Finsbury (Mr. Smith) must realise is that in far too many cases far too many people who hold responsible positions in the Labour party have associated themselves with actions that have tended to destroy the cohesive nature of society and that have done real damage to the police service and to the concept of public order.

Mr. Soley: Name some.

Mr. Hogg: The hon. Gentleman says, "Name some." I intend to do so. I would not allow this opportunity to pass without naming some. I begin by naming Mr. Livingstone, the prospective Labour candidate for Brent, East. He argued that two convicted IRA bombers should not be extradited from the Netherlands, and described them as political refugees. Let me also name Linda Bellos, who I understand is the Labour leader of Lambeth. She has accused the police of deliberately creating tension in Brixton. She said "The people of Brixton only want peace, but I think that the police are bent on war." A third example is Mr. Bernie Grant, the Labour leader of Haringey council and prospective parliamentary candidate for Tottenham, North. He justified the murder of PC Blakelock and the riot that preceded it by saying, "The police got a bloody good hiding."

Mr. Soley *rose*——

Mr. Hogg: No, I will not give way.

Mr. Grant compounded the offence on the radio this morning. He now knows the circumstances of that murder, but did he apologise? Oh, no. He tried to justify his remarks, saying, "They were a useful safety valve."

Mr. Soley *rose*——

Mr. Hogg: No, I will not give way.

Mr. Soley: On a point of order, Mr. Deputy Speaker. It is entirely wrong for the Minister to name a person and quote what he said outside the House, and to do so inaccurately, when that person is not in a position to correct the statement.

Mr. Deputy Speaker (Sir Paul Dean): It is for the Minister to decide whether he will give way.

Mr. Hogg: There was nothing inaccurate about any of the remarks that I quoted. The Labour party may be embarrassed and anxious to conceal the facts, but the House will hear them, and nothing that the hon. Member for Hammersmith does can stop it from doing so.

Let us examine some of the actions and policies of the Labour party. There are the frequent appearances of leading Labour supporters on picket lines when they know, or ought to know, that violence is likely. There is also the decision of the Labour-dominated Lambeth borough council to expel police consultative group members from the town hall—and for why? Because that group endorsed the use of baton rounds as "weapons of last resort". But most bizarre of all is the decision of the Labour-controlled Haringey council to issue 25,000 of what it is pleased to call "bust passes" to school children in the borough, advising them not to co-operate with the police should they be stopped or questioned by them. If I had the time, I could give a myriad other examples.

Before I leave the subject, let me refer to a few Labour party publications. Happily, Labour is not slow to publish its views. For example, *Police Watch*, which is published in the constituency of the right hon. Member for Manchester, Gorton (Mr. Kaufman) with public money, is full of virulently anti-police material. Let us take, for instance, "How to make a complaint against the police", published by the London strategic policy unit, a Labour-controlled body. It begins:

> "Police misconduct ranges from the relatively minor incident such as rudeness, to dishonesty, racial prejudice, assault and causing death."

It goes on in that vein. There are also endless violently anti-police cartoons published in this document. I also have a picture, published by the Forest ward Labour party, showing a policeman holding a sledgehammer and grabbing a coloured man,—a virulent attack on the police.

What kind of party are we dealing with? The truth is, as we have come to realise, that far too many people within the Labour party are unfit to exercise any high authority in such matters. As the hon. Member for Hammersmith has been foolish enough to talk about the police, I shall talk about the Labour party's policy on the police in 1977 and 1978. At that time the police were 10,000 men below establishment. In December 1977 and 1978, there was an average deficiency of 8·5 per cent. on police establishment. Lord Edmund-Davies reported that police officers were grossly underpaid and that the police were deserting the force in droves. The fact that the Labour party is seeking to pretend that it is either willing or able to fund an adequate police service is simply to fly in the face of history.

I now refer to the very positive action that the Government have adopted—*[Laughter.]* I recommend that the hon. Member for Islington, South and Finsbury, whom I rather like, should be careful because sometimes he does himself an injustice by treating serious matters frivolously.

Firstly, we have greatly increased the police service and the resources that are devoted to it. The facts are impressive. Total strength in England and Wales now stands at 122,100 men, which is the highest figure ever achieved. Since May 1979, total manpower available to the police service in England and Wales has increased by 16,391 men. In 1987-88 we expect to spend on the police service about 50 per cent. more in real terms than was spent in 1978-79. That is an achievement for which the Government can claim full credit.

[Mr. Hogg]

The progress will continue. As my right hon. Friend the Home Secretary stressed in May 1986, over the next three years or so we plan to recruit an additional 3,200 police officers and over 2,000 civilians. No other party could or would have attempted to bring about that transformation in the police service.

The second aspect of Government policy has been to ensure that the courts and the police have more than adequate powers to punish the offender. Frequently the Labour party, and sometimes its erstwhile supporters on Liberal Benches, has voted against the measures designed to enhance police and court powers, but fortunately the Conservative view prevailed.

Let me give some examples. We have created new offences, for example in the Public Order Act 1986. We have established higher maximum sentences for serious crime — for example, life for attempted rape and for carrying a firearm in the course of committing an offence. We have given, and we are now extending, the powers that the courts have to confiscate the proceeds of crime from convicted criminals. We are setting up the serious fraud office to challenge and contain serious incidents of fraud. In the Criminal Justice Bill we have done much to improve the procedure of the criminal courts and their ability to handle serious criminal cases.

My hon. Friend the Member for Meriden rightly referred to serious offences, particularly homicide. He said that there is to be a full debate on that subject later this month. It would be wrong for me to try to preclude that debate by expressing views now, but I am sure that my hon. Friend would be the first to recognise that my right hon. Friend the Home Secretary has made it wholly plain that for serious cases of murder, the murder of prison officers, the murder of police officers, murder in the course of committing a robbery, the sadistic or sexual murder of children and so on, there will be no early release of people so convicted. My hon. Friend will know that it is the Home Secretary's policy to ensure that people convicted of that class of offence will serve at least 20 years and may never emerge. That is the Government's policy.

As other hon. Members have said, the struggle against crime cannot be fought exclusively by the formal institutions of society. Nor should we neglect the policies that are designed to prevent crime. Much of crime is indeed preventable. Some 25 per cent. of burglaries are entirely opportunistic, in the sense that properties are not secured. Some 20 per cent. or so of vehicles are wholly unprotected and their doors are left unlocked. Therefore, we have recognised that we should place enormous emphasis on crime prevention. We have brought forward the most coherent crime prevention programme ever contemplated by any Government. We are in the process of fashioning a partnership in this war against crime. It is a partnership between the formal institutions of society, the Government, the police, the public utilities and local authorities on the one hand, and on the other, the multitude of individuals and organisations which form our society.

As a Government, we believe in arousing public awareness of what can and should be done to protect individual property. Hence our greatly expanded programme of crime prevention advertising. We believe in identifying practical crime prevention programmes and projects. Hence, for example, the standing conference on crime prevention and its working parties, which have come forward with reports containing suggestions of much practical worth.

We believe in local action and close co-operation between local communities and the police. hence the explosion in the number of neighbourhood watch schemes that are doing so much to reduce the fear of crime and, at the same time, are enhancing the security of local residents.

We believe in using public money to improve the security of buildings to reduce their vulnerability to the criminal, and that relates to a point raised by the hon. Member for Islington, South and Finsbury. Thus, in 1987-88, we anticipate spending some £32 million within the community programme so as to finance some 7,000 places committed to crime prevention schemes, notably improving the security of homes lived in by the elderly and disadvantaged.

Some £30 million is likely to be spent in 1987-88 by the Department of the Environment on crime prevention measures that form part of the Department's urban programme. Some £7·5 million is likely to be spent by the Department of Transport to improve security on the London underground system. The hon. Member for Islington, South and Finsbury called for entryphones, improved lighting, concierges, railings, window locks, facilities for the young, and stronger doors. All of those are already being provided within projects for which the Government, or agencies supported by the Government, are responsible.

Mr. Soley: No they are not.

Mr. Hogg: There is no point in the hon. Member saying, "No." That simply shows ignorance. I am recounting the facts. He may not like them, he may not know about them, but let him regard this as an instructive experience.

Finally, I want to return to my main theme. Of course there is a problem of growing crime. That problem exists in almost every country. It has developed consistently and persistently for more than 30 years. There is no single solution. The causes of crime are rooted deep in society and will be difficult to eradicate. However, with total confidence I can claim that this Government's policies are much more likely to be effective than those on offer elsewhere. Those who assert the contrary are certainly deceiving the country, are probably deluding themselves, and most assuredly will not be believed.

1.49 pm

Mr. Michael Foot (Blaenau, Gwent): I have listened to almost every word of this extremely interesting debate. Although I did not agree with every passage in the Minister's speech, that was the only exception in a most constructive discussion. I hope that the Government will study the proposals that have come from many quarters.

I hope that the debate will also influence the comments that the Prime Minister may make on the subject. I intervened in the speech of the right hon. and learned Member for Warrington, South (Mr. Carlisle) to explain our criticisms of the Prime Minister in relation to this matter. The more that he and the Minister argue that there has been a consistent increase in violent and other crimes, the more that is a damaging attack on what the Prime Minister said in 1979, when she gave no recognition of the steady increase in crime in Britain and abroad. In her

aggressive, demagogic manner she tried to pretend that the increase in crime before 1979 was due to the Labour Government. She heaped all the abuse upon us and, indeed, did something similar in 1983. As her remarks on the subject attract such little criticism in most newspapers, no attention has been paid to them.

After the steady increase of crime during the entire period in which the right hon. Lady has been Prime Minister, and recalling her prophecies of how she would deal with the problems much better than the Labour Government could, I hope that it is not too much to ask for a little humility from the Prime Minister and that before she speaks on the subject again she will listen to the views of those who have tried to study the real causes of crime in their communities and the real causes of the dangers that were discussed by my hon. Friend the Member for Hammersmith (Mr. Soley), to which the Minister and other members of the Government have not applied their minds. That is the danger of the disease of riot spreading in a big way.

Hundreds of years ago, riots broke out and historians spent years afterwards examining the causes. Does anyone imagine that, in five, 10 or 20 years' time historians examining the causes of the disturbances in London, Birmingham or Bristol will come to the conclusion that mass unemployment on a scale unknown since the end of the war and unemployment among young people on a scale that we have never known had no effect on the rates of crime? Of course, they will not come to that conclusion. No Opposition Member says that unemployment is the sole cause, but it is a major factor in the background.

The Under-Secretary of State talked of crime prevention as the cause to which we should all give allegiance and the course which we should follow. I strongly support what he said. I thought for a moment that he would go on to quote the motion which I tabled, but which we shall be unable to debate, which reads:

"That this House expresses its disgust and alarm at the crisis in British universities arising from the parsimony and philistinism of Her Majesty's Government; calls for strong resistence from all universities and polytechnics and colleges throughout the country against the effects of indiscriminate monetarism; and cites in particular one development requiring immediate remedy, the curtailment in the purchase of books for schools, public libraries and the universities themselves."

Does anyone claim that those matters have no connection with crime?

Good schools and good universities are places where young people can learn how to play their full part in the community throughout the rest of their lives. Those are the most necessary requirements for dealing with crime prevention, as described by the Minister a few moments ago.

On all the matters connected with crime prevention the Government have shown something worse than delinquency — they have flown in the face of the recommendations and warnings from all the scholastic authorities. The Government have an utterly disreputable record with regard to universities, schools and their attempt to sustain places where we could combat this appalling rise in crime. A rise that has been greater than anything known for generations.

After six or seven years of, what I believe is called "Thatcher-Lawson prosperity" we have the worst crime rate in history. After six or seven years of "Thatcher-Lawson prosperity" we have unemployment of a still horrific and historic scale.

Mr. Lawrence: It is falling.

Mr. Foot: Even if that level continues to fall for the next few years at the present rate it will not approach the level of unemployment that the Prime Minister inherited when she came to office in 1979. The present unemployment level remains of historic proportion.

After six or seven years of "Thatcher-Lawson prosperity" we have the worst threatened scientific brain drain in modern times. If anyone has any doubt about that they should study the headline in *The Daily Telegraph* today—I am sure that the hon. Member for Cambridge (Mr. Rhodes James) will confirm it—

"Universities fear greatest ever brain drain"

We should have the brains in this country to assist us to deal with these problems. However, the report from a highly-respected, independent scientific body has said that the universities fear the loss of their scientists.

After six or seven years of "Thatcher-Lawson prosperity" morale in our universities is at rock bottom. If anyone thinks that is an exaggeration they should read yesterday's debate in the other place. That debate was initiated by Lord Swann. He described not only the effects on our universities, but the effects on our society if this type of deterioration is permitted. Nobody could read that debate without being ashamed about what is being done and about how the massive cuts in expenditure for universities have imposed a separate, but common, problem on pretty well all universities. I would be very surprised if anyone told me that has had no influence whatever on the level of crime in this country.

Mr. Robert Rhodes James (Cambridge): To keep tentatively in order may I point out that the crime rate in Cambridge has fallen in the past year. I fully share the right hon. Gentleman's concern about the decision of the Science and Engineering research council. Does the right hon. Gentleman also agree that the reason for the problem is that although we have increased university salaries by £167 million, we must do more?

Mr. Foot: I am grateful to the hon. Gentleman for his intervention, as he speaks with great knowledge about these matters. He has illustrated what the Government should do to deal with the problem.

If the Government intended to deal fairly with the universities when they, belatedly, agreed to the increase in salaries they should also have agreed an extra amount that could be afforded to enable those salaries to be paid without causing other deprivations. It is not possible for anyone to read the debate in the other place without reaching the conclusion that a serious burden has been imposed on our universities—no policy could be more absurd.

Any Government who had considered the dangers of mass unemployment and the social consequences of allowing it to continue year after year would have realised that to prevent the crime wave extending across the whole country they must ensure that more young people have the chance to go to good schools and to go on to university. The hon. Member for Cambridge (Mr. Rhodes James) would agree with that, but he knows better than anyone else that the Government have approved a policy of putting such pressure on universities that the whole

[Mr. Foot]

programme for the extension of university education will be curtailed, but every university will suffer in terms of variety of courses and facilities. That is the Government's policy as explained by Lord Swann and others yesterday. No one can suggest that such a policy will not have social consequences in the very areas that we are discussing today.

We should have regular debates on crime when there is a Conservative Administration because such debates illustrate some of the consequences of their neglect of other areas. Morale in the universities is at its lowest in modern times and this is strictly relevant to the subject under debate. The situation has taken different forms in different areas. Oxford, for example, has recently seen the effects of the massive cuts. The same is true in Northern Ireland. I visited the university of Northern Ireland the other day. There is record unemployment in Northern Ireland and various sectarian organisations are seeking to drag young people into various forms of crime. Yet it is Government policy to cut the money available to the universities there. Queen's university provides a splendid service to the whole of Ireland, as does the university at Coleraine. I invite hon. Members to visit either of those universities. People there spoke of the consequences to be expected if cuts continue to be imposed.

Special considerations apply in Northern Ireland and I hope that the whole House is concerned about the situation there. I know that my hon. Friend the Member for Hammersmith (Mr. Soley), who is Opposition Front Bench spokesman in this debate, has a special interest in the matter. We all know that to deal with crime and social problems in Northern Ireland we must encourage those institutions that set their faces against all forms of sectarian violence. Yet the universities and museums face constant cuts when they are the very institutions that should be encouraged if young people are to have the chance of obtaining proper training and a decent livelihood. In some respects—this is scarcely credible, but the figures show that it is true — university allowances and book provision in Northern Ireland face greater cuts than in other parts of the United Kingdom.

All these matters are strictly relevant to today's debate. It is a shame and a scandal that after seven years of so-called economic advance the Government are still squeezing the very institutions that have the best chance of providing a common bond between north and south.

There are only two institutions in Northern Ireland—one cannot include the Church—which try to overcome the sectarian madness and horror. Nobody can deny that trade unions do their job. They try to deal with and to face the problem where it hurts. The universities also have a good reputation in this area. However, this Government have rewarded the universities in the North with cuts and, in some repsects, they have been cut even more than other universities.

Mr. Rhodes James: The right hon. Gentleman must realise that this Government saved the university of Coleraine. My contribution to that was one of the most important things that I have ever done. I am grateful to my right hon. Friends for having rejected the Chilver report and saved Coleraine. If one is to take an example of the Government's alleged attack on higher education, the right hon. Gentleman has chosen the worst example.

Mr. Speaker: I am sure that the right hon. Gentleman will continue to relate his remarks to the debate, which is about law and order.

Mr. Foot: I am sure, Mr. Speaker, that you will have been following closely how exactly I have related my comments to the debate. I am most gratified by your commendation. The hon. Member for Cambridge, has been in absolute conformity with the other matters that we are discussing. He naturally interrupts because he had a special part in ensuring that Coleraine should be preserved. I congratulate him on that. However, he should go there now, talk to people and listen to what they have to say about the cuts. He should talk first to the principals, the dons and the tutors because they have a case. He should talk to the students who also have to face cuts.

One of the reasons why more people will be potential criminals is that student grants are being cut to such an extent that there will be fewer students. I do not know whether other hon. Members have understood the matter, but it seems common sense that more people go to university, take longer courses and enjoy ease in the way in which they carry through their scholastic affairs, one would make a big contribution towards dealing with crime.

One of the things that is most odious in this House—in this Parliament there is strong competition on this—is that some hon. Members—I do not refer to the hon. Member for Cambridge, who has always fought for his university and constituency in such matters — but to other hon. Members, some of whom sit on the Front Bench, have been the beneficiaries of our university education system but are responsible for the heavy cuts that are being proposed. Those cuts will mean that fewer of the coming generation will be able to go to university or to choose the varied courses that should be available to them. That is an outrage which should be brought home to each of those hon. Members specifically.

The same applies, only more so, to the Open University. When we are facing heavy unemployment and when the crime rate is rising on an unprecedented scale, I should have thought that the obvious and easiest thing for the Government to do—it would not be very costly—would be to ensure that more people can take up an Open University course. Quite a number of people in my constituency, who have been thrown out of the steelworks, or who have lost jobs in other places at the age of 30 or 40 have taken advantage of Open University courses. People of all ages, including younger people, can apply. It is a great credit to those, such as Jennie Lee, who established the Open University, that today more university places are provided by the Open University than by pretty well all the other universities put together. Surely a Government who want to deal with these social problems can learn the lesson and say, "We shall encourage that." Instead, the Government have discouraged it and forced an increase in fees for the Open University. That has meant that many thousands of people who would have qualified for Open University courses in 1986, 1987 and 1988 are being denied the opportunity. That is a deep offence against the individuals concerned and against society.

If anybody tries to contest what I am saying and thinks that I am exaggerating, let him read what the House of

Lords had to say and answer those who spoke on behalf of all universities. Their comments confirm everything that I have said.

The curtailment of the provision of books in our schools, libraries and universities is a national scandal. When we try to raise that with the Government, they brush it aside and will not face facts, but certain people know the facts. Publishers who are interested in selling their books know the facts and have the figures. Some figures published in the past few days confirm that in this so-called prosperous country of ours less money is being spent on books for libraries, universities and schools. I would have thought that when those facts were brought to the attention of any Government, they would put it right.

Both the crime rate and the injury to our education system that the Government are prepared to tolerate are due to the type of society that the Government seek to sustain. The Government seek to breed a seedy, shoddy, moneygrabbing, insider-trading mentality which helps to purvey the spirit in which many other activities are conducted in our community.

References have been made to the effect of television. The nature of it is sometimes mistaken. If increasing numbers of men and women, denied the right to work and to decent jobs, sit before television sets and hear the values that are spilt out night after night, it has an effect: it enforces, enlarges and illustrates the division in our society more than anything else. I hope that the Government will look at those matters afresh.

The Government have inflicted that injury on our young people and have permitted the crime wave to rise on a scale that was never conceived of previously. Certainly, it was not conceived of by the Prime Minister and those in 1979 and 1983 who pretended that they had the best ways of dealing with crime. The Government's policies are injuring many other areas, such as those I have illustrated, especially the universities.

The Government are injuring something that is more precious than North sea oil and more precious even than the huge mass of manufacturing industries that they have driven out of business. They injure something that the universities seek to protect, but deny the universities the circumstances, possibilities and means of doing so. By far our most valuable asset is the English language, even reckoned in purely commercial terms. Over the past 30 years the most beneficent conquest that the world has ever seen is our possession of the English language which has enabled us to open doors and perform feats in the post-war world which would not have been available to us previously. Although it is our greatest treasure the Government have gone to every university — Cardiff, London, Oxford, Cambridge, and Coleraine — and said, "You must make cuts and we don't care if you have to cut English teaching." We have never understood what that was about.

There are multitudes of reasons why the Government should be thrown out with contempt. One is the fact that they promised to check the crime wave, but have allowed it to rise to a level unprecedented in our history. Another is the way in which, despite all their pious exclamations, they have injured an entire new generation. That generation has been hit harder in some parts of the country than in others, but the country's unity and effectiveness have been injured by the Government's policies.

If we did not have many good reasons for kicking out the Government, we have heard several today.

2.17 pm

Sir Brandon Rhys Williams (Kensington): My hon. Friend the Member for Meriden (Mr. Mills) in opening our debate expressed the arguments in favour of the courts having the right to impose capital punishment. I am sure that, on both sides of the House, he is respected for his sincerity and consistency on that issue. I would like to take the opportunity, briefly of expressing another point of view.

I concede that some people contemplating murder will be deterred by the risk that it might lead to capital punishment; but let me deal, if I may, with some of the other arguments. The first is one that was suggested this morning, that is, that public opinion requires a return to capital punishment so hon. Members must vote for it whether their consciences agree with it or not. That is a totally wrong conception of the responsibilities of hon. Members.

If one chose 650 people in our country at random, the majority, at first unthinkingly, might express themselves in favour of the reintroduction of hanging. But if they gave the subject as much study as many hon. Members have done, sometimes over a period of years in debate after debate, I believe that they would then vote very much as the House has voted time and again.

Secondly, I should like to comment on the pressure on hon. Members of party opinion inside the House, in constituency associations or by other means. Hon. Members should have the humility to concede on many issues of the day that their party colleagues know better than they do themselves; but, on a matter of life and death, each hon. Member is entitled to insist on a totally free vote. On such a matter, where a human life or perhaps a number of lives may depend on the outcome of our vote, it would be a crime, and, indeed, itself a form of calculated killing, if any single hon. Member were to put his parliamentary career or electoral advantage ahead of his conscience.

On the last occasion, the House decided to consider murder as part of a terrorist campaign as a separate issue. Some Members who opposed capital punishment for other crimes were prepared to vote in favour of it as a punishment for terrorism. I recognise that some people engaged in terrorist activities would be deterred by the risk of capital punishment, but I think that others would become even more detemined, particularly where religious fanaticism is the guiding motive.

How do I, personally, approach the matter? I have a strong personal conviction that taking human life, except in combat or in self-defence, is wholly wrong. Calculated killing of another human being is totally inadmissible, whether for motives of greed or jealousy or for revenge, whether racial, personal or judicial. Killing in cold blood is wrong: two wrongs do not make a right.

I should like also to say a few words about the subject of corporal punishment, which is often linked with the claim that we should be returning to capital punishment, as well. Most men of my age, in the course of their education, became accustomed to corporal punishment, It was often very severe, and sometimes quite undeserved; but we regarded it as a matter of course.

But in the army I had the privilege of serving in a regiment with very high morale. Nobody had to flog us to win our loyalty and co-operation, instantaneous obedience and life-long commitment to the ideals of the regiment.

[Sir Brandon Rhys Williams]

Discipline was imposed in another way. I have now concluded that the return of corporal punishment would be undesirable in schools and unacceptable, and probably on balance counter-productive, for adults.

I believe that we should be striving to establish in Britain a sense of belonging to a community with rules of mutual respect amd support, and of obedience to law, which are wholly in accordance with our personal ideals as citizens. That is a job for all of us as citizens. I welcome neighbourhood watch as an example of a helpful initiative which should be warmly welcomed on both sides of the House.

In dealing with the growth in crime, I think that the House should recognise the dangers of creating a secondary community. We are indeed in danger of doing that — of creating a subculture within the nation. We made the mistake of segregating people in council estates and that, I think, is evidenced in the crime figures. I think, too, that we are making a mistake by our over-reliance on means-tested benefits for the relief of need. The Government quite rightly advertise the work ethos and recommend thrift for every citizen as the source of their self-respect. It is quite wrong that these principles should be undermined for the millions of our people who are regularly dependent on supplementary benefit—or other means-tested benefits — in order to maintain a decent standard of life. We now have 14 million people who are dependent in one way or another on means-tested benefits. They are bound to see themselves as second-rate citizens economically and therefore they are likely in the end to drop out of the moral consensus as well. I think that we have to recognise that that is an element in the problems that we are seeing.

I think, too, that the House should recognise the dangers of our failure to integrate the immigrant communities. In Kensington I am happy to say that we have very long familiarity with people from other races and I would like to claim Kensington as a racism-free zone. But more often than I am prepared to condone I have seen examples, I regret to say, of prejudice, lack of consideration and even of sheer bloody-mindedness on the part of officials responsible to the Home Secretary for dealing with immigrants and visitors.

I realise the difficulties of their work. I do not oppose the policy of restricting the numbers of immigrants to this country. But we have read with horror of the way in which administrators in the southern states of America before the civil war used to take it as a matter of course that they were entitled to separate parents and children and to break up the marriages of established couples in the subordinate population. Sadly, I have to tell the House that this can and does still happen in Kensington.

Some years ago I was also troubled by the evidence that the Home Office was too lax in its control of the conduct of the Metropolitan police, particularly in regard to the treatment of suspects and people held under arrest. There are still grounds for anxiety in this respect, but not I believe in Kensington, where the attitude of senior police officers appears to me to be exemplary. Their influence on the junior ranks has made for a very demonstrable improvement and a much better relationship with minority groups in recent times. Perhaps if the same degree of attention had been given in other parts of the country to relationships between the public authorities and the immigrant communities as is given in Kensington, there might have been fewer tragic and outrageous incidents.

The figures of crime are increasing and there is a very widespread public demand for better protection, particularly in regard to street violence and rape. These are matters where the return of capital punishment would, in my opinion, be irrelevant. I strongly support the request from the Metropolitan police for an increase in their establishment, and I would like there to be more local accommodation for police officers so that they did not have to start and end their working time with long and tiring journeys.

There is also a strong public demand for longer prison sentences. We already have a very large prison population and there is not much evidence that a prison sentence, short or long, has a really deterrent or curative effect in very many cases.

In the course of my time as a Member of Parliament I have visited, I think, all the London prisons and more than one prison outside. Quite candidly, I am not surprised that imprisonment does not have the desired effect. Longer prison sentences would seem to me to be very likely to be counter-productive in many cases. I think that members of the prison service whom I have met, many of whom are extremely sincere and responsible people, do not know precisely what it is they are supposed to be doing. We should give the prison service clear guidance as to whether its role is punitive or curative.

I accept that prisoners should never be deprived of hope or self-respect, but that does not imply that a stay in prison should be like a long holiday in a very low-grade hotel. I believe that a prison sentence should be divided clearly into a primary and secondary period and that the courts should be entitled to specify the minimum length of the primary sentence. The purpose of the primary sentence should be punitive, deterrent and strictly corrective. It should involve clockwork routine and instant obedience in an austere though never degrading environment—on the contrary, there should be the strongest emphasis on hygiene and personal cleanliness. That of course is almost impossible in some of our extant institutions.

It should be normal, when prisoners have completed the primary sentence imposed by the courts, to be able to bring this part of their sentence to an end by their own conduct and response to discipline. The secondary prison sentence should constitute a well-planned course of personal improvement, involving the learning of useful skills, academic study and attention to physical and mental health. I am convinced that if we made better use of prison terms imposed by the courts, we would not need to lengthen them. There is a need for the Home Office to provide a clear lead to the prison service which for many years it has not given, as to the purpose of a prison sentence.

Mr. Soley: It is nice to hear the increasingly rare but very welcome humane and civilised voice of the Conservative party. Does the hon. Gentleman agree that in the prisons we ought to be working towards a code of minimum standards in order to ensure the sort of things that he describes?

Sir Brandon Rhys Williams: Yes. I hope that Home Office officials will listen to what the hon. Gentleman has said in that respect. I notice that they have not stayed to listen to our speeches just now.

The House owes a debt to my hon. Friend the Member for Meriden for giving us the opportunity at this highly topical moment to discuss these issues. Hon. Members who have spoken on both sides have spoken with absolute sincerity and the Home Office now should pay particular note to the course of the debate. I am grateful and should like to express my appreciation to my hon. Friend the Member for Meriden for initiating this debate.

2.28 pm

Mr. Iain Mills: I am grateful for this opportunity to speak for the second time. Obviously, in the time remaining I cannot respond to all the many kind and some unkind comments. Instead I shall make a few short remarks.

It is a pity that the hon. Member for Hammersmith (Mr. Soley), who led for the Opposition, did not take the opportunity to consider this issue on a more fundamental basis. His point about local authority expenditure ignored the fact that many of the councils about which he spoke have the simple recourse, as is done elsewhere, of cutting some of the programmes that some of their ratepayers find offensive. The money saved could then be spent on the important subject of protecting tower blocks. As my hon. Friend the Minister said, the installation in Solihull and certainly in Chelmsley Wood of entry phones and secure systems, although not perfect, is a great step forward. I thank all hon. Members who have taken part in the debate for their kind words. We had excellent contributions from hon. Members in all parts of the House.

I commend the motion to the House.

Question put and agreed to.

Resolved,

That this House welcomes the increasing emphasis on prevention in the fight against crime; believes that the development of closer links between the police, the community and industry has an important part to play in both the prevention and detection of crime, including industrial crime; and calls upon the Government to ensure that the range of sentences available to the courts is sufficient to enable them to deal effectively with those who commit crimes.

House of Commons Members' Fund

2.30 pm

Mr. Alfred Morris (Manchester, Wythenshawe): I beg to move,

That in pursuance of the provisions of section 3 of the House of Commons Members' Fund Act 1948 and of section 2 of the House of Commons Members' Fund and Parliamentary Pensions Act 1981 the maximum annual amounts of the periodical payments which may be made out of the House of Commons Members' Fund under the House of Commons Members' Fund Act 1939, as amended, and the annual rate of any payments made under section 1 of the said Act of 1981 shall be varied as from 1st April 1987 as follows:

(a) for paragraph 1 of Schedule 1 to the said Act of 1939, as amended, there shall be substituted the following paragraph:

'1. The annual amount of any periodical payment made to any person by virtue of his past membership of the House of Commons shall not exceed £2,451 or such sum as, in the opinion of the Trustees, will bring his income up to £4,512 per annum, whichever is the less:

Provided that if, having regard to length of service and need, the Trustees think fit, they may make a larger payment not exceeding £4,728 or such sum as, in their opinion, will bring his income up to £6,789 per annum, whichever is the less';

(b) for paragraph 2 of that Schedule there shall be substituted the following paragraph:

'2. The annual amount of any periodical payment to any person by virtue of her being a widow of a past Member of the House of Commons shall not exceed £1,227 or such sum as, in the opinion of the Trustees, will bring her income up to £3,288 per annum, whichever is the less:

Provided that if, having regard to her husband's length of service or to her need, the Trustees think fit, they may make a larger payment not exceeding £2,361 or such sum as, in the opinion of the Trustees, will bring her income up to £4,422 per annum, whichever is the less';

(c) in paragraph 2A of that Schedule, for the words 'the annual amount of any periodical payment' to the end of the paragraph there shall be substituted the following words:

'the annual amount of any periodical payment made to any such widower shall not exceed £1,227 or such sum as, in the opinion of the Trustees, will bring his income up to £3,288 per annum, whichever is the less:

Provided that if, having regard to his wife's length of service or to his needs, the Trustees think fit, they may make a larger payment not exceeding £2,361 or such sums as, in the opinion of the Trustees, will bring his income up to £4,422 per annum, whichever is the less';

(d) in section 2(1) of the said Act of 1981, for the words from the beginning to the end of paragraph *(b)* there shall be substituted the following words:

'the annual rate of any payments made under secton 1 shall be—

(a) £1,428 if the payments are made to a past Member; and

(b) £714 if the payments are made to the widow or widower of a past Member'.

The motion stands in my name and those of right hon. and hon. Members, on both sides of the House, who share with me the responsibility, as trustees, of administering the House of Commons Members' Fund. The purpose of the resolution is to provide for an increase in the present levels of grants and payments which may be made under the Members' Fund legislation. These were last revised in December 1985, and the proposal we are making now is

[Mr. Alfred Morris]

that they should be increased from 1 April 1987 by approximately 4 per cent. in line with the increases approved for public service and state retirement pensions in July 1986 and in April this year.

Unlike those of us who now enjoy superannuation benefits as of right, former colleagues who left the House before 1964, and their widows and widowers, have no pension entitlement. Many of them are living in considerably reduced and straitened circumstances, more especially former Members and their dependants who are now of advanced years, but the help that my fellow trustees and I are able to provide from the Members fund is, as the House knows, extremely modest.

A particular problem is that the whereabouts of our former colleagues or their widows or widowers is not always known to us. Thus, I should be most grateful if right hon. and hon. Members could get in touch with me, should they know of any former Members or their dependants who are in need of our help.

I need not detain the House at any length today, as the provisions for which we seek approval are set out in detail in the resolution on the Order Paper. These may be briefly summarised as follows: sub-paragraph 1*(a)* deals with the provision for grants to ex-Members. Here, it is proposed to increase the basic annual grant to £2,451, subject to an income limit, including the grant, of £4,512. In the case of ex-Members with longer service who are in need, the grant may be increased to a maximum of £4,728, subject to an income limit of £6,789.

Sub-paragraphs 1*(b)* and 1*(c)* deal with the provision of grants to widows and widowers of ex-Members. It is proposed to increase the basic annual grant to £1,227, subject to an income limit, including the grant, of £3,288. Similarly, in the case of widows or widowers of ex-Members who had longer service and where there is need, the grant may be increased to a maximum of £2,361, subject to an income limit of £4,422.

Sub-paragraph 1*(d)* refers to the "as-of-right payments" from the Members fund to ex-Members who had 10 years' service before October 1964, and to widows and widowers of such Members, provided for by the House of Commons Members' Fund and Parliamentary Pensions Act 1981. It is proposed to increase those annual payments to £1,428 in the case of ex-Members, and to £714 in the case of widows or widowers.

Mr. Albert McQuarrie (Banff and Buchan): Can the right hon. Gentleman tell the House how many former Members of the House and widows receive discretionary grants? Can the right hon. Gentleman also advise the House how many recipients there are of the "as-of-right payments" under the 1981 Act?

Mr. Morris: The number of recipients of discretionary grants under the House of Commons Members' Fund Act 1939, as amended, are: ex-Members, five, widows, eight, and there are eight hardship cases under section 4 of the 1948 Act, giving a total of 21. In the case of the 1981 Act, the number of recipients of "as-of-right payments", at present, are: ex-Members 51 and widows 34, giving a total of 85. The additional annual cost of the increase that we propose is estimated to amount to £5,300. I commend the resolution to the House.

Question put and agreed to.

LOCAL GOVERNMENT ACT 1986 (AMENDMENT) BILL *[LORDS]*

Order for Second Reading read.

Mr. Deputy Speaker (Sir Paul Dean): Not moved.

REGISTERED ESTABLISHMENTS (SCOTLAND) BILL

As amended (in the Standing Committee), considered.
Order for Third Reading read
Bill read the Third time, and passed.

OPPOSITION BUDGETS BILL

Order for Second Reading read.

Mr. Deputy Speaker: Not moved.

Abortions (Monitoring)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Durant.]*

2.36 pm

Mr. D. N. Campbell-Savours (Workington): The House may know of my concern about abortion. I made my maiden speech on abortion during proceedings on the "Corrie" Bill. I did so because my socialism is built on respect for the dignity and sanctity attached to human life. I was required to leave the Chamber by Mr. Speaker during proceedings on the Canada Bill when I objected to the new constitutional arrangements which, in my view, had implications for abortion legislation in Canada.

I am not alone in expressing such views. They are the views of many hon. Members, including the hon. Member for Ilford, South (Mr. Thorne), who is in the Chamber today. Many people in the Labour party feel as strongly as I do about these matters. There are people throughout the world who subscribe to these views.

The Government should take note of the resolution passed at Zagreb during the recent conference of the International Right to Life Federation. The resolution stated:

"This fourth World conference of the International Right to Life Federation held in Zagreb, Yugoslavia this year condemns the present abortion policy of the United Kingdom as one of the most barbaric in the world. Delegates representing 15 nations deplore the Abortion Act 1967 and draw the attention of the British Government to the fact that it is the only law in Europe accepting social abortion beyond the 20th week of pregnancy, in consequence of which thousands of expectant mothers from overseas are encouraged to go to Britain by abortion racketeers for late social abortions, which carry enormously increased risks to women and are in breach of laws in their own countries. The conference calls on the right honourable Mrs. Thatcher and her Government to allow Parliament the time to amend the law giving greater protection to unborn children and mothers and ending this dishonourable trade in human misery."

The monitoring of the abortion law in the United Kingdom has always been of concern to me, if not the statistical basis on which the Department disseminates information, certainly the criminal negligence of the Government, in turning a blind eye to the operation of the Infant Life (Preservation) Act 1929. The Act is explicit. It states in section 1 that the killing of a child capable of being born alive and before it has an existence independent of the mother is an act of child destruction.

The 28-week limit was born in the belief that such gestational age was prima facie proof of capability of being born alive. Nevertheless, science has moved on and we now know that a baby of 18 to 21 weeks is most certainly capable of being born alive, albeit that at this stage in medicine it is too small to survive. We also know that from 18 weeks, as any gynaecologist can confirm, babies if born or aborted by hysterotomy, shows real and discernible signs of life.

It was primarily this consideration that motivated Mr. C in the case of Mr. C v. Miss S. Acting as a third party, Mr. C sought to secure protection of a baby capable of being born alive. Miss S's pregnancy had reached the 20th week and as far as Mr. C was concerned deserved the legal protection provided by law under the Infant Life (Preservation) Act. He called in aid article 23 of the World Health Organisation constitution which was adopted by the World Health Assembly in 1976 and which defined live birth as

"expulsion or extraction from its mother of a product of conception irrespective of the duration of the pregnancy which after such separation oreathes or shows any other evidence of life such as beating of the heart, pulsation of the umbilical cord or definite movement of voluntary muscle, whether or not the umbilical cord had been cut or the placenta is attached. Each product of such a birth is considered liveborn."

Mr. C further called in aid the Births and Deaths Registration Act 1953 which in clause 41 defines a stillborn child as a child

"which did not at any time after being completely expelled from its mother breathe or show any other sign of life."

Thus, a foetus born showing any signs of life must under the Act be registered as a live birth.

A child may die shortly after birth, as it most certainly would at only 18 or 20 weeks gestation. Nevertheless, the law of the land states that a foetus must be registered as a live birth. Someone might ask why abortions are carried out in this country up to and beyond 28 weeks. The answer is the presumption written into the 1929 Act that evidence that a woman had at any material time been pregnant for a period of 28 weeks or more shall be prima facie proof that she was at that time pregnant of a child capable of being born alive.

As I have mentioned, medicine has moved on. Whereas in 1929 it was miraculous for a 28-week foetus to survive, according to Dr. P.M. Dunn from the department of child health in Southmead hospital, Bristol, in a paper submitted in 1985 to the Royal College of Obstetricians and Gynaecologists, in 1984, 72 per cent. of all live born infants of 22 to 27 weeks gestation born at the Bristol maternity hospital survived. Only two years earlier, in 1982, the survival rate for the same group had been 43 per cent., in 1981 29 per cent. In Bristol things are really happening.

The information gleaned from the monitoring of the figures in Bristol places a new responsibility upon the Minister to review the operations of the Infant Life (Preservation) Act. The Lane committee recommendations of 1974 seem, on reflection, enlightened and far-sighted when we consider them 13 years later. The committee admitted that, despite taking a liberal position on abortion, the taking of a 28-week gestational period as prima facie proof of capability of being born alive was unreasonably late. It recommended that there should be an upper limit on abortion of 24 weeks and that thereafter every effort should be made to preserve the life of the child. If the Lane committee were to consider and recommend on these matters today, it would recommend a new limit of 20 weeks.

How can we secure a more vigilant application of the law in the light of scientific advance? According to monitoring by the Department, in 1985, 1,628 babies were aborted at 22 and 23 weeks, seven of which were to save the mother's life, and 494 abortions were carried out at 24 weeks plus, only five of which were carried out to save the mother's life. In the latest years for which we have figures, 1,531 unborn children of 24 weeks and over have been aborted, and in only 22 cases could the operation be justified under existing law, particularly as the most avid abortionists at the Royal College of Obstetricians and Gynaecologists admit that all of these children are capable of being born alive and surviving. What action has been taken by the Minister to initiate prosecutions in the other 1,509 cases of child destruction?

[Mr. D. N. Campbell-Savours]

In addition, babies of 22 and 23 weeks are aborted, which, quite clearly from the evidence that we have from Bristol, were capable not only of being born alive but of surviving. Over three years, a total of 4,572 abortions were carried out, of which only 13 were performed to save the mother's life. They are the best figures that I have been able to glean. I am sure that the Minister will be quick to correct me if I am wrong and, certainly, to comment on them. What action has been taken in the 4,559 cases in which doctors have flagrantly broken the law, and broken it repeatedly?

In a series of written answers on 10 and 12 December, the Minister referred to the fact that the Government had circulated to all regional health authorities a copy of a report that they had encouraged the Royal College of Obstetricians and Gynaecologists to produce on the subject of foetal viability and clinical practice. The report studied the implementation of the Infant Life (Preservation) Act and pointed out that many late abortions are blatantly in breach of the law. Yet nowhere in the report is it stated that doctors should carry out such late abortions only to save mothers' lives. Nowhere in the report is it declared that criminal proceedings might be brought against doctors who break the law. The report takes a decidedly schizophrenic approach, urging that the "gestational age after which a foetus is considered viable should be changed from the present limit of 28 weeks to 24 weeks gestation."

The report goes on to state that:

"in accordance with the WHO recommendation a record should be kept of all babies born alive or dead at 22 weeks gestational age, or, if born earlier, weighing 500g or more."

However, the figures that are quoted in the report to justify 24 weeks are for 1982. Science has moved on since then. The figures for Bristol in 1984 are quoted nowhere, but they show that the period of 24 weeks is already out of date.

The Government's senior medical officer, Dr. W J Modle, was a participant in the symposium on pre-term labour and its consequences, at which proceedings the Bristol paper by Professor Dunn was originally presented. Therefore, he must have known about the evidence of the survival rate of babies in that area. He was also an observer on the Royal College of Obstetricians and Gynaecologists committee that published the report on foetal viability and clinical practice, the report that the Minister so proudly told us had been circulated to all regional health authorities. How does the Minister justify the failure of Dr. Modle to ensure that this report was an accurate and comprehensive document, giving the latest data available to ensure that those in authority were fully and properly informed? Can the Minister explain why she has failed to send with such a document the instruction that late abortions are completely unlawful?

No other country in Europe allows abortions from 20 weeks, as we do for social reasons. That brings me to a further point. I am told quite categorically by nurses working in National Health Service hospitals where abortions are performed that a goodly number of the abortions are not NHS abortions, as they are listed in the Office of Population Censuses and Surveys monitors. Therefore, although they are performed on NHS premises —and listed as such quite correctly by the OPCS—many of those abortions are carried out in pay beds. Not only do I know of this from nurses who are working in the NHS, but reference has been made to it over the years by doctors working in the private sector as a response to criticism for their charges. What steps has the Minister ever taken to check on the number of abortions in the NHS that are carried out in pay beds and those performed as NHS operations? Surely that is of particular importance when a law such as the Infant Life (Preservation) Act is being broken scores of times each month quite openly.

I have always felt very strongly about this matter. I have not come here today to make an ashamedly anti-abortion speech. That has not been my objective. I shall save that for another occasion. I have come today to make a plea that the Minister should ensure that the Infant Life (Preservation) Act is implemented, taking into account the latest scientific advances. We cannot fudge these matters. Those who follow the law in detail just wonder why the Government insist on turning a blind eye to the implementation of the Act. I hope that in her reply the Minister will answer that specific question.

2.47 pm

The Parliamentary Under-Secretary of State for Health and Social Security (Mrs. Edwina Currie): As is the normal courtesy, I should like to congratulate the hon. Member for Workington (Mr. Campbell-Savours) on his success in Mr. Speaker's ballot. As he has just demonstrated, abortion is a subject about which people have very strong views that are sincerely held, and often widely differing, but Governments traditionally have adopted a neutral stance and free votes have been allowed in this House and elsewhere on these subjects.

Let me put on record some of the latest statistics. In 1985, the total number of abortions performed was 171,873, of which 65,176 were performed in the National Health Service on residents. In 1986, the equivalent figures were 129,131, and 49,433 in the first three quarters of 1986. The rates per 1,000 resident women in the quarter ended September—the most recent figures that I have—are 2·92, which suggests that the rate of abortion may be dropping in this country, as the previous full year's figure was 12·97. I hope that that may indeed be the case.

The number of terminations in the case of women under 16 has also shown something of a trend. In 1985, there were 4,002 such terminations and the rate per 1,000 among women of 14 and 15 years of age was 5·41. In the first quarter of 1986, there were 1,028 such terminations; in the June quarter there were 980; and in the September quarter there were 900. Therefore the most recent figure gives us a rate per 1,000 women aged 14 and 15 of 1·22. Again that is a drop on the previous year.

As the hon. Gentleman knows, the gestation period is also one of the statistics that is collected. In 1986—in the first three quarters only—of the 110,000 abortions performed on resident women in this country, nearly 100,000 were performed at the gestation age of 12 weeks or less. Therefore, the vast majority are done on pregnancies in the early weeks of the woman's time. The total number of terminations in the first three quarters of 1986 on babies of a gestation period of 25 weeks and over was 19. Therefore, I caution the hon. Gentleman when he talks about 24 weeks or over 24 weeks—*[Interruption.]* I said, "25 weeks and over". The rule that I mentioned says, "over 24 weeks", so I take it in exactly the same way. There is a difference between talking about at 24 weeks and over 24 weeks. There is a distinction. It is also worth

pointing out—I am sure that the hon. Gentleman will agree—that gestation may be a matter of rather fine judgment, particularly before a termination takes place.

The hon. Gentleman mentioned the Bristol study in which a 70 per cent. survival rate was reported for babies born alive at gestations between 22 and 27 weeks. I have no doubt about that, but I suggest that those figures were heavily skewed towards the later age. In fairness, the figures should be disaggregated. There is a danger that the hon. Gentleman might give the wrong impression, with statements such as, "70 per cent. of babies born at 22 weeks will survive." The hon. Gentleman knows that such a statement is not true.

Mr. Campbell-Savours: The hon. Lady said that the figures were slanted towards the figure of 27——

Mrs. Currie: I did not say "slanted". I said "skewed".

Mr. Campbell-Savours: Do I presume that the hon. Lady accepts that 22-week foetuses are surviving and can survive? If the hon. Lady accepts that, does she not then accept that she has a duty to look at the statistics to ensure that in every one of the cases where there is a potential for survival, which must run into hundreds each year, every effort is made to see that the foetus survives and is not aborted?

Mrs. Currie: We monitor the figures all the time. The word "skewed" is a statistical term, which I am sure the hon. Gentleman will realise. I do not want to imply any bias in that.

The hon. Gentleman should be aware that if figures are to be useful and are to form part of an intelligent discussion, it is probably better if they are disaggregated appropriately. The figures that he quoted in the booklet that he mentioned clearly show that there might be a 70 per cent. survival rate of babies born alive at the later stage in that age range.

Mr. Campbell-Savours: Can they survive at 22 weeks?

Mrs. Currie: Perhaps the hon. Gentleman will allow me to continue.

It is worth putting on record the number of deaths following legal abortion in England and Wales. In 1969 there were still 17 women who died following abortion, but in the years since 1973, the number has never been more than a single figure. In 1985 only two women died following legal abortion. Clearly, the change in the law has helped some people quite considerably.

The hon. Gentleman asked me to say how the Government have been monitoring the Abortion Act 1967 and ensuring that its provisions are properly applied. I am glad to do so. Compliance with the Abortion Act and the assurances that have been developed in the 20 years since that legislation are monitored in three broad ways—first, inspection; secondly, notification; and thirdly, investigation of complaints and allegations of abuse.

I refer first to inspection. All private sector nursing homes and clinics approved under the Abortion Act are subject to periodic unannounced inspections by the Dept's medical, nursing and investigative officers. A thorough check of business and administrative arrangements is made, and patients' notes and medical records are carefully examined. In the public sector, individual health authorities take the responsibility for the way in which abortion services are provided in their own area, just as they do for other forms of medical care.

As for notification, operating practitioners are required to notify the chief medical officer, within seven days, of each abortion that they perform. Forms are scrutinised by staff authorised by the chief medical officer to ensure that they do not show any contravention of the abortion law.

The Department investigates rigorously any specific complaints or allegations of abuse, as it did on the matter raised by my hon. Friend the Member for Broxbourne (Mrs. Roe) at Question Time last Tuesday. Appropriate action is taken to deal with any irregularities that are discovered. In the extreme, that might well involve a reference to the director of Public Prosecutions or the withrawal of the Secretary of State's approval, or both.

The hon. Gentleman asked: how can we secure a more vigilant application of the law in the light of scientific advance? We feel that we have not just done that, but have gone further. The control of late abortions is a typical example of the way in which the assurances required by the Secretary of State can be varied to take account of new situations and medical developments.

Medical developments now make possible, as the hon. Member for Workington rightly stated, the survival of some infants born before 28 weeks. In 1985 the Royal College of Obstetricians and Gynaecologists, in a report requested by the Government on foetal viability and clinical practice, recommended that the age after which a foetus is considered viable should be changed from 28 weeks to 24 weeks. In the private sector the DHSS initially agreed a voluntary limit of 24 weeks. Subsequently, in February 1986, that was made a condition of approval. On inspection visits all cases over 20 weeks are now carefully monitored and we are satisfied that those arangements are working. The Royal College of Obstetricians and Gynaecologists has also sent out the document to all its members, who must comply with it.

The age has effectively been reduced in the light of medical science. It was argued in debates recently in another place that we should see how the voluntary arrangement works before proceeding further.

With regard to the comments made by the hon. Member for Workington about the leaflet that referred to breaking the law, the Royal college was extremely careful to explain that that is not what the leaflet was about. The college was so concerned that it included the following statement in italics:

"The Committee, recognising the complexity of the present legislation relating to fetal viability, did not address themselves in detail to the legal issue, but concentrated on clinical considerations."

The college then stated:

"For this reason they did not attempt to define viability in terms that would be legally acceptable but have described it as it is used by clinicians, for example, when maturity is a important factor in deciding whether or not to deliver a preterm fetus from an unfavourable intrauterine environment. It is our view that in the clinical sense of the word the fetus is viable when there is good evidence that survival is a reasonable possibility, given the availability of what is currently regarded as the best of neonatal care."

We do not share the hon. Gentleman's view that the law has been broken in the way that he described. As far as I am aware, there have been no successful prosecutions under the existing legislation—either public or private prosecutions — in recent years. Broadly speaking, practice has changed in the light of scientific knowledge.

The hon. Gentleman referred to a large number of late abortions and mentioned the figures for the three latest years. I must stress that the three latest years that he was

[Mrs. Currie]

able to use were 1983, 1984 and 1985. They were all years before the changes I have just described. I have therefore taken into account the points that he made.

Mr. Campbell-Savours: Will the Minister give way on that brief point?

Mrs. Currie: I want to respond to one or two of the points that the hon. Gentleman has made.

I urge the hon. Gentleman not to attack people like Dr. Modle. That was a most disgraceful attack. Dr. Modle is a member of the Royal College of Obstetricians and Gynaecologists and is a most distinguished public servant. The hon. Gentleman's remarks contradict all the conventions of the House. I am prepared to restate that the responsibility for the action of our officials rests with Ministers. I am glad to state our full confidence in Dr. Modle and his staff and we are very fortunate to have him.

The hon. Gentleman raised the point about notification and pay beds. The notification of an abortion shows the location where it was carried out. If it was carried out in a National Health Service hospital that is shown in the statistics. I am satisfied that that is a sensible approach. No doubt the hon. Gentleman will continue to disagree about that.

The hon. Gentleman knows that the Oxford students' case was taken to appeal and the Court of Appeal held that on the evidence that a foetus of 18 to 21 weeks was incapable even of breathing, it was not a child capable of being born alive within the meaning of the Infant Life (Preservation) Act 1929. The court left open the question whether the prospective putative father had locus standi to bring proceedings or whether the child could bring proceedings. The father applied to the House of Lords for leave to appeal on the question whether an unborn child of 18 to 21 weeks' gestation was capable of being born alive. That was refused.

The hon. Gentleman may call in evidence the words and arguments of the plaintiff in that case, Mr. C., and question the actions of the judges concerned. However, I understand from the transcript that the judges proceeded as they did at the request of counsel for both sides, mainly because of the urgency of the case.

Mr. Campbell-Savours: Not both sides.

Mrs. Currie: That is my information. The transcript shows that the parties proceeded on that basis with the understanding of counsel on both sides.

Mr. Campbell-Savours: That is wrong.

Mrs. Currie: We have no option but to respect the law as it stands and as it is restated in case law. As there was no further action on the locus standi, Mrs. Justice Heilbron's ruling in the High Court remains in force. She held that there was not a sufficient basis for the father's claim that the abortion of the foetus amounted to a threatened crime under the Infant Life (Preservation) Act 1929.

We can make progress by avoiding the need for late abortions in the first place. The hon. Gentleman will know that health authorities have been encouraged to improve administrative referral systems. Ministers have already announced plans for three family planning pregnancy counselling projects for young people, which might help to reduce delay. A submission has been placed before my hon. Friend the Member for Braintree (Mr. Newton), the Minister for Health, and we are expecting an announcement soon.

I am sure that the hon. Gentleman shares with me the feeling that we wish to see abortions not being necessary at all. A woman's right to choose exists before conception as well as after it.

The hon. Gentleman has said that there are many in the Labour party who feel as he does. I am sure that he will accept that this is not a party-political issue and that feelings run deep in all the main political parties. Should he need proof of that, he might do no worse than read the speeches of Lord Houghton of Sowerby in the debates on the Bishop of Birmingham's Bill in another place. It is clear that there were strong feelings against amending the law in the way that the hon. Gentleman would wish.

Abortion, fertility and its treatment, the use of embryos and embryonic material and related topics are most difficult issues and have been matters of public debate for some years. They have been aired and explored recently in the various documents including the Warnock report. The consultative document following that report, which takes up some of the other issues as well, is available for consultation and is likely to result in legislation. The Government have promised that certain alternative clauses will be prepared and that there will be a free vote. We have already declared our support for the Bishop of Birmingham's Bill, and that view still stands.

Mr. Campbell-Savours: May I take the Minister back to the question that I asked her earlier? Does she accept that a foetus of 22 weeks can survive? That is all that I want to know. Does she accept that?

Mrs. Currie: I accept that the vast majority of foetuses at that age of gestation cannot now be born alive at all and cannot survive.

Mr. Campbell-Savours: But some can.

Mrs. Currie: I have no doubt—

Mr. Campbell-Savours: A minority can survive.

Mrs. Currie: I have no doubt that, even if it is not possible today, it may be possible in the near future.

Mr. Campbell-Savours: The Minister referred to the "vast majority".

Mrs. Currie: I have no strong feelings—

Mr. Campbell-Savours: Come on!

Mrs. Currie: It would help if the hon. Gentleman were willing to listen to what I have to say.

I have no doubt that if it is not possible now it will shortly be possible. The advances that are possible in medical science are such that the age of viability is likely to continue to fall. That is the age at which a baby may be born alive and viable. That is why the wording of the Act is as it is, and that is why we shall continue to monitor the statistics as they come.

The hon. Gentleman may look pleased with himself, but age does not alter or make any easier the arguments, the discussions and the care that has to be taken to ensure the welfare of mother and baby and of all the staff concerned. It is not an argument in which we wish to score points, and I am sure that the hon. Gentleman would wish to agree with that.

Much of the hon. Gentleman's argument has been based on the notion—he used the term—of "abortion

on social grounds" or for social reasons. He knows that that is not legal in this country, though I believe that it is used as a form of contraception in one or two countries. We would find that unacceptable here and the law is specific. All abortions are tragedies for all concerned and especially, perhaps, for women. I welcome this opportunity to explore the issues again briefly.

Question put and agreed to.

Adjourned accordingly at four minutes past Three o'clock.

Written Answers to Questions

Monday 9 March 1987

HOUSE OF COMMONS

Ethnic Monitoring

Mrs. Dunwoody asked the Lord Privy Seal if he will list the numbers of entrants to the Privy Council Office from the ethnic minorities in the years 1985-86 and 1986-87; if he will also list the monitoring procedures used to ascertain the percentage of the work force represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into the Department.

Mr. Biffen: I refer the hon. Member to the answer given by my right hon. Friend the Prime Minister on 6 March 1987, at column *704*, providing the latest available information on entrants to the Cabinet Office, which includes my office.

London Newspapers

Mr. Dubs asked the Lord Privy Seal how many copies of *(a)* the *Standard* and *(b)* the *London Daily News* are bought each day for the use of hon. Members.

Mr. Biffen: Up to now 168 copies of the *Standard*, 24 copies of the *London Daily News* and 5 copies of the *Evening News* have been purchased by the Serjeant at Arms' Department for the use of Members. From 9 March the number of *London Daily News* to be taken is being increased to 39. These numbers are subject to review in the light of demand.

In addition, the Library takes each day two copies of the mid-day edition and four copies of the 6 pm edition of the *Standard*, and two copies of the first edition and four copies of the last edition of the *London Daily News*.

Taxis

Mr. Heffer asked the Lord Privy Seal if he will list in the *Official Report* the names of hon. and right hon. Members who, prior to the resolution of the Select Committee on House of Commons (Services) of 17 February concerning taxis at the Members' Entrance, made representations to the Committee for a change in the arrangements; how many representations for the rescission of that resolution have been made since 17 February; and if he will make a statement.

Mr. Biffen: Five representations from hon. or right hon. Members are recorded on file as having been made prior to 17 February 1987. Other less formal complaints have been made orally to members of the Services Committee from time to time. It is not customary to identify individual complainants.

Since 17 February, four representations have been received urging reconsideration of the Service Committee's resolution, two of which have come from hon. Members, including one from the hon. Member for Liverpool, Walton himself. I have referred these representations in the first instance to the Accommodation and Administration Sub-Committee.

Cleaning Contracts

Mr. Skinner asked the Lord Privy Seal whether the Services Committee was consulted prior to the award of new cleaning contracts for the Palace of Westminster; and if he will make a statement.

Mr. Biffen: No. This is a matter for the Property Services Agency.

NORTHERN IRELAND

Prison Population

Mr. Tom Cox asked the Secretary of State for Northern Ireland what is the present number of prisoners in prison in Northern Ireland who are serving sentences after having been convicted by the evidence of convicted terrorists or informants.

Mr. Scott: It is our understanding that no one is in prison in Northern Ireland who has been convicted solely on the evidence of a former accomplice.

Broadleaved Woodlands

Mr. Chapman asked the Secretary of State for Northern Ireland how many broadleaved woodlands have been notified as areas of special scientific interest in Northern Ireland; and how many tree preservation orders exist covering areas of broadleaved woodland, rather than individual trees.

Mr. Needham: I shall reply to my hon. Friend as soon as possible.

Mr. Chapman asked the Secretary of State for Northern Ireland what are the latest estimates of the extent of *(a)* forest service and *(b)* privately owned broadleaved woodlands in Northern Ireland; and when those estimates were made.

Mr. Needham: It is estimated that there are 1,100 hectares of pure broadleaved woodland on forest service land and a further 4,100 hectares of mixed broadleaf-conifer plantations. This estimate was made in 1986.

It is estimated that there are 7,000 hectares of privately owned pure broadleaved woodland and a further 2,400 hectares of mixed broadleaf-conifer plantations. This estimate was made in 1987.

Mr. Chapman asked the Secretary of State for Northern Ireland how much broadleaved woodland has been felled in Northern Ireland in each year since 1980; and what proportions of this have been *(a)* restocked with broadleaves, *(b)* planted with conifers, *(c)* converted to agriculture and *(d)* lost to road, urban or industrial development.

Mr. Needham: The following areas of broadleaved woodland have been felled on forest service land in Northern Ireland.

	hectares
1981	5·9
1982	0·5
1983	1·4

	hectares
1984	4·2
1985	5·7
1986	5·9

All of the above areas were restocked with broadleaves, none was planted with pure conifers, none converted to agriculture or lost to roads etc.

The Department does not keep similar records in respect of the private sector.

WALES

National Museum of Wales

33. **Dr. Marek** asked the Secretary of State for Wales what is his latest estimate of the level of attendance at the national museum of Wales.

Mr. Wyn Roberts: I refer the hon. Gentleman to the reply I gave to the hon. Member for Warley, East (Mr. Faulds) on 19 January 1987, at column *418*.

Angling Clubs (Compensation Scheme)

Mr. Wigley asked the Secretary of State for Wales if he will introduce a compensation scheme to recompense angling clubs for restocking costs arising from the Chernobyl disaster and for the loss of amenity suffered by these clubs.

Mr. Wyn Roberts: The levels of radioactivity in fish as a result of the Chernobyl accident are such that considerations of restocking, loss of amenity or compensation do not arise.

Fish (Radioactivity)

Mr. Wigley asked the Secretary of State for Wales what representations he has recieved on the need to restock Llyn Conwy with trout free from radioactivity.

Mr. Wyn Roberts: None.

Mr. Wigley asked the Secretary of State for Wales if he will arrange for a general survey to be undertaken on a regular basis of all lakes in Wales to discover the levels of radioactivity in fish; and if he will publish a list of those lakes where this has already been undertaken.

Mr. Wyn Roberts: A regular programme of monitoring for radioactivity in the aquatic environment is already undertaken around nuclear installations, the results of which are published annually in the aquatic environment monitoring report and placed in the Library of the House. Monitoring may be extended where particular circumstances so require as, for example, in the aftermath of the Chernobyl accident when the programme was extended to include other lakes and rivers in the areas of high deposition. The relevant lakes in Wales were Alwen, Cwmstraddlyn, Bodlyn, Conwy, Cwmorthin, Trawsfynydd and Vyrnwy.

Mr. Wigley asked the Secretary of State for Wales what were the radioactivity levels detected in trout taken from *(a)* Llyn Conwy, *(b)* Llyn Cwmorthin and *(c)* Llyn Alwen over the past six months giving in each case the levels of caesium 134 and caesium 137 in these samples.

Mr. Wyn Roberts: The average levels of Caesium 134 and Caesium 137 recorded in brown trout in the lakes referred to over the past six months are given in the following table:

Location	*Level (Bq/Kg)*		*Date collected*
	Cs—134	*Cs—137*	
Llyn Conwy	238	530	26 September 1986
	194	455	5 December 1986
	194	490	9 December 1986
Llyn Cwmorthin	30	79	9 September 1986
	68	170	28 November 1986
Llyn Alwen	41	104	4 September 1986
	66	147	15 September 1986
	45	79	18 September 1986
	65	145	8 November 1986
	97	227	11 November 1986

Assessment of the activity in these fish, coupled with likely consumption rates, indicates that they do not constitute a significant source of radiation exposure to members of the public.

National Childminding Association

Mr. Wigley asked the Secretary of State for Wales what financial assistance his Department is giving in the current financial year to the National Childminding Association in Wales; what provisions he has made for such assistance in the coming financial year 1987-88; and whether any longer term commitment has been given by his Department.

Mr. Wyn Roberts: A grant of £15,000 has been approved in 1986-87. Further grant aid will be considered in the light of progress on the first year's development work.

Health Authorities (Clerks)

Mr. Dobson asked the Secretary of State for Wales how many clerks have been appointed by health authorities in Wales on short-term contracts during 1986-87 to examine hospital waiting lists and to report progress to his Department.

Mr. Mark Robinson: The information is not available in the form requested.

Hospital Waiting Lists

Mr. Dobson asked the Secretary of State for Wales whether his Department is monitoring health authorities' reviews of hospital waiting lists so as to assess the extent to which reductions are achieved by increases in efficiency in treating more patients; and if he will make a statement.

Mr. Mark Robinson: In addition to the information already being received quarterly on waiting lists and patient throughput, district health authorities in Wales have been asked to supply monthly information to the Welsh Office showing throughput of patients on their most problematic waiting lists.

Dairy Farms (Inspections)

Mr. Barry Jones asked the Secretary of State for Wales what representations he has had from farmers' unions in Wales concerning Her Majesty's Government's plan to

charge dairy farmers £90 per visit for inspections under the Milk and Dairy Regulations; what is his estimate of the cost of implementing this measure; and what is the estimated annual sum to be raised by the £90 visit fee in an average year.

Mr. Nicholas Edwards: The farming unions in Wales have made many representations to me concerning the charges which are being introduced for work under the Milk and Dairies Regulations. The total cost of this work in England and Wales is approximately £2 million, and we expect to recover this by charging £90 for a dairy farm visit —£80 for producers with less than 20 cows—and £22 for a sampling/testing visit.

Play Board

Mr. Barry Jones asked the Secretary of State for Wales if he has met Play Board to discuss the arrangements for changes in the national children's play service; what plans he has to ensure that the service will continue; what cash amounts he has dispensed annually to Play Board; and if he will make a statement.

Mr. Wyn Roberts: Play Board—the Association for Children's Play and Recreation Ltd — is funded primarily by the Department of the Environment, and my hon. Friend the Parliamentary Under-Secretary of State —the Minister with responsibilities for sport—has held discussions with Play Board and other bodies concerned with children's play. The Welsh arm of Play Board received grant contributions of £50,000 provided via the Sports Council for Wales in 1984-85, 1985-86 and 1986-87. The arrangements for funding the development of children's play in Wales are under review.

Engineering Industry

Mr. Barry Jones asked the Secretary of State for Wales how many workers in Wales are in the engineering industry in 1986 as compared with 1979.

Mr. Nicholas Edwards: In the metal goods, engineering and vehicles sector—division 3 of the 1980 Standard Industrial Classification — the estimated number of employees in employment in September 1986 was 70,000. The corresponding figure for September 1979 was 122,000. These statistics do not include the self-employed.

Skill Shortages

Mr. Barry Jones asked the Secretary of State for Wales what efforts he is making to establish the extent of skills shortages in Wales.

Mr. Nicholas Edwards: A wide range of information about skills shortages is already available from reports, surveys and other sources. The Manpower Services Commission has recently set up the skills unit to bring this information together, and to facilitate the use made of it and further research.

Engineering (Skills Training)

Mr. Barry Jones asked the Secretary of State for Wales if he plans to meet the Engineering Industry Training Board and to meet employers' associations in Wales to encourage skills training.

Mr. Nicholas Edwards: My ministerial colleagues and I meet a great many employers and trainers from all parts of industry in the course of our day-to-day work and the need for skills training often figures in our discussions. I have no plan at present to meet the Engineering Industry Training Board or employers' associations in Wales.

Health Services (Privatisation)

Mr. Dobson asked the Secretary of State for Wales if he will publish details of the progress made by health authorities in putting their domestic, catering and laundry services out to tender in the manner of the reply of 24 November 1986, *Official Report*, columns 23-6.

Mr. Wyn Roberts: Since my reply of 24 November, the Department has been informed that a further domestic services contract has been let in-house by Powys health authority for the Mid Wales and Bronllys hospitals and district headquarters, with estimated savings of some £36,000 per annum.

Private In-patient Care

Mr. Dobson asked the Secretary of State for Wales what progress has been made by his Department in its follow-up action on the statutory auditor's report about debts from providing private in-patient care.

Mr. Wyn Roberts: Following the statutory audit review of private medical practice, the Department required district health authorities in Wales to review their systems for the identification, recording and collection of private patient income and take any necessary remedial action. Nearly all health authorities in Wales have satisfactorily completed these reviews. District health authorities have also been required to inform the Department of the steps they have taken to identify income owing to the NHS as a result of treatment not being properly charged for, and of the measures taken to effect recovery. Where the income cannot be collected, authorities have been advised to record the unrecovered income as a loss and to bring it to account in their annual accounts losses statement. As I indicated in my reply to the hon. Gentleman on 24 November 1986, at columns 19-21, the statutory auditor's reports on invidual authorities will not be cleared until all outstanding points have been satisfactorily resolved.

Patient Care

Mr. Dobson asked the Secretary of State for Wales if he will provide final figures for expenditure on *(a)* contractual arrangements for patient care and *(b)* income and debt incurred under sections 65 and 66 of the National Health Service Act 1977 given on a provisional basis in his answers of 24 November 1986, *Official Report*, columns 21-22 and 28.

Mr. Wyn Roberts: The figures previously provided were taken from the annual accounts of health authorities. Although the statutory auditor has completed his audit of the individual authority accounts, the Comptroller and Auditor General has yet to finalise his audit of the summarised accounts prior to his report to Parliament. There have been no amendments to the figures previously provided, but, pending the submission to Parliament of the summarised accounts, the figures should still be regarded as provisional.

EEC Butter and Beef (Distribution)

Mr. Barry Jones asked the Secretary of State for Wales how much EEC butter and beef, by weight and estimated value, has been distributed and remains to be distributed and under what methods and principles, in each of the eight counties of Wales; and if he will make a statement.

Mr. Nicholas Edwards: Procurement of these products from appropriate sources, and distribution to individuals is being undertaken by charitable organisations. They are making the necessary local arrangements. Products must be distributed free of charge to the most needy for their own use. These include those on supplementary benefit and family income supplement; and other groups of people who are either homeless, living in hostels, attending feeding centres, receiving meals-on-wheels or very disadvantaged in other ways.

Figures of the amounts and value of produce distributed in particular geographical areas are not available.

Schools (Welsh Language)

Mr. Barry Jones asked the Secretary of State for Wales what is his estimate of the number of schools in Wales, at each level, in each of the counties of Wales which teach in the medium of Welsh; what is his estimate of the number of pupils in such schools by county; and if he will make a statement.

Mr. Wyn Roberts: Information on the number of primary schools which have a class or classes where some or all of the teaching is through the medium of Welsh is given in the following table:

Number of schools

	Clwyd	*Dyfed*	*Gwent*	*Gwynedd*	*Mid Glamorgan*	*Powys*	*South Glamorgan*	*West Glamorgan*
A. Schools having classes where Welsh is the sole or main medium of instruction	38	107	6	134	28	18	8	16
B. Schools having classes where some of the teaching is through the medium of Welsh	33	130	—	53	4	9	6	7

Note: At September 1985. The mode of instruction in primary schools varies widely according to linguistic background and a school may have classes in more than one category. However, each school appears once only in this Table, under the appropriate heading. Thus a school entered in line B as having classes where some of the teaching is through the medium of Welsh, does not have any classes where Welsh is the sole or main medium of teaching (line A).

Information on the number of all pupils attending the schools shown in the above table are not readily available.

However, figures in the following table indicate the number of pupils in classes where some or all of the teaching is through the medium of Welsh:

Number of pupils[1]

	Clwyd	*Dyfed*	*Gwent*	*Gwynedd*	*Mid Glamorgan*	*Powys*	*South Glamorgan*	*West Glamorgan*
Pupils in classes where Welsh is the sole or main medium of instruction	3,514	5,418	519	10,616	5,038	810	1,510	1,943
Number of pupils in classes where some of the teaching is through the medium of Welsh	2,733	8,482	—	6,671	524	498	797	774

[1] At September 1985.

Comparable data on pupil numbers receiving instruction through the medium of Welsh is not available for secondary schools.

The number of secondary schools using Welsh as a medium for teaching in years I to V, however, is as follows:

Number of schools[1]

	Clwyd	*Dyfed*	*Gwent*	*Gwynedd*	*Mid Glamorgan*	*Powys*	*South Glamorgan*	*West Glamorgan*
Welsh used as a medium for teaching:								
in one or two subjects	—	3	—	1	—	2	—	—
in three or four subjects	—	3	—	2	—	1	—	—
in five subjects or more	4	10	—	18	3	3	1	2

[1] At September 1985.

Welsh Language

Mr. Wigley asked the Secretary of State for Wales how many *(a)* primary school children and *(b)* secondary school students attend Welsh-medium schools, or units, in each local education authority area in Wales; what proportion of the total they represent in each case; and what are the corresponding figures for each year since 1977.

Mr. Wyn Roberts [*pursuant to his reply*, 27 February, c. *452*]: The information on pupils attending designated bilingual schools is given in the following tables:

	Clwyd	*Dyfed*	*Gwent*	*Gwynedd*	*Mid Glamorgan*	*Powys*	*South Glamorgan*	*West Glamorgan*
Full-time pupils in designated bilingual primary schools								
1977:								
(a) Number of pupils:	2,318	934	—	434	3,029	135	962	1,469
(b) Number of pupils as a percentage of full-time pupils in all primary schools:	5·3	2·8	—	1·8	4·7	1·2	2·4	3·8
1978:								
(a) Number of pupils:	2,317	1,035	—	483	3,091	143	1,033	1,514
(b) Number of pupils as a percentage of full-time pupils in all primary schools:	5·4	3·1	—	2·0	4·9	1·3	2·7	4·0
1979:								
(a) Number of pupils:	2,331	1,052	—	486	3,174	152	1,036	1,545
(b) Number of pupils as a percentage of full-time pupils in all primary schools:	5·5	3·2	—	2·0	5·1	1·4	2·8	4·2
1980:								
(a) Number of pupils:	2,301	1,099	—	462	3,277	154	1,009	1,467
(b) Number of pupils as a percentage of full-time pupils in all primary schools:	5·6	3·4	—	2·0	5·4	1·4	2·8	4·2
1981:								
(a) Number of pupils:	2,392	1,123	—	431	3,400	208	1,209	1,437
(b) Number of pupils as a percentage of full-time pupils in all primary schools:	6·1	3·6	—	1·9	5·9	1·9	3·5	4·3
1982:								
(a) Number of pupils:	2,342	1,134	—	399	3,547	213	1,231	1,470
(b) Number of pupils as a percentage of full-time pupils in all primary schools:	6·3	3·8	—	1·9	6·4	2·0	3·7	4·6
1983:								
(a) Number of pupils:	2,385	1,128	—	367	3,649	195	1,244	1,479
(b) Number of pupils as a percentage of full-time pupils in all primary schools:	6·8	3·9	—	1·8	7·0	1·9	3·9	4·8
1984:								
(a) Number of pupils:	2,420	1,173	—	385	3,801	185	1,350	1,474
(b) Number of pupils as a percentage of full-time pupils in all primary schools:	7·0	4·1	—	1·9	7·4	1·8	4·3	4·9
1985:								
(a) Number of pupils:	2,470	1,231	—	395	3,909	189	1,321	1,463
(b) Number of pupils as a percentage of full-time pupils in all primary schools:	7·3	4·3	—	2·0	7·7	1·9	4·2	4·9
1986:								
(a) Number of pupils:	2,560	1,244	—	385	4,203	182	1,414	1,484
(b) Number of pupils as a percentage of full-time pupils in all primary schools:	7·5	4·4	—	2·0	8·3	1·9	4·5	4·9

	Clwyd	Dyfed	Gwent	Gwynedd	Mid Glamorgan	Powys	South Glamorgan	West Glamorgan
Full-time pupils in designated bilingual secondary schools								
1977:								
(a) Number of pupils:	2,329	799	—	—	1,659	—	—	1,214
(b) Number of pupils as a percentage of total pupils in all secondary schools:	7·5	2·9	—	—	3·5	—	—	3·8
1978:								
(a) Number of pupils:	2,410	902	—	—	1,942	—	—	1,217
(b) Number of pupils as a percentage of total pupils in all secondary schools:	7·5	3·3	—	—	4·1	—	—	3·8
1979:								
(a) Number of pupils:	2,440	1,180	—	386	2,096	—	99	1,233
(b) Number of pupils as a percentage of total pupils in all secondary schools:	7·5	4·3	—	2·0	4·4	—	0·3	3·9
1980:								
(a) Number of pupils:	2,421	1,306	—	504	2,178	—	231	1,220
(b) Number of pupils as a percentage of total pupils in all secondary schools:	7·3	4·8	—	2·6	4·6	—	0·7	3·9
1981:								
(a) Number of pupils:	2,389	1,476	—	549	2,238	—	374	1,211
(b) Number of pupils as a percentage of total pupils in all secondary schools:	7·2	5·4	—	2·9	4·7	—	1·1	4·0
1982:								
(a) Number of pupils:	2,211	1,573	—	800	2,286	—	535	1,161
(b) Number of pupils as a percentage of total pupils in all secondary schools:	6·7	5·8	—	4·1	4·8	—	1·6	3·9
1983:								
(a) Number of pupils:	2,152	1,715	—	897	2,344	—	694	1,131
(b) Number of pupils as a percentage of total pupils in all secondary schools:	6·5	6·3	—	4·5	5·0	—	2·1	3·9
1984:								
(a) Number of pupils:	2,130	2,138	—	964	2,393	—	817	1,134
(b) Number of pupils as a percentage of total pupils in all secondary schools:	6·5	8·0	—	4·9	5·2	—	2·6	4·0
1985:								
(a) Number of pupils:	2,121	2,382	—	979	2,537	—	920	1,126
(b) Number of pupils as a percentage of total pupils in all secondary schools:	6·5	9·0	—	5·0	5·6	—	3·0	4·1
1986:								
(a) Number of pupils:	2,061	2,481	—	1,022	2,650	—	954	1,111
(b) Number of pupils as a percentage of total pupils in all secondary schools:	6·6	9·7	—	5·4	6·0	—	3·2	4·2

The figures in the previous tables do not include pupils attending schools in mainly Welsh speaking areas where the main medium of instruction is Welsh, nor do they include pupils receiving instruction through the medium of

Welsh in units or classes within schools which are not designated as bilingual. From September 1985, however, information has been collected on pupil numbers in primary school classes where some or all of the teaching is through the medium of Welsh. These figures are given in the table. Comparable data on pupil numbers receiving instruction through the medium of Welsh is not available for secondary schools.

	Clwyd	*Dyfed*	*Gwent*	*Gwynedd*	*Mid Glamorgan*	*Powys*	*South Glamorgan*	*West Glamorgan*
Number of pupils in classes where Welsh is the sole or main medium of instruction[1]	3,514	5,418	519	10,616	5,038	810	1,510	1,943
Number as a percentage of all pupils in primary schools	9·6	19·6	1·3	54·3	10·0	8·7	4·6	5·8
Number of pupils in classes where some of the teaching is through the medium of Welsh[1]	2,733	8,482	—	6,671	524	498	797	774
Number as a percentage of all pupils in primary schools	7·5	30·6	—	34·1	1·0	5·4	2·4	2·3

[1] As at September 1985.

TRANSPORT

Ethnic Monitoring

Mrs. Dunwoody asked the Secretary of State for Transport if he will list the numbers of entrants to his Department from the ethnic minorities in the years 1985-86, and 1986-87; if he will also list the monitoring procedures used to ascertain the percentage of the work force represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into the Department.

Mr. Moore: The ethnic origins of new entrants have been surveyed since 1 October 1985. The latest available information for my Department for the period from then to 1 March 1987 is as follows:

	Number
Total new entrants	1,576
Ethnic origins	
— white	1,105
— black/asian	45
— non-respondents	426

A phased programme of departmental surveys of the ethnic origin of non-industrial civil servants by means of voluntary self-classification is being conducted. By the end of 1986 all non-industrial staff in the county of Avon, the north-west, the east and west midlands, London, the south-east and East Anglia had been surveyed. All remaining staff will be surveyed by 1988. Consideration is being given to ways of using the data on the ethnic origin of staff-in-post to monitor promotion.

All departmental recruitment is conducted on the basis of fair and open competition and selection is on merit. I refer the hon. Member to the answer given by my right hon. Friend the Minister of State, Privy Council Office on 20 February 1987 at columns 880-81 reporting the arrangements being made to encourage people from the ethnic minorities to apply to the Civil Service.

London Underground (Automated Ticketing)

Mr. Greenway asked the Secretary of State for Transport if, when he next meets the chairman of London Regional Transport, he will discuss with him progress in introducing a totally automated ticketing system for the London underground; and if he will make a statement.

Mr. David Mitchell: My Department received regular progress reports on the Underground ticketing system. These indicate that the project will be completed by the end of next year, on time and within the approved budget of £135 million (end 1984 prices). Full replacement of ticket machines throughout the network will speed up ticket issue and reduce queueing, as well as improving staff security and accounting facilities. Automatic ticket-checking gates in the central area will further reduce costs and fraud. The investment will make a substantial contribution to creating a modern and efficient railway in the capital.

Bus Deregulation

Mr. Michie asked the Secretary of State for Transport what has been the effect of bus deregulation on the coverage and frequency of services in rural and suburban areas during early morning, evening and Sundays.

Mr. David Mitchell: The level of services has been broadly maintained over the country as a whole, and most local authorities have successfully provided support for these services which they consider necessary on social grounds. Naturally in some cases they have withdrawn support for low priority services carrying few passengers on good housekeeping grounds.

A56 Chester Road

Mr. Tony Lloyd asked the Secretary of State for Transport what point on the improved A56 Chester road is the nearest point to Nos. 1-12 Longford close; and how far is the distance between those two locations.

Mr. Peter Bottomley: The improvement to the A56 Chester road, Stretford, completed in June 1975, which has now led to further offers of noise insulation, finished just south of the junction with Davyhulme road east. The distance from that point to the nearest point on the flats Nos. 1-12 Longford close is 310 m.

I shall write again to the hon. Gentleman.

Highway Code

Mr. Peter Bruinvels asked the Secretary of State for Transport if he will summarise in the *Official Report* the main changes in the revised highway code; and if he will make a statement.

Mr. Peter Bottomley: I have sent a copy of the highway code and a summary of the changes to each Member of Parliament.

The main changes are:

—new advice on drinking and driving;
—additional advice on the safety of children in cars;
—stronger emphasis on the needs and problems of vulnerable road users; pedestrians, cyclists and motorcyclists;
—information about speed limits;
—additional advice on car security;
—new advice on the use of car telephones.

Kingmoor Motor Transport Sheds, Carlisle

Mr. Ron Lewis asked the Secretary of State for Transport if he has received an application from British Rail for the proposed sale of Kingmoor motor transport sheds, Carlisle, to a private company; and whether he seeks to discover the extent as to whether existing consultation procedures have been carried out when dealing with such applications.

Mr. David Mitchell: No; nor would he expect to involve himself in matters of this nature which are the responsibility of the management of British Rail.

Airlines (UK Airports)

Mr. Kaufman asked the Secretary of State for Transport how many airlines landed passengers in United Kingdom airports in 1986.

Mr. Moore: Full statistics for 1986 are not yet available but during August, a sample peak month, some 149 airlines, excluding solely domestic and air-taxi operations, landed passengers at United Kingdom airports.

Seafarers

Mr. Maclennan asked the Secretary of State for Transport what has been the effect of new flag arrangements upon the total number of United Kingdom citizens employed as seafarers since 1980.

Mr. Michael Spicer: The information is not available.

East Coast Railway Line

Mr. Dalyell asked the Secretary of State for Transport what discussions he has had with the chairman of British Rail in relation to investment in the east coast line.

Mr. David Mitchell: My right hon. Friend discussed the electrification of the east coast main line with senior board officials when he inspected progress on this important scheme on 15 October last year. I also discussed progress when I travelled with BR officials on the first electric train from Huntington to Kings Cross on 3 November.

Disused Canals

Mr. O'Brien asked the Secretary of State for Transport what is his policy towards building roads over disused canals; and if he will make a statement.

Mr. Peter Bottomley: Each case is considered on its merits. The statutory position is that if a canal although disused is still classed as a navigable waterway, special procedures have to be complied with. If there are no navigable rights, the usual procedures for building roads and acquiring land apply.

M25 (Facilities for HGV Drivers)

Mr. Madden asked the Secretary of State for Transport if he has any plans to provide further facilities on the M25 for those driving heavy goods vehicles to obtain rest, refreshment and refuelling.

Mr. Peter Bottomley: We plan, as a matter of priority, to provide four motorway service areas at broadly the cardinal compass points of the M25. The site at South Mimms is scheduled to open in May. The existing facilities for heavy goods vehicles will expand. The Thurrock site is planned to open in 1988-89. The proposal for Clacket lane, near Westerham, awaits the outcome of a public inquiry. I shall shortly make a statement about the remaining site proposed at Iver. All motorway service areas provide rest, refreshment and refuelling facilities for heavy goods vehicle drivers.

M6 (Facilities for HGV Drivers)

Mr. Madden asked the Secretary of State for Transport if, once the northern relief road in the midlands is in use, he will take steps to provide facilities for rest, refreshment and refuelling on the M6 for drivers of heavy goods vehicles.

Mr. Peter Bottomley: Provision of a motorway service area site is an integral part of our proposals for a northern relief road of the west midlands conurbation. I have no other plans to supplement the existing MSAs on the length of M6 through the west midlands region.

M1/A1 Link (Facilities for HGV Drivers)

Mr. Madden asked the Secretary of State for Transport what facilities for rest, refreshment and refuelling for those driving heavy goods vehicles are planned on the proposed M1/A1 link.

Mr. Peter Bottomley: The Department's proposals include large laybys every 5 km to cater for the high proportion of HGVs expected to use this route. On an all-purpose trunk road such as this it would be for private developers to take the initiative in providing filling stations, cafes and similar facilities, subject to the normal planning considerations. Several potential developers have already shown interest.

Heavy Goods Vehicles (Licences)

Mr. Madden asked the Secretary of State for Transport how many holders of heavy goods vehicle licences have lost their licences as a result of failing medical tests taken compulsorily after licence holders reach the age of 46 years; how many licence holders have retained their licences on appeal; and what discussions he has had with employers with a view to introducing compensation arrangements and arrangements for offering alternative employment to heavy goods vehicle licence holders who lose their licence on medical grounds.

Mr. Michael Spicer: Holders of heavy goods vehicle drivers' licences are normally required to have a medical examination at each three-yearly renewal after they reach the age of 60. The traffic commissioners do not keep statistics on the ages of those to whom they refuse renewal, and there are no data about those who allow their licences to lapse on medical advice. Compensation or alternative employment for those who become unfit to drive heavy goods vehicles is not a matter for this Department.

Road Users (Service Facilities)

Mr. Madden asked the Secretary of State for Transport what consideration he is giving to the recent report on "The Travel Needs of Road Users" published by the Association of County Councils, in particular the recommendation that special attention should be paid in the design of all highway schemes to the need for service facilities provision, and where appropriate additional land purchased for this purpose prior to construction; and if he will make a statement.

Mr. Peter Bottomley: We are considering the ACC report and propose to respond to it shortly. On motorways we currently seek to arrange that service areas are provided either when the road opens or as soon as possible thereafter. It is not always feasible to buy the necessary land before construction. On trunk roads, provision of services is primarily a matter for private initiative; we are considering in the light of the ACC's report whether we should take further action to facilitate provision in the right locations.

SOLICITOR-GENERAL FOR SCOTLAND

BBC, Scotland (Police Raid)

Mr. Dalyell asked the Solicitor-General for Scotland if the procurator fiscal has informed the Lord Advocate of the interviews conducted by police officers on 27 February with Mr. Pat Chalmers and Colonel Alan Protheroe of the BBC at Glasgow police station; and if he will make a statement.

The Solicitor-General for Scotland: It would not be proper practice for me to disclose during the course of a criminal investigation which persons have been seen by the police and for what purpose. As my noble and learned Friend, the Lord Advocate, explained in another place on 4 March, the police investigations continue and at the conclusion thereof the police will make a report to the procurator fiscal.

Sheriff Officers

Mr. Dewar asked the Solicitor-General for Scotland if he will give the number of sheriff officers in Scotland in each of the last 10 years.

The Solicitor-General for Scotland: These figures are not available centrally, but it is understood that there are at present 146 sheriff officers.

Degrees in Summary Cause

Mr. Dewar asked the Solicitor-General for Scotland if he will give the number of degrees in summary cause issued by Scottish courts last year and in each of the previous five years.

The Solicitor-General for Scotland: The number of summary causes disposed of in 1984 (the latest year for which figures are available) and the previous five years is set out in the following table:

	Number
1979	117,005
1980	134,724
1981	109,153
1982	146,061
1983	130,570
1984	125,138

Those figures are drawn from the annual publication of *Civil Judicial Statistics, Scotland* where there is no separate figure for cases disposed of by decree as opposed to cases taken out of court.

Warrant Sales and Poindings

Mr. Dewar asked the Solicitor-General for Scotland if he will publish a table showing for each of the last 10 years the number of (i) warrant sales, (ii) occasions on which warrant sales have been advertised and (iii) poindings in Scotland.

The Solicitor-General for Scotland: The information available in the successive annual publications of *Civil Judicial Statistics, Scotland* is as follows:

	Warrant Sales	*Poindings*
1979	226	14,515
1980	231	21,096
1981	287	14,926
1982	403	17,014
1983	477	16,478
1984	512	16,887

No separate figures are available for years before 1979. There is a requirement to give public notice of all warrant sales.

Rates (Non-payments)

Mr. Dewar asked the Solicitor-General for Scotland if he will give the number of warrants issued by Scottish courts for non-payment of rates in each of the last five years.

The Solicitor-General for Scotland: Information is not centrally available for the number of summary warrants issued solely for non-payment of rates.

EMPLOYMENT

Job Creation (Art Content)

94. **Mrs. Virginia Bottomley** asked the Paymaster General what indications he has of the proportion of total expenditure by the Manpower Services Commission on employment measures with an arts content.

Mr. Lee: It is estimated that in 1986-87 the Manpower Services Commission will spend about £21 million on arts-related projects through the community programme and the voluntary projects programme. The Commission will also spend about £9 million on supporting arts-related small businesses through the enterprise allowance scheme.

Ethnic Monitoring

Mrs. Dunwoody asked the Paymaster General if he will list the numbers of entrants to his Department from the ethnic minorities in the years 1985-86 and 1986-87; if he will also list the monitoring procedures used to ascertain the percentage of the work force represented by ethnic minorities and their patterns of promotion; what are his methods of recruitment of minorities into the Department.

Mr. Kenneth Clarke: We have been surveying the ethnic origins of new entrants into my Department since October 1985. The latest available information for the period up to 31 December 1986 is as follows:

	Number
Total new entrants to the Department of Employment (DE) Group in period 1 October 1985—31 December 1986	11,145
Ethnic origins	
White	7,601
Black/Asian	632
Not stated	2,912

The Government are conducting a phased programme to survey the ethnic origin of all non-industrial civil servants by means of voluntary self-classification. The Department of Employment group has now completed its surveys. We are now considering ways of using the data on the ethnic origin of staff-in-post to monitor promotion.

All DE group recruitment is conducted on the basis of fair and open competition and selection is on merit. I refer the hon. Member to the answer given by my right hon. Friend the Minister of State, Privy Council Office, for the Civil Service on 20 February 1987 at columns 880-881 reporting the arrangements being made to encourage people from the ethnic minorities to apply to the Civil Service.

Jobs (Portsmouth)

Mr. Hancock asked the Paymaster General how many new full-time or full-time equivalent jobs have been created in Portsmouth since 1983.

Mr. Lee: Information about numbers of jobs created is not available from my Department's statistics. Net changes in employment can be given but, for areas smaller than regions, only for those dates when censuses of employment are taken. The latest available figures for Portsmouth are from the September 1981 census of employment and are available in the Library. The September 1984 census estimates for local areas are not yet available.

Jobcentres

Mr. Tony Lloyd asked the Paymaster General if he has any plans to reduce the number of jobcentres *(a)* nationally or *(b)* in the Manchester area.

Mr. Lee: No.

Engineering Apprenticeships

Mr. Barry Jones asked the Paymaster General how many engineering apprenticeships were supplied in 1979 and in 1986.

Mr. Trippier: I shall reply to the hon. Member as soon as possible.

Unemployment (Kirklees)

Mrs. Peacock asked the Paymaster General if he will detail, ward by ward, the unemployment figures in Kirklees district for 1979 and 1983; and if he will give the latest figures.

Mr. Lee: Following is the available information, which is also in the Library. The table shows the numbers of unemployed claimants in the electoral wards of the Kirklees local authority district for June 1983 and January 1987. the comparison is affected by seasonal factors and changes in the method of collection and compilation of the data. Statistics of unemployment for electoral wards are derived from the ward-based system and are available only from June 1983.

Electoral ward	*9 June 1983*	*8 January 1987*
Kirklees No. 1	1,149	1,282
Kirklees No. 2	977	1,084
Kirklees No. 3	1,184	1,218
Kirklees No. 4	760	600
Kirklees No. 5	729	670
Kirklees No. 6	1,194	941
Kirklees No. 7	936	972
Kirklees No. 8	1,228	1,227
Kirklees No. 9	940	1,010
Kirklees No. 10	926	969
Kirklees No. 11	1,095	1,120
Kirklees No. 12	911	1,050
Kirklees No. 13	709	781
Kirklees No. 14	1,027	1,128
Kirklees No. 15	806	889
Kirklees No. 16	563	637
Kirklees No. 17	872	908
Kirklees No. 18	601	516
Kirklees No. 19	399	360
Kirklees No. 20	382	497
Kirklees No. 21	530	545
Kirklees No. 22	471	448
Kirklees No. 23	633	651
Kirklees No. 24	602	608

Resource Centre

Mr. Sheerman asked the Paymaster General how many Manpower Services Commission funded advice centres specifically for ethnic minorities, similar to the resource centre in Huddersfield there are in the United Kingdom; where they are, and if there are any plans to open other centres in the next year.

Mr. Lee: The information requested is not available centrally and could only be obtained at disproportionate cost. Any plans for similar advice centres would be considered by Manpower Services Commission officials with the advice of the Area Manpower Board.

Mr. Sheerman asked the Paymaster General how much money has been allocated for the Manpower Services Commission funded resource centre in Huddersfield for 1987.

Mr. Lee: The resource centre in Huddersfield is part of a project funded under the community programme. Approximately £53,000 has been allocated for the resource centre from the funding available to the project.

Job Training Scheme

Mr. Ernie Ross asked the Paymaster General (1) whether trainee participants in the new job training scheme are permitted or were expected to be included in shiftwork during placement;

(2) whether participants in the new job training scheme are permitted or were expected to work overtime during placement;

(3) how many job training scheme participants have found placement within Government Departments; and if he will make a statement;

(4) whether he will increase the allowance to participants in the new job training schemes to compensate for midday meals taken outside the home whilst under training with a management agent and on placement.

Mr. Kenneth Clarke: I shall reply to the hon. Member as soon as possible.

EDUCATION AND SCIENCE

Natural History Museum

89. **Mr. Soley** asked the Secretary of State for Education and Science what representations he has received in the last month on the proposed introduction of admission charges to the natural history museum.

91. **Mr. Corbyn** asked the Secretary of State for Education and Science what representations he has received in the last month on the proposed introduction of admission charges to the natural history museum.

Mr. Walden: My right hon. Friend has received four letters from right hon. and hon. Members.

90. **Mr. Bidwell** asked the Secretary of State for Education and Science whether he has recently met relevant trade unions to discuss the proposed introduction of admission charges to the natural history museum.

92. **Ms. Richardson** asked the Secretary of State for Education and Science whether he has recently met the Museums Commission to discuss the proposed introduction of admission charges to the natural history museum.

93. **Mr. Leighton** asked the Secretary of State for Education and Science whether he has recently met relevant trades unions to discuss the proposed introduction of admission charges to the natural history museum.

Mr. Dubs asked the Secretary of State for Education and Science whether he has recently met with the Museums Commission to discuss the proposed introduction charges to the Natural History museum.

Mr. Walden: I refer the hon. Members to my reply to the hon. Member for Leyton (Mr. Cohen) on 3 March at column *551*.

Member's Correspondence

Mr. Mudd asked the Secretary of State for Education and Science (1) if he will arrange for a reply to be sent to the hon. Member for Falmouth and Camborne in response to the letter passed to his hon. Friend the Member for Buckingham (Mr. Walden) on 21 October 1986, from Mrs. E. A. Langford, of 30 Passage Hill, Falmouth, Cornwall;

(2) if he will arrange for a reply to be sent to the hon. Member for Falmouth and Camborne in response to a letter acknowledged by his hon. Friend the Member for Buckingham (Mr. Walden) on 10 December 1986, concerning Camborne school of mines.

Mr. Walden: I replied to my hon. Friend on 4 March.

Capital Expenditure

Mr. Ron Davies asked the Secretary of State for Education and Science if he will provide the figures for total spending on local authority non-prescribed capital expenditure in public sector further education in each of the last five years for which figures are available.

Mr. Walden: The information requested is not available centrally.

Her Majesty's Inspectors

Mr. Ashdown asked the Secretary of State for Education and Science, pursuant to his reply to the hon. Member for Yeovil on 26 February, *Official Report*, column *352*, concerning a review by management consultants of Her Majesty's inspectors' procedures, if he will name the firm of consultants that has been engaged; if he will state the date of the contract; if he will undertake to place a copy of the report in the Library in due course; and if he will make a statement.

Mrs. Rumbold: The review of Her Majesty's inspectorate procedures for the processing of inspection reports is being carried out by management consultants from Peat, Marwick, Mitchell & Co. It started on 4 March. It is not intended to result in a full written report. The findings will be presented to the senior management of Her Majesty's inspectorate in a more informal way.

Secondary Education (Warwickshire)

Mr. Pawsey asked the Secretary of State for Education and Science if he has received any representations from Warwickshire about the reorganisation of secondary education in the eastern area of the county.

Mr. Dunn: Representations have been received in the Department, including one from my hon. Friend. The matter is, however, entirely one for the LEA at present.

Higher Education

Mr. Beith asked the Secretary of State for Education and Science what recent discussions he has had with representatives of university teachers about higher education.

Mr. Walden: My right hon. Friend and I meet university teachers regularly in the course of visits to universities, when issues relating to higher education policy are discussed.

GCSE

Mr. Ashdown asked the Secretary of State for Education and Science (1) what inspections of secondary schools have been undertaken by Her Majesty's inspectors specifically for purposes relevant to the introduction of the general certificate of secondary education; and if he will make a statement;

(2) what information is available to his Department from recent inspections of secondary schools by Her

Majesty's inspectors on *(a)* quality of lessons in the new general certificate of secondary education courses; *(b)* adequacy of resources for the teaching of general certificate of secondary education courses; and *(c)* adequacy of relevant teacher training and preparation for general certificate of secondary education courses; when he expects the reports of such inspections to be published; and if he will make a statement.

Mrs. Rumbold: Her Majesty's inspectors have established detailed arrangements for monitoring all aspects of the introduction of the GCSE throughout the academic year 1986-87. They will do so as part of their routine and specialist visits to schools rather than through specific inspections devoted solely to the GCSE; its introduction will have implications for other aspects of provision in schools and it is important that these are taken into account. They will in addition be discussing GCSE provision with all chief education officers by means of three regional conferences, and with local authority officers and advisers as part of their day-to-day contacts. Where appropriate, Her Majesty's inspectors will comment on the introduction of the GCSE in their reports on individual schools and colleges. They will also be preparing more general reports, but it is too early to say when these will be ready, as the first GCSE courses only began in the autumn term 1986.

School Inspections

Mr. Ashdown asked the Secretary of State for Education and Science (1) what inspections of secondary schools have been undertaken by Her Majesty's inspectors where the report of inspection is unpublished; if he will publish a list showing, for each local education authority, the school and relevant dates of inspection; and if he will make a statement;

(2) what inspections of primary schools have been undertaken by Her Majesty's inspectors where the report of inspection is unpublished; if he will publish a list showing, for each local education authority, the school and relevant dates of inspection; and if he will make a statement.

Mrs. Rumbold: There are currently 168 reports by Her Majesty's inspectors on primary and secondary schools in preparation. However, although, in general, reports move sequentially through to publication, there are various positive reasons why individual reports may be accelerated through the process of preparation, with the result that some others have to be held back. In addition, some delays can occur for a variety of reasons. In view of these factors, to publish lists in the form requested would risk ill-founded conclusions being drawn as to why one particular report was taking longer than another. As I said in my reply to the hon. Member on 26 February at column 352, Her Majesty's inspectorate has asked management consultants to review their procedures.

Nursery Schools (Hampshire)

Mr. Hancock asked the Secretary of State for Education and Science what information he has as to the number of children of pre-school age attending local authority funded nursery schools in Hampshire for each of the last three years.

Mr. Dunn: The number of children under five attending maintained nursery schools in Hampshire in January 1984, 1985 and 1986 were 256, 259 and 260 respectively. All of these children were attending part-time.

Engineering Council

Mrs. Renée Short asked the Secretary of State for Education and Science what response he has sent to the chairman of the Engineering Council about the need for more university places for engineering students.

Mr. Walden: My right hon. Friend met the chairman and senior officials of the Engineering Council last Wednesday. He agreed with them that there was a case for increasing the availability of manufacturing systems engineering courses in higher education, subject to satisfactory industrial support, particularly in the form of more student sponsorships and training placements. My right hon. Friend will be discussing the possibilities with the higher education planning bodies.

Education (No. 2) Act 1986

Mrs. Peacock asked the Secretary of State for Education and Science if he will produce a circular to be sent to all parent governors of schools, providing guidelines on the changes introduced in the Education (No. 2) Act 1986 and on the responsibilities of such governors regarding the running of schools.

Mr. Dunn: The Department's circular 8/86 contained some guidance on the provisions of the Education (No. 2) Act 1986 and was sent to all schools in December 1986. The second circular of guidane on the Act will be issued in draft for consultation shortly and will be available in its final form later this year.

School Uniforms

Dr. Glyn asked the Secretary of State for Education and Science if he will introduce legislation to provide enabling powers for governors to make rules regarding the wearing of school uniform.

Mr. Dunn: The Education (No. 2) Act 1986 provides for the conduct of a school to be under the control of the governing body, subject to any specific allocation of functions elsewhere under the articles of government and to any other statutory provisions. The Government believe that the conduct of a school is concerned with the whole ethos of a school and that the question of whether or not school uniform is worn contributes significantly to that ethos and should thus be decided by the governing body.

Pupil-Teacher Ratios

Mr. McLoughlin asked the Secretary of State for Education and Science what was the pupil-teacher ratios in primary and secondary schools in the counties of Derbyshire, Staffordshire and Nottingham.

Mr. Dunn: The pupil-teacher ratios in maintained primary and secondary schools in January 1986 in Derbyshire, Staffordshire and Nottinghamshire are as follows:

	Primary schools	Secondary schools
Derbyshire	22·3	16·2
Staffordshire	22·8	16·5
Nottinghamshire	20·8	15·4

Meningitis (Research)

Dr. Marek asked the Secretary of State for Education and Science if the Medical Research Council has any plans to accede to the request by the Department of Bacteriology, University of Edinburgh, for further funding for research into meningitis; and if he will make a statement.

Mr. Walden: I understand from the Medical Research Council that no formal application has been received from the department of bacteriology, University of Edinburgh. Should such an application be received, it would be for the MRC to determine its scientific priorities from within the annual grant-in-aid which it receives from the Department's science budget.

Expenditure Steering Group

Mr. Ashdown asked the Secretary of State for Education and Science if, further to his reply to the hon. Member for Yeovil on 23 February, *Official Report*, column *39-40* concerning the reports of the expenditure steering group (education), he will review whether publication of these reports would assist local education authorities; what considerations have been material to these reports not being published; and if he will make a statement.

Mrs. Rumbold: The reports of the expenditure steering group for education, like those of the steering groups for other local services, are prepared by officers representing Government Departments and the local authorities, under the direction of the Consultative Council on Local Government Finance to which the reports are sent. It is for the representatives of the local authority associations on the council to decide how widely these reports should be circulated among their members.

Hearing Damage

Mr. Speed asked the Secretary of State for Education and Science what research is being sponsored through the various research bodies into possible damage to the hearing of young people caused by excessive noise from loudspeakers and earphones.

Mr. Walden [*pursuant to his reply*, 6 March, 1987, c. 705]: The Medical Research Council, which funds a considerable amount of research on hearing, is conducting basic research on the complex structure and function of the inner ear. While this work is not specifically concerned with excessive noise from loudspeakers and earphones, it is relevant to the possible damage to the hearing of young people due to high noise levels. Clinical projects relating to damage by noise in general are also being supported. Research work on hearing is also being conducted in universities and medical schools using funds allocated for teaching and research on the advice of the University Grants Committee. Details of such work are not collected centrally.

PRIME MINISTER

Government Policies (Effects)

Mr. Murphy asked the Prime Minister what assessment she has made of the effects of Government policies since 1979 on *(a)* the south east region and *(b)* East Anglia.

The Prime Minister: The south-east and East Anglia are among the fastest growing parts of the country. Like all regions, they have benefited from the Government's commitment to prudent and sound financial policies, and to creating a climate within which industry and commerce can prosper and flourish.

I also refer my hon. Friend to the reply I gave to my hon. Friend the Member for Crawley (Mr. Soames) on 19 February at columns 801-7.

Engagements

Mr. Mark Carlisle asked the Prime Minister what is her practice in replying to questions from right hon. and hon. Members relating to her engagements both official and private; and if she will make a statement.

The Prime Minister: As the House is aware, I am answerable only in relation to my official duties and responsibilities. I shall, of course, continue to answer questions which properly relate to those duties and which do not breach confidentiality. My normal practice will be neither to confirm nor to deny whether meetings with private individuals have taken place, even in those cases where no such meeting has occurred.

Portsmouth (Voluntary Organisations)

Mr. Hancock asked the Prime Minister what was the total amount paid by Government Departments to voluntary organisations in Portsmouth at the latest available date.

The Prime Minister: Such information is not held centrally and could be obtained only at disproportionate cost.

Intermediate Range Nuclear Force Agreement

Mr. Boyes asked the Prime Minister whether the Government's support for the conclusion of an intermediate range nuclear force agreement is dependent on the elimination of disparities in conventional forces between the North Atlantic Treaty Organisation and the Warsaw treaty organisation in Europe.

The Prime Minister: NATO is not imposing any formal negotiating linkage between the conclusion of an intermediate range nuclear force agreement and the elimination of disparities in conventional forces between NATO and the Warsaw pact. But, as President Reagan and I agreed at Camp David in November 1986, reductions in nuclear weapons would increase the importance of eliminating conventional disparities. This was subsequently reflected in the communiqués of the NATO ministerial meetings the following month.

HOME DEPARTMENT

Ethnic Monitoring

Mr. Dunwoody asked the Secretary of State for the Home Department if he will list the numbers of entrants

to his Department from the ethnic minorities in the years 1985-86 and 1986-87; if he will also list the monitoring procedures used to ascertain the percentage of the work force represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into the Department.

Mr. Hurd: The ethnic origins of new entrants have been surveyed since October 1985. The latest available information for the period up to 26 February 1987 is as follows:

	Number
Total new entrants to the Home Office in period 1 October 1985 to 25 February 1987	3,065
Ethnic origins	
white	1,680
black/Asian	194
Not stated (includes non-respondents)	1,191

A phased programme of departmental surveys of the ethnic origin of non-industrial civil servants by means of voluntary self-classification is being conducted. By the end of 1986 all non-industrial staff in the Home Office had been surveyed. We are considering ways of using the data on the ethnic origin or staff-in-post to monitor promotion.

All departmental recruitment is conducted on the basis of fair and open competition and selection is on merit. I refer the hon. Member to the answer given by my right hon. Friend the Minister of State, Privy Council Office on 20 February 1987 at columns 880-81 reporting the arrangements being made to encourage people from the ethnic minorities to apply to the Civil Service.

Crime

Mr. Robert B. Jones asked the Secretary of State for the Home Department whether he will make a statement setting out the principal measures taken by his Department since May 1979 to tackle crime; and whether he will set out any policy inititatives he plans to implement.

Mr. Hurd: We have increased the resources provided for the police, the courts, the probation service and the prisons. We have encouraged the development of crime prevention measures by individuals, the private sector, and public bodies. We have increased maximum penalties for serious crimes where this was needed. We are providing fresh help for victims. The Criminal Justice Bill advances our strategy further. "Criminal Justice: A Working Paper", a copy of which is in the Library, gives a fuller account of our achievements and the ways in which we intend to build on them.

Asylum Seekers

Mr. Litherland asked the Secretary of State for the Home Department if he will list the number and country of origin of persons seeking asylum over the past 10 years; and what percentage were accepted.

Mr. Waddington: The available information on applications and decisions by nationality is for the years 1979 to 1985 and was published in tables 1 and 5A-5F of Home Office statistical bulletin "Refugee Statistics, United Kingdom 1985", issue 12/86. It is hoped to publish corresponding figures for 1986 around the end of April.

Canning House Probation Hostel

Mr. Parry asked the Secretary of State for the Home Department if he is satisfied with the running of the Canning House probation hostel, Liverpool; and if he will make a statement.

Mr. Mellor: Yes, we are satisfied in general with the way in which Canning House probation hostel is being run. I am aware of the incident which has prompted the hon. Member to ask this question and of the concern and alarm which it has caused to those living near the hostel. It was an isolated occurrence which is being dealt with by due process of law. We are considering, however, to what extent the resident concerned was covered by the strict terms of the criteria governing admission to the hostel and will pursue the issues which this raises with the area probation service and more generally.

Mr. Parry asked the Secretary of State for the Home Department if he will state the criteria for admittance to the Canning House probation hostel, Liverpool.

Mr. Mellor: Canning House probation hostel, Liverpool, is approved by the Secretary of State for the reception of 17 men who are required to reside there by the terms of a probation order or who are accommodated at the hostel while on bail and who at the date of admission are not younger than 17 years of age. The criteria for admittance to any approved probation hostel are laid down in the Approved Probation Hostel and Home and Bail Hostel Rules 1976. They are augmented by Home Office circulars, which give area probation services discretion to admit certain categories of clients in receipt of after care.

Mr. Parry asked the Secretary of State for the Home Department how many residents in the Canning House probation hostel, Liverpool have been convicted of any violent crime since it was opened.

Mr. Mellor: The information is not available in the form requested. However, the Merseyside probation service has information for recent years: in 1986, 13 persons with convictions for offences involving violence were received into the hostel, and one bailee charged with rape. Since the hostel opened in 1975, only one person is recorded as having been nvolved in a violent offence while in residence. It is that person who has been charged with the alleged offence to which I have referred in my answer to the hon. Member's earlier question for today.

Prison Officers' Houses, Culcheth

Mr. Hoyle asked the Secretary of State for the Home Department why, pursuant to his reply of 10 February, *Official Report*, column 174, the attempted sale of empty prison officers' houses at Culcheth was on the basis that the purchasers carry out works to secure the adoption of roads, footpaths, street lighting and the sewage pumping station; how long the houses have been on the market; whether the houses will be available for sale on an individual basis; and with which groups or individuals his Department has negotiated to date.

Mr. Mellor: I will write to the hon. Member.

Bookmaking

Mr. Lawler asked the Secretary of State for the Home Department if he has any plans to strengthen controls on the operation of the bookmaking industry to safeguard the public interest.

Mr. Douglas Hogg: We have no plans at present to strengthen the controls in the Betting Gaming and Lotteries Act 1963. We are aware of the concern about certain recent developments and the consideration being given to these matters by the Office of Fair Trading. We shall continue to maintain a close interest in the operation of the present controls.

Jordanian Embassy (Employees)

Mr. Peter Bruinvels asked the Secretary of State for the Home Department how many *(a)* Jordanian diplomats and *(b)* employees of the Royal Jordanian embassy have been interviewed by the police in relation to alleged sex offences during the past five years and to date; and in which cases prosecutions ensued.

Mr. Mellor: There have been no cases during the past five years in which a member of the Royal Jordanian embassy has been prosecuted for an alleged sexual offence. It is not the practice to supply information about police action in relation to members of individual missions which does not result in prosecution.

Death at Sea

Mr. Teddy Taylor asked the Secretary of State for the Home Department if, in view of the distress and hardship caused to relatives when persons drowned at sea whose bodies have not been recovered cannot be presumed dead, he will review the procedures for the presumption of death; and if he will make a statement.

Mr. Hurd: This is not a matter for the Home Secretary. My powers are limited to directing the holding of an inquest in the absence of a body if the death is believed to have occurred in or near a coroner's jurisdiction, which extends only to the low water mark, and if I am so requested by the coroner and consider it desirable.

Mr. Teddy Taylor asked the Secretary of State for the Home Department if he will authorise an inquest into the presumed death at sea of Mr. Ronald T. Smith of Southend, details of which have been sent to him.

Mr. Hurd: Yes. At the coroner's request, I have directed him to hold an inquest.

Immigration

Mr. Proctor asked the Secretary of State for the Home Department how many cases he has referred to the United Kingdom Immigrants Advisory Service in each of the last three years; in how many cases the United Kingdom Immigrants Advisory Service has recommended prospective immigrants should return to their own country; and if he will make a statement.

Mr. Waddington: This information is not available.

Tamils

Mr. Deakins asked the Secretary of State for the Home Department how many Tamils have arrived in Britain from India seeking political asylum in the latest six months for which figures are available; how many have been returned to India; and how many of these have not been accepted by the Indian authorities.

Mr. Waddington: I shall reply as soon as possible.

Drink Driving

Mr. Sheerman asked the Secretary of State for the Home Department if he proposes any changes in the enforcement of the law relating to drink-driving offences in the light of the research findings relating to the risk of detection for excess alcohol offences by the Cranfield institute of technology, a copy of which has been sent to him; and if he will make a statement on the factors to which he attributes the difference between those figures and his Department's earlier estimates on the same subject.

Mr. Douglas Hogg: We are satisfied that the police have sufficient powers to enforce the law on drink driving effectively, and within those powers enforcement is a matter for individual chief officers of police. The Cranfield Institute of Technology study, published in 1984, was based on interviews in two towns whereas the study by the Home Office Research and Planning Unit, also published in 1984, drew on data collected in the national British crime survey.

Zircon Project

Mr. Dalyell asked the Secretary of State for the Home Department whether he will now call for a report from the Commissioner of Police of the Metropolis on the progress of inquiries into the alleged disclosure of the classified information about the Zircon satellite.

Mr. Hurd: No.

Drug Abuse

Mr. Meacher asked the Secretary of State for the Home Department what guidelines he has issued to police forces proposing a greater use of cautions regarding users of class A drugs, opiates, where they are participating in needle exchange schemes.

Mr. Mellor: In cases where a criminal offence is suspected the decision on what action to take, including whether to caution, is an operational matter for chief officers of police. We are consulting chief officers collectively and individually about the Government's plans to establish needle exchange schemes. Guidance on the use of cautioning was issued in Home Office circular 14/1985 on 18 February 1985. This envisaged the use of cautioning where it is considered to be in the public interest.

Crime (Wales)

Mr. Barry Jones asked the Secretary of State for the Home Department how many crimes were committed in Wales against the person, of criminal damage and of thefts from dwelling in *(a)* 1978 and *(b)* 1986; by what percentage the crimes increased or decreased: and if he will make a statement.

Mr. Mellor: I shall reply as soon as possible.

Mr. Mark Thatcher (Wedding)

Mr. Tony Banks asked the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis as to how many police officers were on duty in connection with the marriage of Mr. Mark Thatcher; and what was the total cost involved.

Mr. Douglas Hogg [*pursuant to his reply*, 23 February 1987, c. 33]: I understand from the Commissioner of Police of the Metropolis that a total of 240 police officers were assigned on 13 and 14 February 1987 to duties in connection with the wedding. The additional cost to the Metropolitan policy was about £7,000.

TRADE AND INDUSTRY

Regional Assistance

Mr. Fallon asked the Secretary of State for Trade and Industry whether he will list the amounts and recipients of regional development grants and regional selective assistance amongst companies in the Darlington area in each year since 1979.

Mr. Giles Shaw: The amounts and recipients of regional development grants and offers of regional selective assistance made to companies in the Darlington area in each year since 1 May 1979. are as follows:

Offers of Regional Selective Assistance in the Darlington Parliamentary Constituency

Company	*Offered amount* £
1 May 1979—31 March 1980	
Cleveland Bridge	6,626,000
Phoenix Tubeman Limited	30,000
Whessoe Heavy Engineering Limited	645,000
Kohlangaz Fire Company Limited	20,000
1 April 1980—31 March 1981	
Cummins Engine Company Limited	2,150,000
1 April 1981—31 March 1982	
Nil	—
1 April 1982—31 March 1983	
Nil	—
1 April 1983—31 March 1984	
Whessoe Heavy Engineering Limited	1,070,000
Stenga Limited	25,000
C. P. Offset Limited	25,000
Brent Chemicals Int. plc	40,000
Darlington Pattern Making Company	6,500
1 April 1984—31 March 1985	
T. E. Catterall Limited	20,000
Amdega Limited	50,000
Indescon Limited	35,000
Priestgate Services (No. 29) Limited	30,000
1 April 1985—31 March 1986	
Harvey Plating Limited	50,000
Rallbar Limited	10,000
Areena Shoe Components Limited	50,000
31 March 1986—31 December 1986	
Henry Williams Limited	45,000
Mitre Tooling Company	35,000

RDGI—Payments over £25,000 in Darlington EOA

Company	*Payment* £
1 May 1979—31 March 1980	
Carreras Rothman Limited	200,000
Cummins Engine Company Limited	58,000
Perstorp Ferguson Limited	36,000
Whessoe Heavy Engineering Limited	28,000
William Brown's Sawmills Limited	28,000
Carreras Rothman Limited	251,000
British Industrial Plastics Limited	107,000
Carreras Rothman Limited	35,000
Carreras Rothman Limited	44,000
Carreras Rothman Limited	47,000
Carreras Rothman Limited	34,000
Cummins Engine Company Limited	31,000
Carreras Rothman Limited	48,000
Cummins Engine Company Limited	32,000
Cummins Engine Company Limited	38,000
DFN Engineering Limited	31,000
Phoenix Tubeman Limited	26,000
Torrington Company Limited	63,000
Ward Bros (Steel) Limited	26,000
1 April 1980—31 March 1981	
Cummins Engine Company Limited	94,000
Cummins Engine Company Limited	65,000
ABM Chemical Limited	34,000
Cummins Engine Company Limited	27,000
Phoenix Tubeman Limited	35,000
Carreras Rothman Limited	34,000
Carreras Rothman Limited	156,000
DFN Engineering Limited	43,000
British Industrial Plastics Limited	45,000
Cummins Engine Company Limited	29,000
Cummins Engine Company Limited	28,000
Fraser Machine Tool Finance Limited	32,000
Fraser Machine Tool Finance Limited	31,000
Thrislington Engineering Company Limited	35,000
Whessoe Heavy Engineering Limited	78,000
1 April 1981—31 March 1982	
Carreras Rothman Limited	196,000
Carreras Rothman Limited	274,000
Carreras Rothman Limited	195,000
Carreras Rothman Limited	178,000
Torrington Company Limited	72,000
Warner & Swasey Leasing Limited	25,000
William Brown's Sawmills Limited	28,000
Carreras Rothman Limited	35,000
Chemical & Insulating Company Limited	28,000
C M Varley & Company Limited	30,000
Cummins Engine Company Limited	28,000
Initial Garment Manufacturing Limited	31,000
Presswork (Metals) Limited	53,000
Whessoe Heavy Engineering Limited	50,000
Whessoe Heavy Engineering Limited	36,000
William Brown's Sawmills Limited	58,000
William Brown's Sawmills Limited	76,000
Bowater Packaging Limited	92,000
Cleveland Bridge & Engineering Company Limited	33,000
Courtaulds Limited	56,000
Darlington & Simpson Rolling Mills Limited	38,000
1 April 1982—31 March 1983	
Perstorp Ferguson Limited	105,000
Patons & Baldwins Limited	125,000
1 April 1983—31 March 1984	
Nil	
1 April 1984—31 March 1985	
Nil	
1 April 1985—31 March 1986	
Nil	
1 April 1986—30 September 1986	
Nil	

On 1 August 1980, the area status was downgraded to intermediate area. There was therefore no RDG assistance (old or new) on assets provided in Darlington on or after that date. Individual RDG payments of less than £25,000 have been excluded from the above figures.

United States (Internal Control Programme)

Mr. Meadowcroft asked the Secretary of State for Trade and Industry, pursuant to the answer of 19 February, *Official Report*, columns 751-52, what information he has as to how many United Kingdom companies in total hold either a United States distribution licence or approved foreign consignee status.

Mr. Alan Clark: We believe there are about 1,000 United Kingdom companies holdings approved foreign consignee status under the United States distribution licence system.

Mr. Meadowcroft asked the Secretary of State for Trade and Industry, pursuant to his answer of 19 February, *Official Report*, columns 751-52, if the United Kingdom customer records of United Kingdom companies holding United States distribution licences or approved foreign consignee status, will be audit inspected by United States inspectors; and if he will make a statement.

Mr. Alan Clark: If such companies were to give their consent it is possible that some records might be examined on a selective basis. I refer the hon. Member to the answer that I gave on 2 March at columns *515-16*.

Bookmaking

Mr. Haslehurst asked the Secretary of State for Trade and Industry when he expects to receive the report from the Office of Fair Trading on the bookmaking industry.

Mr. Howard: My right hon. Friend has received representations relating to a possible abuse of a monopoly position in the bookmaking industry. These are matters for the Director-General of Fair Trading who is considering them.

Vacuum Flexible Mirror (Sale)

Mr. Dalyell asked the Secretary of State for Trade and Industry whether he was consulted by Strathclyde university before the sale of a vacuum flexible mirror to a United States company.

Mr. Alan Clark: No.

Civil Research and Development

Mr. McCrindle asked the Secretary of State for Trade and Industry if he will state the figures for United Kingdom Government support for civil research and development in 1983, 1984, 1985 and 1986; how this compares with Government support for civil research and development in other European Economic Community countries; and if he will make a statement.

Mr. Butcher: The available information relates to central Government expenditure on research and development for civil objectives and is given in the table below. It is shown at current prices and exchange rates using purchasing power parities which gives more meaningful comparisons than market exchange rates.

Central Government expenditure on R & D for civil objectives

£ million

	1983	*1984*	*1985*	*1986*
United Kingdom	2,011	2,093	[1]2,203	[1]2,259
Belgium	342	359	n/a	n/a
Denmark	165	186	[1]197	[1]211
France	3,171	3,435	[1]3,604	n/a
Germany	3,994	4,136	[1]4,217	n/a
Greece	58	72	[1]89	n/a
Republic of Ireland	52	53	[1]55	n/a
Italy	1,801	2,031	[1]1,923	n/a
Netherlands	823	814	864	[1]914
Spain	376	430	441	n/a

[1] provisional estimate.
n/a not yet available.

Sources:
Original expenditure data — OECD, recent results September 1986.
Exchange rates — 1983 and 1984, OECD purchasing power parities.
—1985 and 1986, CSo purchasing power parities
R & D is defined as in OECD 'Frascati' manual.

Circuit Breakers

Mr. Thurnham asked the Secretary of State for Trade and Industry if he will arrange for the Consumer Safety Unit to produce a report on the application of circuit breakers in the prevention of accidents in the home, and on the experience gained on their use in other European countires; and if he will make a statement.

Mr. Howard: I am instructing the Consumer Safety Unit to investigate the information available from United Kingdom and European sources. If it is found that a useful report can be produced I shall consider commissioning it.

Trade Descriptions Act 1972

Mr. O'Brien asked the Secretary of State for Trade and Industry (1) what recent representations he has received on the Government's proposal to repeal the Trade Descriptions Act 1972; and if he will make a statement;

(2) if his Department has carried out a study into the effects that the repeal of the Trade Descriptions Act 1972 will have on British industry; and if he will make a statement.

Mr. Howard: I have received in response to my Department's consultation letter of 4 December 1986 a wide range of representations from industry, commerce and trade, consumer protection bodies, enforcement authorities and other interested parties about the scope for successor arrangements to the 1972 Act. A number of industries have made their views known on the perceived effect of the repeal. I am currently considering the various suggestions for successor arrangements and will inform the House in due course how the Government intend to proceed in the light of them.

Leicester (Ministerial Visit)

Mr. Peter Bruinvels asked the Secretary of State for Trade and Industry if he will report on the recent visit to Leicester by the Minister of State, the hon. Member for Pudsey (Mr. Shaw).

Mr. Giles Shaw: The purpose of my visit to Leicester on 4 March was to meet the management and staff of

Bridgeport Machines Ltd., a highly successful exporter of computer controlled milling machines and machining centres.

Match Imports

Mr. Loyden asked the Secretary of State for Trade and Industry what was the total value of imports of matches into the United Kingdom for each of the years ended 31 December 1985 and 1986.

Mr. Alan Clark: The United Kingdom's imports of matches for 1985 and 1986 amounted to £8·4 millions each year.

Mr. Loyden asked the Secretay of State for Trade and Industry what plans he has to protect the interests of the United Kingdom match industry against dumping of foreign imports.

Mr. Alan Clark: If the United Kingdom match industry believes that it is suffering damage from dumped imports it should present an application for anti-dumping action to the European Commission which has Community responsibility for such matters. My Department's unfair trade unit is ready to give any advice on the preparation of a case.

Mr. Loyden asked the Secretay of State for Trade and Industry what steps he intends to take to end the practice whereby imported matches are packaged in such a way as to suggest that they are of British manufacture; and if he will make a statement.

Mr. Howard: The Trade Descriptions Act 1968 already makes it an offence for a person in the course of a trade or business to apply a false or misleading indication to goods, in respect of their place of manufacture or production. If a United Kingdom name or mark, or any name or mark likely to be taken as such, were applied to the goods by means of the packaging, the goods would also be required under the Trade Descriptions Act 1972 to be marked with their country of origin. Although it is necessary, for European Community reasons, for the 1972 Act to be repealed, the Government are currently considering, in the light of consultation, the case for a successor regime to supplement the existing protection afforded to consumers by the 1968 Act.

British Aerospace

Mr. Grylls asked the Secretay of State for Trade and Industry if he will make a statement on the repayment of the launch aid requested by British Aerospace for the A350/340 aeroplanes.

Mr. Butcher: A decision has yet to be reached by the Government on British Aerospace's request for launch aid for the proposed Airbus A330/A340 project.

Sequestrations and Bankruptcies

Mr. Dewar asked the Secretary of State for Trade and Industry if he will publish a table showing for each of the last 10 years the number of (i) sequestrations and (ii) bankruptcies against individuals and companies, respectively, in Scotland.

Mr. Howard: The information requested is given in the following table:

Numbers of Insolvencies in Scotland 1977-1986

	Sequestrations[1]	*Company Liquidations*[2]
1977	132	271
1978	127	274
1979	106	238
1980	150	379
1981	181	438
1982	213	503
1983	282	521
1984	292	523
1985	298	537
*1986	[3]437	511

[1] Sequestrations are the Scottish equivalent of bankruptcies. The figures cover all individuals and partnerships. Separate figures in respect of unincorporated businesses are not available.

[2] Includes compulsory and creditors' voluntary liquidations — the two types which involve insolvency.

[3] Provisions of the Bankruptcy Scotland Act 1985 which came into force on 1 April 1986 provided for public funds to be made available to compensate Trustees dealing with sequestrations with no assets.

* Provisional.

Yorkshire and Humberside Development Association

Mr. Sheerman asked the Secretary of State for Trade and Industry how much Government money was allocated to the Yorkshire and Humberside Development Association in 1985-86 and in 1984-85.

Mr. Giles Shaw: I shall reply to the hon. Gentleman as soon as possible.

Employment (Assistance)

Mr. Mason asked the Secretary of State for Trade and Industry if he will list the organisations which are relevant to assisting employment in the regions who have moved out of the southern region to the north since 1979; with what impact on employment therein; and if he will make a statement.

Mr. Giles Shaw [*pursuant to his reply*, 24 February 1987, c. *205-6*]: The only relevant information available to the Department relates to the movement of manufacturing units with more than 10 employees and is inevitably not comprehensive. Our records show at present that the number of moves from the south-east region to the northern region between 1979 and 1984 is so few that disclosure is prevented by the confidentiality restrictions of the Statistics of Trade Act 1947. Information is not available for the period since 1984.

Industry (Public Funds)

Sir Alex Fletcher asked the Secretary of State for Trade and Industry how much support from public funds of all kinds has been made available to manufacturing industry since the fiscal year 1978-79.

Mr. Butcher [*pursuant to his reply*, 2 March c. *517*]: The information could be provided only at disproportionate cost since my Department does not record for all its schemes the amount of support going to different industrial sectors. However, it may be estimated that, in the eight year period from 1 April 1978 to 30 March 1986, the Department of Trade and Industry spent about £9,000 million on support for manufacturing industry. This figure excludes loans from the national loans fund and public dividend capital provided to nationalised industries.

ATTORNEY-GENERAL

AIDS

Mr. Meacher asked the Attorney-General what guidelines have been issued, or are being considered, regarding prosecution policy in relation to the exchange of used needles by drug abusers in favour of free disposable needles.

The Attorney-General: The guidelines in the code for Crown prosecutors, published pursuant to section 10 of the Prosecution of Offences Act 1985, a copy of which has been placed in the Library of the House of Commons, are applied to all cases referred by the police to the Crown Prosecution Service. When reaching decisions in cases relating to the misuse of drugs, the Crown Prosecution Service, where relevant, will have proper regard to public interest considerations arising out the measures brought in to halt the spread of the AIDS virus.

ENERGY

Combined Heat and Power

12. **Mr. Orme** asked the Secretary of State for Energy what progress has been made in the development of combined heat and power lead city schemes.

Mr. David Hunt: I am pleased to announce that the members of the Leicester CHP consortium have agreed to support the formation of a heat utility company to take the Leicester project through to the next stage. The Belfast and Edinburgh consortia are expected to complete their studies by the end of this month.

Nuclear Power Industry (Equipment Supplies)

14. **Mr. Favell** asked the Secretary of State for Energy what information he has as to the number of firms in the north-west area which currently supply equipment to the civil nuclear power industry.

Mr. Goodlad: In 1985-86 the nuclear industry placed contracts worth a total value of over £300 million with north-west companies. BNFL used some 2,800 firms, the CEGB 550, the NNC 100 and the UKAEA 84.

Conservation Schemes

15. **Mr. Knox** asked the Secretary of State for Energy if he has any plans to review the adequacy of existing energy conservation schemes.

Mr. Peter Walker: The adequacy and cost-effectiveness of the Government's energy efficiency schemes are kept under regular review to ensure they continue to be targeted to have maximum impact.

Crude Oil Prices

17. **Sir Russell Johnston** asked the Secretary of State for Energy what is his latest estimate of the average world price per barrel of crude oil in 1987.

Mr. Buchanan-Smith: Oil prices will be determined by the balance of supply and demand.

Home Insulation

18. **Mr. Raynsford** asked the Secretary of State for Energy, further to his replies of 1 December 1986 *Official Report*, columns *455-6*, 6 February, *Official Report*, column *836* and 16 February, *Official Report*, column *467*, if he will estimate how long it will take on current trends to ensure effective draught-proofing in all homes currently occupied by low income householders.

Mr. David Hunt: The Government-backed community insulation projects continue to expand rapidly and will soon be draught-proofing about a third of a million low-income households annually.

Sizewell B

19. **Mr. Rost** asked the Secretary of State for Energy when he expects to make an announcement of his decision on the Layfield report concerning the Sizewell B power station.

Mr. Peter Walker: As soon as I have fully considered all of the issues involved.

24. **Mr. Simon Hughes** asked the Secretary of State for Energy how many representations he has received from individuals and groups on the report of the inquiry into the Sizewell B pressurised water reactor; what proportion of these support the report; and what proportion do not support the report.

Mr. Peter Walker: I have received around 300 letters since the publication of the report. Most oppose the CEGB's application as it is unlikely that those who agree with the report would bother to write in.

French Energy Minister

20. **Mr. Holt** asked the Secretary of State for Energy when he last met his opposite number in France; what subjects were discussed; and if he will make a statement.

Mr. Peter Walker: I last met M. Madelin in July to discuss Community energy business during the United Kingdom presidency.

Surplus Energy

21. **Mr. Stern** asked the Secretary of State for Energy when he next expects to meet the chairman of the Central Electricity Generating Board to discuss national policy on surplus energy produced by commerce and industry.

Mr. Peter Walker: I meet the chairman of the Central Electricity Generating Board regularly. The Government's aim is that energy should be produced and used as efficiently and economically as possible. As regards private generation by commerce and industry, the Energy Act 1983 has created a guaranteed market for privately produced electricity.

British Coal

22. **Mr. Barron** asked the Secretary of State for Energy when he last met the chairman of British Coal; what subjects were discussed; and if he will make a statement.

Mr. David Hunt: My right hon. Friend and I have regular metings with the chairman of British Coal to discuss a wide variety of issues concerning the coal industry.

Closed Power Stations

23. **Mr. Pike** asked the Secretary of State for Energy when he next proposes to meet the chairman of the Central Electricity Generating Board to discuss the clearance of closed power stations.

Mr. Goodlad: Responsibility for the clearance or disposal of closed power stations in England and Wales rests with the Central Electricity Generating Board.

Nuclear Power Industry (Equipment Supplies)

25. **Mr. Dover** asked the Secretary of State for Energy what information he has about the number of firms in the north-west of England involved in contracts to supply equipment to the nuclear power industry and related industries.

Mr. Goodlad: In 1985-86 the nuclear industry placed contracts worth a total value of over £300 million with north-west companies. BNFL used some 2,800 firms, the CEGB 550, the NNC 100 and the UKAEA 84.

Coal Industry (Industrial Relations)

26. **Mr. Strang** asked the Secretary of State for Energy when he next intends to meet the chairman of the National Coal Board to discuss industrial relations in the industry; and if he will make a statement.

Mr. David Hunt: My right hon. Friend and I have regular meetings with the chairman of British Coal to discuss a wide variety of issues concerning the coal industry.

Pressurised Water Reactor Power Stations

27. **Mr. Heathcoat-Amory** asked the Secretary of State for Energy what recent discussions he has had with the Central Electricity Generating Board about the siting of more pressurised water reactor power stations.

Mr. Peter Walker: The CEGB has made no applications for consent for any PWRs, other than for Sizewell B.

Wind Power

28. **Mr. Meadowcroft** asked the Secretary of State for Energy what studies his Department is currently conducting into the energy potential of wind power; and if he will make a statement.

Mr. David Hunt: Modelling studies of the energy content of the wind are being undertaken, taking into account United Kingdom topography and land use. We believe wind energy to be one of the most promising renewable energy sources for generating electricity in this country. Since 1979, my department has spent some £20 million on a broad programme of research and development work for generating electricity from the wind and is currently spending around £4 to £5 million per year.

Efficiency (Industry)

29. **Mr. Wallace** asked the Secretary of State for Energy if he will list his Department's current incentives for energy efficiency in industry.

Mr. David Hunt: Energy efficiency measures offer attractive and cost-effective savings without the need for Government subsidy. Our programmes in the non-domestic sector are designed to make consumers aware of the financial benefits of improved energy efficiency and give them the advice and information they need to manage their energy more effectively.

Our existing programmes include:

(i) the energy efficiency survey scheme which provides expert advice at site level through the provision of grants for up to 50 per cent. of the cost of an independent energy survey;

(ii) the monitoring and targeting programme under which improved systems of energy management are being developed for major sectors of industry and commerce;

(iii) for energy efficiency R & D demonstration scheme programmes which help to develop and disseminate new technology.

In addition, the EEO provides a range of general information and advice to industry through such initiatives as the Breakfast Briefing Campaign and its support of the energy management movement.

Scottish Coalfields

30. **Mr. Douglas** asked the Secretary of State for Energy if he will make a statement on the current output from the Scottish coalfields and the total numbers currently employed.

Mr. David Hunt: I am advised by British Coal that during the four weeks up to 21 February the Scottish area produced 244,251 tonnes of coal, and that on 21 February there were 4,562 men on colliery books.

Energy Efficiency

31. **Mrs. Virginia Bottomley** asked the Secretary of State for Energy if he will make a statement on the Government's policy on targeting and monitoring schemes for energy efficiency.

Mr. David Hunt: Monitoring and targeting is a disciplined approach to energy management and an important step towards improving energy efficiency. The Energy Efficiency Office is supporting the development and introducion of monitoring and targeting systems across the non-domestic energy sector. To date 29 systems are in operation or under development in particular sectors of industry and commerce. The current programme aims to develop 40 systems, including a number of cross-sectoral systems, by the end of 1990.

Savings of £300 million are expected to result from the adoption of monitoring and targeting against a total programme spend of £9 million.

32. **Mr. Rowlands** asked the Secretary of State for Energy what further measures he intends to introduce the greater energy efficiency in the domestic and commericial sectors.

Mr. Peter Walker: The MONERGY 1986 campaign has seen an enormous concerted efforted across all sectors to make people at home and in the workplace more energy conspious. Practical achievements during the year have been substantial: for instance, demand for the energy efficiency surve scheme increased significantly, while the number of community insulation projects nearly doubled.

At the National Energy Management Conference last year I announced a 14-point programme to build on the success of Energy Efficency Year with policies closely matched to the needs to the market place. My hon. Friend

the Under-Secretary of State for Energy reiterated this programme in his answer to my hon. Friend the Member for Erewash, (Mr. Rost) on 26 January at columns 52-53.

In addition, on 26 February I announced a massive international energy efficiency exhibition and conference to be held at the NEC in Birmingham in June 1988, which will be a major new platform for British industry and the largest international energy efficiency event in the world.

Electricity Generation (Costs)

4. **Mr. Hannam** asked the Secretary of State for Energy what is his Department's latest estimate of the relative costs of coal for electricity generation *(a)* from United Kingdom pits and *(b)* from imported sources broken down into (i) costs at present and (ii) estimated costs at 1990, 1995 and 2000.

Mr. Goodlad: I shall write to the hon. Member as soon as possible.

Nuclear Materials

Mr. Foulkes asked the Secretary of State for Energy if he will publish materials unaccounted for figures for establishments which handle nuclear materials but which are not designated nuclear industrial sites.

Mr. Goodlad: Figures for nuclear materials unaccounted for are published annually for BNFL and UKAEA.

Ethnic Monitoring

Mrs. Dunwoody asked the Secretary of State for Energy if he will list the numbers of entrants to his Department from the ethnic minorities in the years 1985-86 and 1986-87; if he will also list the monitoring procedures used to ascertain the percentage of the work force represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into the Department.

Mr. Peter Walker: The ethnic origins of new entrants have been surveyed since October 1985. The latest available information for the period up to 1 February 1987 is as follows:

Total number of new entrants to the Department of Energy in the period 1 October 1985 to 1 February 1987 was 145

Ethnic origins:	*Number*
White	97
Black/Asian	27
not stated (includes non-respondents)	21

A phased programme of departmental surveys of the ethnic origins of non-industrial civil servants by means of voluntary self-classification is being conducted. By the end of 1986 all non-industrial staff had been surveyed. Consideration is being given to ways of using the data on the ethnic origin of staff in post of monitor promotion.

All departmental recruitment is conducted on the basis of fair and open competition and selection is on merit. I refer the hon. Member to the answer given by my right hon. Friend the Minister of State, Privy Council Office on 20 February 1987 at columns 880-81 reporting the arrangements made to encourage people from the ethnic minorities to apply to the Civil Service.

Nuclear Fuel

Mr. Dalyell asked the Secretary of State for Energy, pursuant to his reply to the hon. Member for Meirionnydd Nant Conwy, (Mr. Thomas), 29 January 1987, *Official Report*, column 327, if he will seek the agreement of the Central Electricity Generating Board and British Nuclear Fuels plc to the publication of such details of spent Magnox fuel throughput from the civil nuclear programme as would not prejudice national security; and if he will make a statement.

Mr. Goodlad: I have made it clear that it is my policy to be as open as possible on such matters. Information given to Parliament includes the tonnage of civil spent fuel reprocessed in the Magnox reprocessing plant, B205, at Sellafield — *Official Report*, 11 December, at columns 638-39; the amount of spent fuel discharged from the Magnox reactors of the CEGB — *Official Report*, 26 June 1986, at column 269; and the allocation and use of plutonium produced in the generating board's Magnox reactors — *Official Report*, 21 July 1986, at columns 10-11. The publication of information on plutonium is one of the matters covered in Sir Frank Layfield's report into the CEGB's application for consent to construct Sizewell B. It would not be proper for me to comment further on this, or associated matters, before my right hon. Friend has taken his decision on the CEGB's application.

Nuclear Power

Mr. Dalyell asked the Secretary of State for Energy, pursuant to his reply, 26 January 1987, *Official Report*, column 58, if he will publish in the *Official Report* a list of *(a)* all country-to-country agreements, with their command numbers where relevant, containing clauses requiring the security classification of information on uranium and plutonium and *(b)* all commercial contracts concerning civil nuclear power between the Central Electricity Generating Board, the United Kingdom Atomic Energy Authority and British Nuclear Fuels plc and foreign partners that contain confidential clauses; and in each case if he will give the date of the entering into force of the agreement or contract and the date of expiry.

Mr. Goodlad: The Euratom treaty of 22 January 1972, Cmnd. 5179, has provisions relating to the protection of information which is subject to a security system in a member state. The UK/Euratom/IAEA safeguards agreement of March 1977, Cmnd. 6730, contains provisions restricting the use of information exchanged under it.

Specific provisions relating to the classification of information on nuclear materials are contained in the agreement between the Governments of the United Kingdom, Federal Republic of Germany and the Netherlands on collaboration on the development and exploitation of the gas centrifuge process for producing enriched uranium, dated 4 March 1970, Cmnd. 4315.

In addition, the United Kingdom is party to a large number of other international agreements in the nuclear field, such as bilateral nuclear co-operation agreements, safeguards agreements and Exchanges of Notes, many of which contain provisions restricting the use of information exchanged under them. To the extent that information exchanged under such agreements is subject to a security classification in the country of origin it is accorded similar protection in the United Kingdom.

As I said in my reply of 29 January, at column 327, it is common practice not to disclose commercially confidential information arising under contractual arrangements without the agreement of the commercial partners. This is the case irrespective of whether there are specific confidentiality clauses in the contract. I am advised that BNFL has over one hundred current contracts with foreign partners relating to the nuclear fuel cycle which contain specific confidentiality clauses. The CEGB and the UKAEA each have a number of such contracts themselves. The disclosure of information contained in or arising under these contracts is a matter for the contracting parties.

Nuclear Accidents

Mr. Tam Dalyell asked the Secretary of State for Energy, pursuant to his reply to the hon. Member for Edinburgh, East, (Mr. Strang), 10 December 1986, *Official Report*, column 196, if he will set out the reasons for the confidentiality of studies commissioned or undertaken by his Department on emergency plans for nuclear installations over the past five years.

Mr. Goodlad: I refer the hon. Member to the answer given to the hon. Member for Edinburgh, East (Mr. Strang) on 12 February 1987, at column 317.

CEGB (Monopoly)

Mr. McCrindle asked the Secretary of State for Energy if he has any plans to introduce legislation to limit the monopoly buying power of the Central Electricity Generating Board and introduce more competition into the provision of energy; and if he will make a statement.

Mr. Goodlad: The Government have no plans to legislate in this area. The coal purchase agreement between the CEGB and British Coal is a commercial matter for the board and the corporation. A competitive element has already been introduced into power generation by means of the Energy Act 1983 which established a framework for fair trading between private generators and electricity boards. Private sector operators can now generate as a main business and have a guaranteed market for their electricity at fair prices.

Anthracite

Mr. Maclennan asked the Secretary of State for Energy what was the total production of anthracite in the United Kingdom in 1986; and what proportion of this was made available to suppliers in Scotland.

Mr. David Hunt: Total production of anthracite in the United Kingdom in 1986 was about 2 million tonnes, of which some 36,000 tonnes was made available to suppliers in Scotland.

Sir Ian MacGregor

Mr. Gordon Brown asked the Secretary of State for Energy if he will list for each year of his chairmanship of the National Coal Board the payments, including the bonuses, made to Sir Ian MacGregor.

Mr. David Hunt: Emoluments paid to Sir Ian MacGregor while he was chairman were published in the National Coal Board's annual report and accounts for 1983-84, 1984-85 and 1985-86.

Coal Strike (Dismissals)

Mr. Gordon Brown asked the Secretary of State for Energy (1) how many miners in *(a)* Scotland and *(b)* Britain as a whole who were dismissed for activities during the national coal strike have been, (i) reinstated or re-engaged or (ii) remain dismissed; and how many of those dismissed in *(a)* Scotland and *(b)* the rest of the country still have their cases under review;

(2) how many cases of miners dismissed by the National Coal Board during the miners' strike were subject to industrial tribunal cases in *(a)* Scotland and *(b)* the rest of the country;

(3) how many employees of the National Coal Board in *(a)* Scotland and *(b)* Great Britain as a whole have been paid compensation as a result of industrial tribunal cases arising from their dismissal during the national coal strike;

(4) how much money has been paid out to former National Coal Board or British Coal employees as a result of industrial tribunal cases arising from dismissal during the miners' national strike; and if he will provide a separate figure for Scotland.

Mr. David Hunt: Questions on the dismissal, re-employment or compensation of miners are matters for the management of the British Coal Corporation.

Petroleum

Mr. Powley asked the Secretary of State for Energy what are the Government's latest forecasts of the level of United Kingdom petroleum production.

Mr. Buchanan-Smith: The latest forecasts for United Kingdom petroleum production in the years 1987 to 1991 are as follows:

	million tonnes
1987	115-130
1988	105-125
1989	95-120
1990	85-115
1991	70-105

As in previous years, these forecasts represent a range of levels of possible petroleum production for each year. The ranges make allowance for the considerable technical and geological uncertainties which influence the rate of oil production from both mature and recently developed fields.

The figures comprise stabilised crude and natural gas liquids. Production of the latter has built up rapidly in the last few years as follows:

	million tonnes of NGLs
1981	1·5
1982	2·9
1983	4·1
1984	4·7
1985	5·1
1986	[1]5·8

[1] Provisional.

NGLs are expected to account for some 6 to 8 million tonnes annually of total petroleum production to 1991.

Total production in 1986 of stabilised crude and NGLs is estimated to have been 126·9 million tonnes.

OVERSEAS DEVELOPMENT

Central America

Mr. Beith asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Britain's bilateral aid programme to Central America.

Mr. Eggar: British aid to the five Central American Republics, Belize and Panama in 1985, the latest year for which figures are available, amounted to £22,337,000. A total of £16,701,000 of this consisted of investments by the Commonwealth Development Corporation. The balance was spent on training and technical co-operation, mainly in the natural resources sector; on assistance to displaced persons; and on programmes of financial aid to Belize and Honduras, in particular for roads, bridges and water supplies. We also support small development projects co-financed with British Voluntary Agencies in Central America.

Development Education

Mr. Wallace asked the Secretary of State for Foreign and Commonwealth Affairs when his Department expects to publish its review of its contribution to the funding of development education.

Mr. Eggar: This review is an internal ODA document. As my hon. Friend the Minister for Overseas Development (Mr. Patten) told the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) on 16 February at c. *410*, he has decided to provide a further grant of £100,000 to the Centre for World Development Education. My hon. Friend has also decided to provide a further grant of £6,000 to Scottish Education and Action for Development.

FOREIGN AND COMMONWEALTH AFFAIRS

Convention on Human Rights

Mr. Foulkes asked the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 4 February, *Official Report*, column 666, concerning the European convention on human rights, which United Kingdom dependent territories have so far adopted the first protocol to the convention.

Mr. Eggar: The territories to which the Convention applies have been consulted about the extension to them of the first protocol. We await replies. When they have been received a declaration will be made on an extension of the protocol.

Jordan (Diplomatic Immunity)

Mr. Peter Bruinvels asked the Secretary of State for Foreign and Commonwealth Affairs whether any requests have been made to the Royal Jordanian embassy for a waiver of diplomatic immunity in respect of any of their employees; and if he will make a statement.

Mr. Eggar: It has not been the practice to reveal the names of individual missions to which we have applied for waivers of diplomatic immunity.

If my hon. Friend has in mind recent press reports of a case involving alleged indecent assault, it is in our view most unlikely that the courts would regard diplomatic immunity as applying in that instance: the question of a waiver is not therefore relevant.

Sri Lanka

Mr. Nellist asked the Secretary of State for Foreign and Commonwealth Affairs what reports he has received on the present situation in Sri Lanka, from the High Commission there since the beginning of 1987; and if he will place in the Library a summary of those reports.

Mr. Eggar: We receive regular and detailed reports from our High Commission in Colombo on all aspects of the situation in Sri Lanka. Since the beginning of 1987, fighting between Tamil militant separatists and Government forces has continued in the north and east. The rest of the country is peaceful; there has been no intercommunal violence. The December proposals for a peaceful settlement are still on the table.

It is not our practice to place reports from diplomatic missions in the Library of the House.

Jews (Soviet Union)

Mr. Mason asked the Secretary of State for Foreign and Commonwealth Affairs what is his estimate of the number of Jews who were allowed to leave the Soviet Union in February 1987.

Mr. Renton: According to our information, 146. This is a slight increase over the figure for January, but falls well short of expectations. We shall continue to press for significant improvement.

Mr. Mason asked the Secretary of State for Foreign and Commonwealth Affairs if he has ascertained the reasons why visas were refused to a delegation of British Members of Parliament who wished to visit the Soviet Union to witness a presentation of honours to Russian Jews; and if he will make a statement.

Mr. Renton: The Soviet authorities said that they regarded the presentation of these awards as a provocative action. We have made it clear that we do not accept this. Her Majesty's Ambassador in Moscow expressed his great regret that visas had not been forthcoming for the delegation.

Mr. Mason asked the Secretary of State for Foreign and Commonwealth Affairs whether the Russian Jews who were to be honoured by the all-party Parliamentary Committee on Soviet Jewry have yet been to the British Embassy in Moscow to receive their awards; and if he will make a statement.

Mr. Renton: Her Majesty's Ambassador in Moscow presented the awards on behalf of the all-party parliamentary committee on 23 February at a ceremony held at the Embassy. Iosif Begun, who was only released from prison that day, was unable to attend. All others to whom the award had been made attended.

Lebanon

Mr. Winnick asked the Secretary of State for Foreign and Commonwealth Affairs what is his latest information as to how many British citizens are still in Lebanon.

Mr. Eggar: I refer the hon. Member to the reply which I gave to my hon. Friend the Member for Burton (Mr. Lawrence) on 16 February 1987. The estimated number has not changed substantially since then. Her Majesty's Embassy in Lebanon provide us with regular information on the British community.

Entry Visas

Mr. Lloyd asked the Secretary of State for Foreign and Commonwealth Affairs what advice he gives to entry clearance officers concerning the giving of visitors' visas to fiancés, fiancées and spouses who have been refused entry clearance; in particular, where the purpose of the visit is to attend and appeal.

Mr. Eggar: No special advice is given. Entry clearance officers resolve each case in accordance with the immigration rules.

Mr. Tony Lloyd asked the Secretary of State for Foreign and Commonwealth Affairs why visitors' visas were refused to Khalid Mahmood (TH/19995/86; IMM 79914) at the British embassy in Islamabad.

Mr. Eggar: The information requested is not immediately available. I shall write to the hon. Member as soon as possible.

DUCHY OF LANCASTER

Ethnic Monitoring

Mrs. Dunwoody asked the Chancellor of the Duchy of Lancaster if he will list the numbers of entrants to his Department from the ethnic minorities in the years 1985-86 and 1986-87; if he will also list the monitoring procedures used to ascertain the percentage of the work force represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into the Department.

Mr. Tebbit: The Duchy of Lancaster is not a Government Department. The staff is my private office are covered by the arrangements applying to the Cabinet Office, for which the Prime Minister has answered. I would refer the hon. Member to the answer given by my right hon. Friend the Prime Minister on Friday 6 March 1987.

CIVIL SERVICE

Job Descriptions and Definitions

83. **Sir David Price** asked the Minister for the Civil Service what steps he is taking to ensure that job descriptions and job definitions within the Civil Service reflect changes in job content.

Mr. Luce: Under the new appraisal system staff agree forward job plans with their line manager for the coming year. They are advised to amend them in the light of changing circumstances. My Department is monitoring the use of forward job plans in a sample of Civil Service locations.

Training

Mr. Pawsey asked the Minister for the Civil Service if he will make a statement about improving the quality of training within the Civil Service.

Mr. Luce: Yes. The Government are committed to high quality training and development as a principal means of improving the operational performance of the Civil Service, and enabling it to adapt to new demands. In particular, we have introduced new programmes for the training of senior staff.

ENVIRONMENT

House Insulation (Cancer)

87. **Mr. Lord** asked the Secretary of State for the Environment what steps he is taking to investigate possible links between certain house insulating materials and deaths from cancer; and if he will make a statement.

Mr. Tracey: I refer my hon. Friend to the answer given by my right hon. Friend the Secretary of State for the Environment to my hon. Friend the Member for Nottingham, East (Mr. Knowles) on Tuesday 24 February, at column 196.

Nuclear Waste

88. **Mr. Speller** asked the Secretary of State for the Environment if he will make it his policy to make inquiries of each right hon. and hon. Member as to which are prepared to accept a low-level nuclear waste disposal site in their constituency.

Mr. Waldegrave: No. United Kingdom NIREX Ltd. has already identified four potential sites, at all of which geological investigations are now proceeding.

Construction Industry (Training)

Mr. Caborn asked the Secretary of State for the Environment who attended the forum on training in the construction industry on 13 January.

Mr. John Patten: Besides the Parliamentary Under-Secretary of State at the Department of Employment, my hon. Friend the Member for Rossendale and Darwen (Mr. Trippier), and myself, the following attended the forum on 13 January: Mr. C. Chetwood (George Wimpey plc), Mr. R. Duncan (Syme and Duncan), Mr. D. Gaulter (CITB), Mr. G. Henderson (TGWU), Mr. W. Hilton (FMB), Mr. B. Jefferson (PSA), Mr. D. Maiden (CITB), Mr. P. Money (BEC), Mr A. Pelling (DOE), Mr D. Phillips (BEC), Mr. M. Stothers (W. Steward & Co.), Mr. D. Stradling (J. Laing Construction Ltd.), Mr. B. Tierney (R. F. Peachey and Sons Ltd.), Mr. H. Try (Hugh Try Holdings Ltd.), and Mr. J. Wiltshire (MSC). Mr. A. Williams (UCATT) and Mr. Howard Wainwright, a former HMI, had planned to attend but were prevented from doing so because of the weather conditions.

Mr. Caborn asked the Secretary of State for the Environment what were the conclusions of the forum on training in the construction industry held on 13 January; and what steps he intends to take to increase training.

Mr. John Patten: The forum on training in the construction industry considered ways of tackling skill shortages; ways of improving site management; and ways of improving training for adult operatives. In conclusion, the chairman of the Construction Industry Training Board agreed to bring forward proposals for increasing the number of entrants into craft training by 4,000 and to prepare an action plan to cover medium-term measures to deal with the skill shortages problems; ways of improving the provision and take-up of training for site managers and supervisors; and ways of improving the industry's investment in the training of experienced operatives and craftsmen. I expect to receive these proposals at the end of this month.

Flats

Mr. Stephen Ross asked the Secretary of State for the Environment when he expects to introduce legislation to extend the right of occupiers of privately owned flats in England and Wales.

Mr. John Patten: My right hon. Friend introduced the Landlord and Tenants (No. 2) Bill on Thursday 5 March.

Ethnic Monitoring

Mrs. Dunwoody asked the Secretary of State for the Environment if he will list the numbers of entrants to his Department from the ethnic minorities in the years 1985-86 and 1986-87; if he will also list the monitoring procedures used to ascertain the percentage of the work force represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into the Department.

Mr. Ridley: The ethnic origins of new entrants have been surveyed since 1 October 1985. The latest available information for my Department for the period from then to 1 March 1987 is as follows:

	Number
Total new entrants	2,299
Ethnic origins	
white	1,437
black/Asian	88
non-respondents	774

A phased programme of departmental surveys of the ethnic origin of non-industrial civil servants by means of

voluntary self-classification is being conducted. By the end of 1986 all non-industrial staff in the county of Avon, the north-west, the east and west midlands, London, the south-east and East Anglia had been surveyed. All remaining staff will be surveyed by 1988. Consideration is being given to ways of using the data on the ethnic origin of staff-in-post to monitor promotion.

All departmental recruitment is conducted on the basis of fair and open competition and selection is on merit. I refer the hon. Member to the answer given by my right hon. Friend the Minister of State, Privy Council Office on 20 February 1987, at columns 880-81, reporting the arrangements being made to encourage people from the ethnic minorities to apply to the Civil Service.

Local Government Finance (Waltham Forest)

Mr. Deakins asked the Secretary of State for the Environment what has been the rate support grant paid to the London borough of Waltham Forest in cash and real terms since 1979.

Mr. Chope: The figures requested for 1981-82 and later years are as follows; comparable figures for 1979-80 and 1980-81 are not available.

Waltham Forest Rate Support Grant

	Cash £ million	*Real terms £ million*
1981-82	54·555	69·765
1982-83	61·038	72·782
1983-84	65·541	74·815
1984-85	64·831	70·938
1985-86	65·053	67·004
1986-87	77·526	77·526

Figures for 1981-82 and 1982-83 are final entitlements. In 1981-82 the Metropolitan police and GLC entitlements were paid to the rating authorities in their areas: in 1982-83 only the Metropolitan police entitlement was paid in this way. Domestic rate relief grant figures for 1983-84 and 1984-85 are final entitlement; those for 1985-86 and 1986-87 are first estimates. Block grant figures for 1983-84 and 1984-85 are entitlements after holdback based upon provisional outturn; those for 1985-86 are entitlements after holdback based on budgets; those for 1986-87 are entitlements based on initial budget returns. Real term figures are cash figures uprated by the corresponding GDP deflator for the year.

West Sussex Structure Plan

Sir Peter Hordern asked the Secretary of State for the Environment when he proposes to publish his decision about the West Sussex structure plan; and if he will make a statement.

Mr. Tracey: My right hon. Friend expects to publish his proposed modifications to the submitted alteration to the West Sussex structure plan shortly. There will then be a period of six weeks during which objections and representations may be made. Final approval of the alteration will follow as soon as possible after the expiry of that period.

Official Drivers

Mr. Boyes asked the Secretary of State for the Environment what are the current pay levels for official drivers.

Mr. Chope: The basic pay for GCS drivers is £104·58 per week plus £28·07 per week Inner London weighting, for a standard 39 hour week.

Mr. Boyes asked the Secretary of State for the Environment how many drivers of official cars have taken the advanced driving test.

Mr. Chope: Three Government car service drivers have passed the advanced drivers' test. This is not yet a mandatory test for GCS drivers who are all obliged to satisfy ROSPA examiners before taking up employment.

Homelessness

Mr. Meadowcroft asked the Secretary of State for the Environment what figures he has for the numbers of children living in households who *(a)* are accepted by local authorities as homeless, *(b)* apply to local authorities to be accepted as homeless, *(c)* are living in bed and breakfast or other temporary accommodation, *(d)* are living in households on council waiting lists and *(e)* are living in homes unfit for human habitation.

Mr. Tracey: Information on the number of children is not collected for any of the categories mentioned. The only available relevant information concerns households with dependent children whom local authorities have accepted responsibility to accommodate. During the third quarter of 1986, local authorities in England accepted responsibility to accommodate some 16,000 households with dependent children. It is not known how these households were accommodated.

Home Insulation

Mr. Hancock asked the Secretary of State for the Environment what has been the total public expenditure on improving home insulation for each of the last five years.

Mr. John Patten: I will answer this question shortly.

Neighbourhood Energy Action

Mr. Craigen asked the Secretary of State for the Environment when he intends to reply to the letter from the hon. Member for Glasgow, Maryhill dated 2 January about neighbourhood energy action.

Mr. John Patten: A reply was sent on 27 February.

Anti-fouling Paint

Mr. Steen asked the Secretary of State for the Environment if he will seek powers to make it an offence punishable by heavy fines to sell anti-fouling paint containing tributyl tin as from 1 July.

Mr. Waldegrave: I refer my hon. Friend to the answer I gave my hon. Friend the Member for Richmond and Barnes (Mr. Hanley) on 24 February at columns 202-3. Regulations under the Control of Pollution Act 1974 are currently being drafted and will shortly be made available for consultation. In addition, from 1 July it will be an offence under part III of the Food and Environment Protection Act 1985 to sell any pesticide, which includes any anti-fouling agent, which has not been approved by Ministers.

Under section 100(5) of the Control of Pollution Act, the regulations may prescribe maximum penalties for an offence. Similar provisions apply under section 21(3) of the

Food and Environment Act. In either case a person guilty of an offence is liable on summary conviction to a fine not exceeding £2,000 and on conviction on indictment to an unlimited fine.

Tenants (Telford)

Mr. Hawksley asked the Secretary of State for the Environment when the consultation will take place with the tenants of Telford development housing corporation over the future ownership of their properties.

Mr. John Patten: Tenants of Telford Development Corporation will be consulted on the future ownership of their homes as soon as possible after I have fully considered the financial implications of transfer to alternative landlords and after further consideration with the Association of District Councils and the National Federation of Housing Associations of the possible consultation arrangement. This will be completed quickly.

Ministers (Car Telephones)

Mr. Boyes asked the Secretary of State for the Environment how many official cars for the use of Ministers are fitted with car telephones; and with what generic type of telephone.

Mr. Chope: Official cars for the use of Ministers are fitted with car telephones. These include fully transportable cellphones, hand portable cellphones, fixed in-car cellphones, and fixed system for radio telephones.

Water (Privatisation)

Mr. Boyes asked the Secretary of State for the Environment if he is yet able to reply to the letter of 4 December 1986 from the hon. Member for Houghton and Washington regarding privatised water companies and what information he has on whether privatised water companies will be treated as competent authorities by the European Economic Community.

Mr. John Patten: I am still considering the matters which the hon. Member raised in his letter of 4 December 1986, and I will write to him as soon as possible.

Sports Grounds, Brent

Mr. Pavitt asked the Secretary of State for the Environment (1) why he has decided to call in the planning application for Brent council to build homes on the site of the Abbey National sports ground in Kenton; and if he will make a statement;

(2) why he decided not to call in the planning application by Brent council to build houses on the General motors sports ground, near Kenton in Brent; and if he will make a statement.

Mr. Waldegrave: The Secretary of State did not call in the General Motors sports ground application in 1983 because he decided, after careful consideration, that it was a local matter which it was appropriate to leave to the local authority. However, the Secretary of State considered that the questions of the loss of additional open space and the further departure from the development plan which would result from the development of the Abbey National sports ground were matters which he should consider.

Cleaning Contracts (Palace of Westminster)

Mr. Skinner asked the Secretary of State for the Environment what changes have been made recently in respect of cleaning contracts within the Palace of Westminster; what is the total cost of all such cleaning contracts; and whether he will list all the firms who have cleaning contracts in the Palace of Westminster.

Mr. Chope: The Parliamentary Works Office is responsible for the cleaning of common areas and some offices in the Palace of Westminster and the parliamentary outbuildings. Apart from some minor variations made for operational reasons, there have been no changes since July 1986 to the contract for cleaning these areas held by ICC (Cleaning Services) Ltd.

A cleaning contract on behalf of the House of Commons Refreshment Department has been awarded by the Crown Suppliers to Initial Services Cleaners Ltd.

The value of the contracts is a commercial matter.

Housing Investment Programme

Mr. Alfred Morris asked the Secretary of State for the Environment if he will publish information on central Government expenditure on the housing investment programme for all years since 1978-79 inclusive, by standard United Kingdom region, showing the absolute, indexed and per capita form of the following disaggregated costs (i) capital account costs and (ii) current account costs.

Mr. Tracey [*pursuant to his reply*, 24 February 1987, c. *198*]: The available information is for English local authorities' and new towns' housing and is given in the tables.

For estimates for other parts of the United Kingdom, I refer the hon. Member to my right hon. Friends the Secretaries of State for Scotland, for Wales and for Northern Ireland.

(i) Local authority housing capital expenditure[1]

£ million except where stated

	1978-79	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*
(a) Cash terms								
North	158	188	156	117	167	207	189	162
Yorkshire and Humberside	192	218	193	164	226	281	239	225
East Midlands	147	162	133	134	166	226	207	174
East Anglia	54	60	49	50	71	100	111	95
South-East[2]	1,060	1,196	1,053	867	1,060	1,323	1,460	1,194
South-West	118	119	102	108	153	218	201	178
West Midlands	223	259	211	169	226	322	296	265

	1978-79	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*
North-West	267	355	322	282	351	442	415	363
England	2,219	2,557	2,217	1,891	2,419	3,118	3,118	2,656
(b) 1985-86 Cost terms								
North	299	306	213	146	193	230	202	162
Yorkshire and Humberside	364	354	263	203	262	312	254	225
East Midlands	278	263	181	167	193	251	221	174
East Anglia	103	98	67	62	82	111	118	95
South-East[2]	2,010	1,938	1,437	1,076	1,229	1,471	1,557	1,194
South-West	224	193	140	133	109	242	214	178
West Midlands	423	421	288	209	269	357	316	265
North-West	506	576	439	350	407	491	442	363
England	4,208	4,149	3,027	2,346	2,806	3,466	3,324	2,656
(c) £ per capita								
North	50·40	60·20	50·00	37·70	53·70	66·70	61·20	52·50
Yorkshire and Humberside	39·00	44·30	39·20	33·20	46·00	57·20	48·60	45·90
East Midlands	38·50	42·50	34·40	34·90	43·10	58·50	53·50	44·80
East Anglia	29·20	32·20	25·80	26·50	36·90	52·00	57·20	48·60
South-East[2]	62·50	70·50	61·90	51·00	62·20	77·60	85·30	69·40
South-West	27·30	27·40	23·30	24·50	34·60	49·20	45·00	39·60
West Midlands	43·10	50·10	40·70	32·50	43·60	62·10	57·20	51·10
North-West	41·10	54·60	49·50	43·70	54·80	69·00	64·90	56·80
England	47·50	54·80	47·40	40·40	51·60	66·60	66·40	56·40

[1] Expenditure under the Housing Investment programme plus non-prescribed expenditure (e.g. on capitalised repairs).
[2] Including Greater London.

(ii) Local authority housing current expenditure[1]

£ million except where stated

	1978-79	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*
(a) cash terms								
North	..	..	130	80	40	36	29	31
Yorkshire and Humberside	..	..	127	70	22	24	19	21
East Midlands	..	..	93	44	10	5	7	16
East Anglia	..	..	39	16	3	3	2	3
South-East[2]	..	..	1,041	830	681	672	699	762
South-West	..	..	69	25	3	2	3	6
West Midlands	..	..	151	83	38	11	7	21
North-West	..	..	208	136	82	78	73	64
England	..	..	1,856	1,286	879	831	840	923
(b) 1985-86 cost terms								
North	..	..	177	100	46	40	31	31
Yorkshire and Humberside	..	..	174	87	25	27	20	21
East Midlands	..	..	126	55	12	6	8	16
East Anglia	..	..	53	20	3	3	3	3
South-East[2]	..	..	1,420	1,030	790	747	745	762
South-West	..	..	94	31	3	3	3	6
West Midlands	..	..	207	103	45	13	8	21
North-West	..	..	283	169	95	87	78	64
England	..	..	2,534	1,596	1,019	924	895	923
(c) £ per capita								
North	..	..	41·60	25·80	12·80	11·60	9·40	10·00
Yorkshire and Humberside	..	..	25·80	14·30	4·40	4·90	3·90	4·30
East Midlands	..	..	24·00	11·50	2·70	1·40	1·90	4·10
East Anglia	..	..	20·40	8·70	1·50	1·40	1·20	1·30
South-East[2]	..	..	61·20	48·80	40·00	39·40	40·80	44·30
South-West	..	..	15·70	5·80	0·70	0·50	0·60	0·80
West Midlands	..	..	29·20	16·00	7·40	2·20	1·40	4·10
North-West	..	..	32·10	21·10	12·80	12·20	11·50	10·00
England	..	..	39·60	27·50	18·80	17·80	17·90	19·60

[1] Subsidy and Rate Fund contributions
[2] Including Greater London
.. not available

(i) New towns gross housing capital expenditure

£ million except where stated

Region[1]	*1978-79*	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-56*
(a) cash terms								
North	8	12	13	7	4	4	5	2
East Midlands	6	13	14	7	2	4	2	—
East Anglia	12	13	17	11	6	5	6	3
South-East	50	59	55	47	35	44	42	37
West Midlands	17	21	21	13	4	6	9	5
North-west	36	43	44	30	20	24	19	10
England	129	160	164	115	71	85	82	56
(b) 1985-86 cash terms								
North	16	20	18	8	5	4	5	2
East Midlands	10	20	19	9	3	4	2	—
East Anglia	23	21	23	13	6	5	6	3
South-east	95	95	75	59	41	49	45	37
West Midlands	32	33	29	16	5	6	10	5
North-west	68	70	60	37	23	27	20	10
England	244	260	223	143	83	94	88	56
(c) £ per capita[2]								
North	2·70	3·90	4·10	2·20	1·30	1·10	1·50	0·80
East Midlands	1·40	3·30	3·60	1·90	0·60	0·90	0·40	—
East Anglia	6·40	7·10	9·00	5·50	2·90	2·40	3·00	1·70
South-east	3·00	3·50	3·20	2·80	2·10	2·60	2·50	2·20
West Midlands	3·30	4·00	4·10	2·50	0·90	1·10	1·70	0·90
North-west	5·50	6·60	6·80	4·70	3·10	3·70	3·00	1·50
England	2·80	3·40	3·50	2·50	1·50	1·80	1·80	1·20

[1] No new towns in Yorkshire and Humberside or South-west regions.
[2] Using total population of region.

(ii) New towns gross housing current expenditure

£ million except where stated

Region[1]	*1978-79*	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*
(a) Cash terms								
North	−5	7	8	8	9	11	12	9
East Midlands	8	9	11	11	11	13	13	—
East Anglia	−10	11	13	13	14	16	16	16
South-East	27	32	36	37	39	50	53	54
West Midlands	16	19	20	20	20	24	24	16
North-West	24	29	34	35	36	42	45	29
England	60	107	122	124	130	156	162	125
(b) 1985-86 Cost terms								
North	−10	12	11	10	10	13	13	9
East Midlands	15	15	15	14	13	14	14	—
East Anglia	−19	18	17	17	16	18	17	16
South-East	51	51	49	46	46	55	56	54
West Midlands	31	31	28	25	23	26	26	16
North-West	46	48	47	43	42	47	48	29
England	114	173	167	154	150	173	173	125
(c) £ per capita[2]								
North	−1·70	2·30	2·70	2·60	2·80	3·70	3·90	3·00
East Midlands	2·00	2·40	2·80	2·90	3·00	3·30	3·30	—
East Anglia	−5·30	5·90	6·60	7·10	7·30	8·20	8·20	8·30
South-East	1·60	1·90	2·10	2·20	2·30	2·90	3·10	3·20
West Midlands	3·20	3·60	3·90	3·80	3·80	4·60	4·70	3·10
North-West	3·80	4·50	5·30	5·40	5·70	6·60	7·10	4·50
England	1·30	2·30	2·60	2·70	2·80	3·30	3·50	2·60

[1] No New Towns in Yorkshire and Humberside or South West regions.
[2] Using total population of region.
[3] Subsidy payments.

NATIONAL FINANCE

Public Sector Employees

Mr. Ralph Howell asked the Chancellor of the Exchequer how many people were working in the National Health Service, local government, Civil Service, and nationalised industries in the United Kingdom in the years *(a)* 1960, *(b)* 1965, *(c)* 1970, *(d)* 1975, *(e)* 1980, *(f)* 1981, *(g)* 1982, *(h)* 1983, *(i)* 1984, *(j)* 1985 and *(k)* 1986; what was the total public expenditure on these services for each of these years; and if he will publish these numbers and costs both as a total and broken down between the four sectors mentioned; and if he will also state the number of full time equivalents in each case.

Mr. MacGregor: The table provides details of staff numbers in the National Health Service, local government, Civil Service and nationalised industries. Public expenditure figures, including those for Civil Service running costs, for the period 1981-82 to 1986-87 were published in the 1987 public expenditure White Paper, Cm 56. Figures for earlier years are not readily available on a comparable basis.

	NHS (mid-year)		*[1]Local authorities (mid-year)*		*[2]Civil Service (1July)*		*Nationalised Industries (mid-year)*		*[1]Total*	
	Headcount	*[3] FTE*	*Headcount*	*[3]FTE*	*Headcount*	*[3]FTE*	*Headcount*	*[3]FTE*	*Headcount*	*[3]FTE*
1960	565	n/a	1,821	n/a	652	640	[4]1,819	n/a	4,857	n/a
1965	650	n/a	2,154	n/a	668	655	1,894	n/a	5,366	n/a
1970	741	n/a	2,559	n/a	716	702	1,879	n/a	5,895	n/a
1975	1,042	n/a	2,917	n/a	723	708	1,816	n/a	6,498	n/a
1980	1,174	999	2,956	2,343	714	700	1,816	1,785	6,660	5,827
1981	1,207	1,036	2,899	2,306	698	684	1,657	1,656	6,461	5,682
1982	1,227	1,045	2,865	2,274	671	659	1,554	1,538	6,317	5,516
1983	1,227	1,045	2,906	2,301	654	643	1,465	1,444	6,252	5,433
			(2,879)	(2,279)					(6,225)	(5,411)
1984	1,223	1,030	2,942	2,320	630	619	1,416	1,396	6,211	5,365
			(2,884)	(2,275)					(6,153)	(5,320)
1985	1,223	1,026	2,958	2,325	608	596	1,137	1,124	5,926	5,071
			(2,891)	(2,273)					(5,859)	(5,019)
1986	1,215	1,021	3,010	2,352	610	597	1,034	1,049	5,869	5,019
			(2,922)	(2,286)					(5,781)	(4,953)

[1] Figures for 1983-86 include Community Programme employees sponsored by local authorities; the figures in parenthesis show the numbers excluding the Community Programme.
[2] The Civil Service figures exclude those staff employed in the Northern Ireland Civil Service.
[3] Full-time equivalents.
[4] This figure for 1960 (headcount) is estimated on the basis of data for numbers employed in public corporations.
Sources: (i) Economic Trends Annual Supplement 1986—Page 201.
(ii) "Employment in the Public and Private Sectors 1980 to 1986" December 1986 Economic Trends.
(iii) Central Government Departments' quarterly staff in post returns.

Autocatalysts

Mr. Bright asked the Chancellor of the Exchequer what representations he has received on the introduction of fiscal incentives to encourage the sale of cars equipped with autocatalysts; and if he will make a statement.

Mr. Brooke: None.

Ethnic Monitoring

Mrs. Dunwoody asked the Chancellor of the Exchequer if he will list the numbers of entrants to his Department from the ethnic minorities in the years 1985-86 and 1986-87; and if he will also list the monitoring procedures used to ascertain the percentage of the work force represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into Department.

Mr. Brooke: The ethnic origins of new recruits have been surveyed since October 1985. The latest available information for the period up to September 1986 is as follows:

	Number
Total new recruits to Her Majesty's Treasury (non-industrials only) in period 1 October 1985 to end September 1986	254

	Number
Ethnic origins	
White	152
Black/Asian	15
Not stated	87

A phased programme of departmental surveys of the ethnic origin of non-industrial civil servants by means of voluntary self-classification is being conducted. By the end of 1986 all non-industrial staff in the Treasury had been surveyed. Consideration is being given to ways of using the data on the ethnic origin of staff-in-post to monitor promotion.

All departmental recruitment is conducted on the basis of fair and open competition and selection is on merit. Recent pilot studies indicate that candidates from the ethnic minorities are well represented in our departmental recruitment schemes. We will continue to keep the proportion of ethnic applicants under review.

Manufacturing Industry and Investment

Mr. Robert B. Jones asked the Chancellor of the Exchequer whether he will make a statement on the performance of manufacturing industry and investment since May 1983.

Mr. MacGregor: Figures for December 1986 show that manufacturing output was 10½ per cent. higher, and

productivity 15½ per cent. higher, than in May 1983. In the three months to January 1987 manufacturing exports, excluding erratic items, were over 28 per cent. higher than in the second quarter of 1983; manufacturing investment, including leased assets, was 13½ per cent. higher in the fourth quarter of 1986 than in the second quarter of 1983. The February 1987 CBI monthly trends survey showed marked increases in total and export order books and in manufacturing companies' expectations for output growth over the next four months.

National Debt

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing for each year since 1957 the amount of the national debt, the amount of interest payable on that debt, and the percentage which each bears to nominal gross domestic product.

Mr. Ian Stewart: The information requested is available in or can be derived from the following published sources: Financial Statistics, Economic Trends, Annual Abstract, Financial Accounts of the United Kingdom. These can be obtained from the Library of the House.

Taxpayers' Incomes

Mrs. Virginia Bottomley asked the Chancellor of the Exchequer for the last year that information is available, how many taxpayers had incomes between *(a)* £27,500 to £29,999; *(b)* £30,000 to £34,999, *(c)* £35,000 to £39,999, *(d)* £40,000 to £44,999 and *(e)* over £50,000.

Mr. Norman Lamont: I shall let my hon. Friend have a reply as soon as possible.

Overdue Taxes

Mr. Speller asked the Chancellor of the Exchequer if he will list the grade of officer who may receive some form of commission or other payment for success in collecting overdue taxes; how much has been paid in each of the past five years for which figures are available; what was the highest individual sum paid; and if he will make a statement on his policy regarding such payment by results.

Mr. Norman Lamont: I shall let my hon. Friend have a reply as soon as possible.

European Investment Bank

Mr. Teddy Taylor asked the Chancellor of the Exchequer if, in his capacity as director of the European Investment Bank, he will state whether it remains the policy of that Bank that loans should be conditional on guarantees by member states or other first class guarantors; and if he will make a statement on the guidance given by the board of the bank in this respect when it indicated that it was content for discussions to take place between officials of the bank and the promotors of the Channel tunnel for a loan of £1,000,000,000.

Mr. Brooke: I shall let my hon. Friend have a reply as soon as possible.

Mr. Teddy Taylor asked the Chancellor of the Exchequer what has been the total amount of public funds contributed and subscribed to the European Investment Bank since 1 January 1973.

Mr. Brooke: I shall let my hon. Friend have a reply as soon as possible.

Mr. Teddy Taylor asked the Chancellor of the Exchequer what progress has been made in the discussions between officials of the European Investment Bank and the promoters of the Channel tunnel on a loan of £1,000,000,000; and if he will make a statement.

Mr. Brooke: I shall let my hon. Friend have a reply as soon as possible.

SOCIAL SERVICES

Mental Health (Nursing)

Mr. Irving asked the Secretary of State for Social Services what measures the Government are taking to arrest the decline in the proportion of trained community psychiatric nurses to the total work force of community psychiatric nurses.

Mrs. Currie: With the rising numbers of nurses working in community psychiatric nursing, we have already made clear to health authorities and professional bodies our concern that all staff should be properly prepared for this specialised area of work. Some health authorities provide in-service education and training for their community psychiatric nurses before they take up their posts, and we use every opportunity to encourage staff to undertake the formal post-basic clinical course in community psychiatric nursing care. From information provided by the English National Board for Nursing, Midwifery and Health Visiting, 1,142 certificates have been issued since 1980 to nurses successfully completing the course, 199 certificates being granted during the year ending 31 March 1986. We shall shortly be discussing with regional nursing officers what the deficiencies now are, and the ways they may be rectified.

SERPS

Mr. Meacher asked the Secretary of State for Social Services if he will set out combined employer and employee national insurance contribution rates for financing the state earnings-related pension scheme for each five years up to 2050, on assumptions of both a price-indexed and earnings-indexed annual increase in the basic retirement pension, and assuming a growth rate in the economy of *(a)* 1½ per cent. and *(b)* 3 per cent. per year; and if he will provide these tables on the basis that (i) the state earnings-related pension scheme is unchanged and (ii) the state earnings-related pension scheme is amended in accordance with the Social Security Act 1986.

Mr. Major: I refer the hon. Member to my reply to him on 8 April 1986, at column *86* and to table 5 in the Government Actuary's report on the Social Security Bill 1986 (Cmnd. 9711). The estimates of combined national insurance rates published in these were based on assumptions of real earnings, and not on growth in the economy, as real earnings is the relevant economic factor. Additional projections at five-yearly intervals could be produced only at disproportionate cost.

Free Milk and Vitamins

Mr. Michie asked the Secretary of State for Social Services how many women and children in Sheffield, Hecley, were in receipt of free milk and vitamins in the last year for which figures are available.

Mr. Lyell: I refer the hon. Member to my reply to the hon. Member for Sheffield, Hillsborough (Mr. Flannery) on 2 March at column 495.

Maternity Payments

Dr. Bray asked the Secretary of State for Social Services how many women in Motherwell, South received maternity allowance in the last year for which figures are available.

Mr. Major: Information is not available in the form requested. But in the twelve months ending April 1986, the latest year for which figures are available, the following numbers of claims to maternity allowance were made at the Department's offices which cover Motherwell South, although the boundaries are not conterminous:

	Number
Motherwell	600
Hamilton	1,239
Wishaw	465

Mr. Litherland asked the Secretary of State for Social Services how many women in Manchester, Central received maternity allowance in the last year for which figures are available.

Mr. Major: Information is not available in the form requested. But in the 12 months ending April 1986, the latest year for which figures are available, the following numbers of claims to maternity allowance were made at the Department's offices which cover Manchester, Central constituency, although the boundaries are not conterminous:

	Number
Manchester, Central	191
Openshaw	790
Failsworth	1,003
Longsight	524
Chorlton	651

Hospital Waiting Lists

Mr. Dobson asked the Secretary of State for Social Services whether his Department is monitoring health authorities' reviews of hospital waiting lists so as to assess the extent to which reductions are achieved by increases in efficiency in treating more patients; and if he will make a statement.

Mr. Newton: We have asked health authorities to look at the nature, cause and extent of waiting list problems in every district and to take action to make significant improvements. In many cases this will be through making more effective use of existing facilities. Health authorities have also submitted plans for treating over 100,000 waiting list cases supported by the £25 million waiting list fund for 1987-88. We shall closely monitor the achievement of those plans.

Mr. Dobson asked the Secretary of State for Social Services how many clerks have been appointed by health authorities in England on short-term contracts during 1986-87 to examine hospital waiting lists and to report on progress to regional health authorities or his Department.

Mr. Newton: This information is not held centrally.

Ms. Harman asked the Secretary of State for Social Services how many people were removed from hospital and in-patient waiting lists, by district, for the years 1984, 1985 and 1986, respectively.

Mr. Newton: I am sorry I cannot give the hon. Member the information that she seeks. Statistical information on cases removed from in-patient waiting lists will be collected centrally from 1 April 1987 when the recommendations of the steering group on health services information are implemented.

Corporal Punishment

Mr. Key asked the Secretary of State for Social Services, (1) pursuant to his answer on 9 February, *Official Report*, column *138*, regarding corporal punishment, if he will take steps to prohibit corporal punishment in private nurseries covered by the Nursing and Childminders Regulation Act 1948;

(2) if he will take steps to prohibit corporal punishment in day nurseries provided by local social services departments;

(3) if he will take steps to prohibit corporal punishment in the youth treatment centres administered by his Department;

(4) if he intends to seek to revise the regulations applying to residential care homes and to nursing homes and mental nursing homes to prohibit the use of corporal punishment in these homes;

(5) if he will make it his policy that the regulations to be issued under the Children's Homes Act 1982 applying to private children's homes should contain a provision prohibiting the use of corporal punishment;

(6) when he expects revision of the relevant regulations to be completed.

Mrs. Currie: Completion of the revised regulations governing the conduct of local authority community homes and of voluntary children's homes is planned for later this year. At the same time it is intended to introduce regulations governing the conduct of private children's homes. A provision will be included in all these regulations prohibiting the use of corporal punishment in each type of establishment.

We also intend to forbid this kind of punishment for children in homes registered under the Registered Homes Act 1984. In association with a number of current studies involving residential care homes whose reports are due over the next 12 months we shall be taking stock of the registration system and amending the regulations so as to ban corporal punishment. There are no circumstances in which corporal punishment would be appropriate for children attending local authority day nurseries or any premises registered under the Nurseries and Childminders Regulation Act 1948. This subject has not been covered in departmental guidance, but it is intended that future guidance on day care services for pre-school children will deal with the question of discipline.

Corporal punishment has never been permitted in youth treatment centres. It would be incompatible with the care and treatment which this service provides for the country's most disturbed boys and girls.

Deaf and Hard of Hearing (Grants)

Mr. Ashley asked the Secretary of State for Social Services if he will list in the *Official Report* the number and amounts of grants given in each of the last five years to voluntary organisations working with deaf and hard-of-hearing people under section 64 of the Health Services and Public Health Act.

Mr. Major: The list is as follows:

	1981-82 £	*1982-83* £	*1983-84* £	*1984-85* £	*1985-86* £
The Breakthrough Trust	75,000	29,500	28,500	35,000	35,000
British Association for the Hard of Hearing	18,600	17,333	21,500	25,000	25,000
British Deaf Association	20,000	6,000	—	—	20,000
Council for the advancement of Communication with Deaf People	10,000	10,000	20,000	40,000	40,000
Panel of Four including Sympathetic Hearing Scheme	10,000	50,000	150,000	19,000	15,000
Royal National Institute for the Deaf	14,000	3,500	1,000	—	750
National Deaf Children's Society	—	—	—	—	30,000
Friends of the Young Deaf	—	—	—	—	15,000
Schemes for the Deaf (St. Albans)	—	15,000	15,000	15,000	—

Neurology Services (Guildford)

Mr. David Howell asked the Secretary of State for Social Services if he will make a statement on proposals by the South-West Thames regional health authority to close down in-patient neurology services in Guildford.

Mrs. Currie: I understand that, at its meeting in October 1986, the South-West Thames regional health authority considered the outcome of an option appraisal on the future of neurosciences in the region. The Guildford neurological unit forms part of this review.

A fundamental principle proposed and generally supported in the consultation document was that neurology and neurosurgery should be provided in a combined centre; the close contact between the various clinicians was in the interest of both patients and the service as a whole. The authority, in making its decision, was acutely aware of the strength of feeling and counter-argument about Guildford becoming one of the combined centres, but, after careful consideration, supported the case put forward by the independent clinical advisers.

The future pattern of service is based on two combined centres at St. George's hospital, Tooting, and Hurstwood Park neurological centre, Haywards Heath. Each district in the region is expected to have its own out-patient clinic serviced by a consultant neurologist linked to one of those centres, and the Guildford unit would remain in service until the unit at St. George's is provided, probably in the mid-1990s. At that time, formal consultation will be undertaken on the transfer, and, if the local community health council objects, the proposal will then be referred to my right hon. Friend for a final decision.

Children (Homelessness)

Mr. Meadowcroft asked the Secretary of State for Social Services what figures he has for the number of children living in households who are receiving board and lodging supplementary benefit payments.

Mr. Major: I regret that the information is not available in the form requested and could be obtained only at disproportionate cost. In December 1984 (the latest date for which figures are available) about 6,000 claimants with dependent children received supplementary benefit board and lodging payments.

Mr. Meadowcroft asked the Secretary of State for Social Services what figures he has for the number of children currently in care because their families are homeless; and how this figure has changed for each of the quarters in each year since 1979.

Mrs. Currie: A child may be taken into care for a number of reasons of which homelessness may be a contributory factor, although not identified as a specific cause in the statistics. The information available on children in care where the specific cause is that their families are homeless is given in the table for 1979-84. Information for each quarter is not readily available centrally.

Children in care because of homelessness, 1979-84
England

As at 31 March	*Number*[1]	*Percentage change from previous year*
1979	1,379	
1980	1,308	−5·1
1981	1,115	−14·8
1982	981	−12·0
1983	825	−15·9
1984	713	−13·6

[1] Some figures include estimates from information for earlier years.

Family Practitioner Service (Surrey)

Mrs. Virginia Bottomley asked the Secretary of State for Social Services what was the expenditure of the Surrey

Family Practitioner Service in *(a)* 1979, *(b)* 1983 and the latest date for which information is available; and what was the average size of patient list on each of those dates.

Mr. Newton: Expenditure for family practitioner services within the locality of Surrey Family Practitioner Committee for the respective years 1979-80, 1983-84 and 1985-86, which is the latest year for which information is available, was as follows: £34,198,470; £57,612,352; and £66,369,149. The average general medical practitioner list size in those years was 2,195, 2,101 and 2,061 respectively.

Doctors and Dentists

Mrs. Virginia Bottomley asked the Secretary of State for Social Services (1) how many doctors and dentists were employed in the West Surrey/North East Hampshire health authority in 1979, 1983 and the latest date for which information is available;

(2) how many doctors and dentists were employed in the South-West Surrey district health authority in 1979, 1983 and the latest date for which information is available.

Mr. Newton: I am sorry I cannot give my hon. Friend all the information she seeks. The contracts of senior hospital medical and dental staff (ie consultants and senior registrars) are held by the regional health authority or teaching districts and the information on their allocation to individual districts is not held centrally. It is not therefore possible to provide an overall total number of doctors or dentists employed within specific districts. Those staffing figures which are available are shown in the table.

Medical and dental staff[1] employed in West Surrey/North East Hampshire and South West Surrey District Health Authorities at 30 September each year.

Whole-time equivalents[2]

	1979	*1983*	*1986*
West Surrey/North East Hampshire	93	103	95
South West Surrey	90	113	116

[1] Figures include permanent (whole-time, part-time and honorary) staff and locums in hospital and Community Health Services except hospital consultants and senior registrars.
[2] All figures are rounded to the nearest whole number.

Nurses

Mrs. Virginia Bottomley asked the Secretary of State for Social Services how many nurses were employed by the West Surrey/North East Hampshire district authority in *(a)* 1979, *(b)* 1983 and the latest date for which information is available.

Mr. Newton: The figures are shown in the table.

NHS Nursing and Midwifery staff in post in West Surrey/North East Hampshire District Health Authority

At 30 September	*Whole time equivalent[1]*
1979[2]	1,340
1983	1,620
1985	1,700

Source: DHSS Annual Census of NHS non-medical manpower.
[1] Figures are rounded to the nearest ten (10) whole time equivalents and include agency staff.
[2] Not adjusted to take account of the reduction in nurses working hours in 1980 (from 40·0 to 37·5 per week).

Mrs. Virginia Bottomley asked the Secretary of State for Social Services how many nurses were employed by the South-West Surrey district health authority in 1979, 1983 and the latest date for which information is available.

Mr. Newton: The figures are shown in the table.

National Health Service nursing and midwifery staff in post in South West Surrey District Health Authority

At 30 September	*Whole time equivalent[1]*
1979[2]	930
1983	1,210
1985	1,170

Source: DHSS Annual Census of NHS non-medical manpower.
[1] Figures are rounded to the nearest ten (10) whole time equivalents and include agency staff.
[2] Not adjusted to take account of the reduction in nurses working hours in 1980 (from 40·0 to 37·5 per week).

Mr. Hancock asked the Secretary of State for Social Services how many nurses have left the National Health Service in the Wessex region for the last three available years.

Mr. Newton: Information on numbers of nurses leaving the National Health Service is not collected centrally. However, the table of staff in post at 30 September for each of the last three available years, shows that there has been a net increase in nursing and midwifery staff employed in the Wessex Regional Health Authority over this period.

Nursing and midwifery staff in post[1] [2] Wessex Regional Health Authority

At 30 September	*Whole time equivalents*
1984	22,250
1985	22,750
1986[3]	23,090

[1] Figures are rounded to the nearest ten (10) whole time equivalents.
[2] Includes agency staff.
[3] Provisional.

Mr. Tony Lloyd asked the Secretary of State for Social Services what was the source of his information that the report on nurse staffing levels in south Manchester authority was dated November 1985; and if he will make a statement.

Mrs. Currie: The document of unknown provenance enclosed with the hon. Member for Stretford's letter dated 6 February to my right hon. Friend was a very poor photocopy which appeared to bear that date.

District Health Authorities

Mrs. Virginia Bottomley asked the Secretary of State for Social Services what indicators are available to demonstrate changes in activity of the South-West Surrey and West Surrey/North East Hampshire district health authorities in 1979, 1983 and the latest date for which information is available; and what was the total expenditure on each of these dates.

Mr. Newton: The Department now issues a package of performance indicators (PIs) annually to all health authorities. These indicators bring together data from a number of established sources and provide managers with

a means of comparing the performance of their own services with those in other authorities. The current set of PIs examines the whole spectrum of activity in the NHS and has been issued for three years, 1983-84, 1984-85 and 1985-86. This set extended the coverage of the original package for 1981-82 issued in 1983. No indicators are available for years before 1981-82. Copies of the PI packages issued to the health service are held in the statistics section of the Library.

Current expenditure for the financial years 1983-84 and 1985-86, derived from the accounts of the health authorities for the respective years is as follows:

	1983-84	*1985-86*
South West Surrey	30,586,388	33,733,031
West Surrey/North East Hampshire	32,974,217	37,911,701

Figures for districts were not collected centrally prior to NHS Restructuring on 1 April 1982.

Single Payments

Mr. Buchan asked the Secretary of State for Social Services what is the policy of his Department towards refusing single payment for a cooker, under regulation 30, on the grounds that the applicant does not require hot food; and if he will make a statement.

Mr. Major: Regulation 30 provides that a single payment can be made if it is the only means of preventing serious risk to the health or safety of a member of the assessment unit. Whether a payment can be made in an individual case is a matter for the independent adjudicating authorities.

Guidance on the application of regulation 30 is issued by the chief adjudication officer in paragraphs 7521-7586 of the S manual and paragraph 19 of circular S20/86—copies of which are in the Library. These advise that serious risk can be assumed if there are no cooking facilities and there are children under two in the assessment unit, or hot meals are medically essential to a member of the assessment unit. Whether the absence of cooking facilities in other circumstances constitutes a serious risk will depend on the facts of the particular case.

Hospital Beds

Mr. Madel asked the Secretary of State for Social Services how many beds in National Health Service hospitals have been taken out of use since May 1979 in the North-West Thames regional health authority; and how many new beds have been brought into use in the same area and from the same date.

Mrs. Currie: In the North-West Thames region between 1979 and 1985 there has been an overall reduction of available beds in all specialties in hospital of 4,088 (14·6 per cent.). Fewer beds does not necessarily mean lower standards of care. A total of 1,424 new beds have been made available in capital schemes costing £1 million or more. Numbers of patients treated have risen including a 68 per cent. increase in numbers of day cases (to 63,000 in 1985). Reductions in the size of hospitals for mentally ill and mentally handicapped people account for about two-thirds of the beds lost over the period. If my hon. Friend should wish for further information I suggest that he contacts the chairman of North-West Thames Regional Health Authority.

Suicide

Mr. Hancock asked the Secretary of State for Social Services if any studies have been conducted into the incidence of suicide amongst those who have been in child care; and if he will make a statement.

Mrs. Currie: No; we are not aware of any studies which would provide an estimate of the incidence of suicide amongst those who have been in care.

North-West Regional Health Authority

Mr. Tony Lloyd asked the Secretary of State for Social Services if he will give details of the allocation of the £1·2 million funding to the North-West regional health authority and of the distribution of this to the districts; and if he will make a statement.

Mr. Newton: We expect an announcement to be made shortly.

AIDS

Mrs. Renée Short asked the Secretary of State for Social Services what resources will be allocated to the London Lighthouse AIDS counselling organisation; and how soon he expects to make his announcement.

Mr. Newton: The application for funding is under consideration, and a decision will be announced in due course.

Prescriptions

Mr. Simon Hughes asked the Secretary of State for Social Services how many prescriptions were issued by doctors in *(a)* Cornwall and *(b)* England and Wales in 1979 and 1986, respectively; and what proportion of each of these were subsequently presented to pharmacists in each of those years.

Mr. Newton: The following table gives details of prescriptions dispensed by pharmacists and appliance contractors. Figures for 1986 are not yet available. No information is held about prescriptions issued but not presented for dispensing.

Numbers of prescriptions dispensed by chemists (thousands)

Year	*Cornwall*	*England and Wales*
1979	2,507	328,156
1985	2,632	343,393

Mr. Gregory asked the Secretary of State for Social Services what is the average and maximum cost per prescription dispensed for the most recent date available; and if he will make a statement.

Mr. Newton: I shall let my hon. Friend have a reply as soon as possible.

Mrs. Ann Winterton asked the Secretary of State for Social Services what has been the average cost to the National Health Service of a prescription in each of the last five years for which figures are available.

Mr. Newton: The information requested is given in the table:

Average total cost per prescription [£]—England

Year	Cost
1982	3·79
1983	4·15
1984	4·39
1985	4·76
1986	4·88

Note: Total cost includes net ingredient cost (less any appropriate discount), on-cost allowances, dispensing fees, container allowances, oxygen payments and VAT.

Mrs. Ann Winterton asked the Secretary of State for Social Services what has been the total value of free prescriptions filled in each of the last five years for which figures are available; and what percentage of the total value of prescriptions this figure represents in each of those years.

Mr. Newton: The information requested is set out in the table:

Prescriptions dispensed by chemists and appliance contractors in the family practitioner service net ingredient cost (NIC) of exempt prescriptions as a percentage of net ingredient Cost of total prescriptions (England)

Year	NIC total prescriptions £ million	NIC exempt prescriptions £ million	Per cent.
1981	834·4	549·6	65·9
1982	977·3	651·1	66·6
1983	1,095·8	753·3	68·7
1984	1,181·4	819·3	69·3
1985	1,249·9	889·1	71·1

Note: The figures used for numbers of exempt prescriptions are estimates based upon prescriptions submitted to the Prescription Pricing Authority by a sample of around 5 per cent. of chemists.

Mrs. Ann Winterton asked the Secretary of State for Social Services how many free prescriptions have been filled in each of the last five years for which figures are available; and what percentage of total prescriptions this figure represents in each of those years.

Mr. Newton: The information requested is set out in the table.

Prescriptions dispensed by chemists and appliance contractors in the family practitioner service Exempt prescriptions as a percentage of total prescriptions—England

Year	Total number prescriptions (millions)	Number exempt prescriptions	Exempt prescriptions as percentage of total prescriptions
1981	300·0	205·2	68·4
1982	311·3	216·4	69·5
1983	315·3	226·9	72·0
1984	320·5	233·4	72·8
1985	318·7	238·5	74·8

Note: The figures used for numbers of exempt prescriptions are estimates based upon prescriptions submitted to the Prescription Pricing Authority by a sample of around 5 per cent. of chemists.

Blood Plasma

Mrs. Renée Short asked the Secretary of State for Social Services how much blood plasma, collected before screening for HIV antibodies of blood donations was introduced, is currently stockpiled in England and Wales; whether there are any plans to test such plasma for HIV; and what plans there are for the disposal of plasma which cannot be used.

Mrs. Currie: A stockpile of frozen plasma has been deliberately built up at the blood products laboratory, Elstree, in preparation for the increased requirement of the new laboratory. Of this stockpile, 176 tonnes has been quarantined and consists of plasma given before testing for antibodies to HIV started in October 1985.

It is not possible to test this plasma for HIV by direct methods. However, it is likely that in some cases indirect methods will be able to show whether some plasma is safe to use.

A committee of experts has recently been asked to advise on the extent to which the stockpile may be safely used and its recommendations are under urgent consideration.

There is sufficient tested plasma in storage to ensure that there will not be a shortage when the new laboratory opens.

NHS Patients (Private Treatment)

Mr. Dobson asked the Secretary of State for Social Services if he will list the private institutions providing in-patient and out-patient treatment to National Health Service patients and contractual arrangements with health authorities during 1986.

Mrs. Currie: I am sorry I cannot give the hon. Member the information he seeks. Figures for 1986 are not yet available centrally.

Raptors

Lord James Douglas-Hamilton asked the Secretary of State for Social Services if, pursuant to his answer of 4 March, *Official Report*, column *624*, concerning raptors, he will publish in the *Official Report* information available to him on injuries to humans inflicted by raptors; and if he will make a statement.

Mrs. Currie: I regret that information on the number of injuries to humans by raptors is not available centrally. The statistics derived from hospital activity analysis and similar systems do not permit a separate identification of these injuries to be made centrally. There have been no deaths registered in the United Kingdom with an underlying cause of death as accident caused by raptor in the last five years for which complete data are available.

Health Authorities (Private Patient Income)

Mr. Dobson asked the Secretary of State for Social Services if he will list for the financial year 1985-86 the health authorities for which statutory auditors have issued reports of poor control over private patient income.

Mrs. Currie: I shall let the hon. Member have a reply as soon as possible.

Competitive Tendering

Mr. Dobson asked the Secretary of State for Social Services if he will publish details of the progress being made by health authorities in putting their services out to tender in the manner of the answer of 25 November 1986, *Official Report*, column *214*.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Benefits

Mr. Kirkwood asked the Secretary of State for Social Services (1) what steps he proposes to take to increase the level of uptake of means-tested benefit;

(2) if he will list in the *Official Report* the estimated level of uptake of all means-tested benefits and the average level of payments forgone by the different claimant groups as a result of non-uptake of benefits;

(3) what is the departmental budget devoted to promoting increased uptake of means-tested benefits;

(4) what is the most recent estimate of the number of people who lost out on means-tested benefits as a result of non-uptake.

Mr. Lyell: I shall let the hon. Member have replies as soon as possible.

Severe Weather Payments

Mr. Kirkwood asked the Secretary of State for Social Services whether he will make a statement on the operation of this year's severe weather payment scheme; and whether he is able to estimate the level of uptake of this year's scheme.

Mr. Major: We are satisfied that the new rules for exceptionally cold weather payments are simpler and easier to understand and that as a result of widespread publicity more people have been helped this winter and payments have been made far more quickly than under any previous system of exceptionally severe weather payments. It is not yet possible to make an estimate of take-up among eligible groups.

Mr. Gordon Brown asked the Secretary of State for Social Services how many claimants have now received £10 severe weather payments in Scotland.

Mr. Major: Information is not available in the form requested.

Up to 3 March 1987 some 285,000 £5 exceptionally cold weather payments were made in Scotland.

Board-and-Lodging Payments

Mrs. Beckett asked the Secretary of State for Social Services what action he will take to ensure that arrears of supplementary benefit are paid to all claimants who were affected by the freeze on board-and-lodging payments imposed on 20 December 1984.

Mr. Major: I refer the hon. Member to my reply to my hon. Friend the Member for Bury, South (Mr. Sumberg) on 6 March at columns *724-25*.

Mrs. Beckett asked the Secretary of State for Social Services how many claimants were affected by the freeze on board-and-lodging payments between 20 December 1984 and 28 April 1985; and how many of them are still affected as a result of the transitional protection given by regulation 9(17) of the Supplementary Benefit (Requirements) Regulations 1983.

Mr. Major: The number affected is roughly estimated to be about 20,000. It is not known how many will be entitled to transitional protection.

Family Trust

Mr. John Mark Taylor asked the Secretary of State for Social Services if, pursuant to the answer given to the hon. Member for Newbury (Mr. McNair-Wilson) on 16 February, *Official Report*, column *509*, concerning Family Forum, he will now give the same information in respect of the Family Trust.

Mrs. Currie: I understand that the National Family Trust is a new organisation whose aims are to conduct and disseminate applied research, practical education and to influence policy formulation for the benefit of family life in Britain. The trust has not applied to the Department for a grant under section 64 of the Health Services and Public Health Act 1968, and thus we have had no opportunity to assess its activities for the purposes of evaluating the cost effectiveness of grant aiding the trust.

Pensioner Prices Index

Mr. Warren asked the Secretary of State for Social Services if he will review the relevance of the components of the pensioner prices index; and if he will make a statement.

Mr. Lee: I have been asked to reply. The coverage of the retail prices index (RPI) and the pensioner price indices has recently been reviewed by the RPI advisory committee and a copy of its report is available in the Library (Cmnd. 9848). All the committee's recommendations were accepted by my right hon. and noble Friend the Secretary of State for Employment and most of them are about to be put into effect with the publication of the RPI for February 1987 on 20 March.

Radiation (Cancer)

Mr. Michael McNair-Wilson asked the Secretary of State for Social Services when the Committee on Medical Aspects of Radiation in the Environment last met to consider allegations of higher than average leukaemia and lymphatic cancer levels among under 25-year-olds living near the atomic weapons research establishment, Aldermaston, and royal ordnance factory, Burghfield; when it will next meet and from which sources it is calling for statistical, epidemiological and other expert research; and how much original research it is carrying out.

Mrs. Currie [*pursuant to her reply*, 16 February 1987, c. *506*]: The Committee on Medical Aspects of Radiation in the Environment (COMARE) considered evidence, relating to allegations of a raised cancer incidence around the atomic weapons research establishment, Aldermaston, and royal ordnance factory, Burghfield, at its meetings in September 1986 and December 1986 and will meet next in late March 1987. COMARE is considering all the available information on cancer incidence and mortality and radiation exposure, including the Office of Population, Censuses and Surveys' report on cancer rates in the vicinity of nuclear installations. COMARE does not conduct research itself, but, in the course of its considerations, it identifies areas where further information or research is required. Any recommendations which COMARE makes for further research will be published as part of its report.

Premature Births

Mr. McNamara asked the Secretary of State for Social Services (1) if he will give a breakdown by regional health authority of the number of premature deliveries by gestational age of the babies concerned; and if he will indicate in each group the percentage survival rate of such babies in each health authority in the latest year for which figures are available;

(2) if he will give a breakdown by estimated gestational age of the numbers of premature live births in England and Wales in each of the last five years for which figures are available; and if he will state how many of the babies in each case in each of those years survived.

Mrs. Currie [*pursuant to her reply*, 4 March 1987, c. *625-26*]: I regret that information is not available in the exact form requested as period of gestation is not collected at the registration of live births. However, birthweight may be taken as an indicator of gestational age, and the tables show data which have been derived by linking each infant death record to its corresponding birth record, for birthweights below 2,500 g.

Table 1

Number of livebirths and percentage that survive to 1-week, 4 weeks and 1 year, by birthweight (under 2,500g.) England and Wales 1981-85

	Birthweight (grammes)				
	Under 2,500	*Under 1,000*	*1,000-1,499*	*1,500-1,999*	*2,000-2,499*
1981					
Livebirths	39,549	1,383	3,341	7,477	27,348
percentage surviving to					
One week	95·1	44·3	85·0	95·5	98·8
Four weeks	94·2	37·1	81·8	94·5	98·5
One year	92·8	33·0	78·9	92·8	97·5
1982					
Livebirths	39,933	1,442	3,330	7,529	27,632
percentage surviving to					
One week	95·5	48·9	86·2	95·8	99·0
Four weeks	94·7	43·1	82·6	95·0	98·7
One year	93·3	38·6	79·1	93·2	97·8
1983					
Livebirths	42,089	1,716	3,590	7,917	28,866
percentage surviving to					
One week	95·3	49·5	86·5	95·9	98·9
Four weeks	94·5	43·4	83·4	95·3	98·7
One year	93·1	38·1	80·5	93·5	97·8
1984					
Livebirths	42,631	1,874	3,680	8,145	28,932
percentage surviving to					
One week	95·5	51·9	88·2	96·4	99·0
Four weeks	94·7	46·1	85·4	95·6	98·8
One year	93·3	41·5	82·2	93·9	97·9
1985					
Livebirths	44,664	1,922	3,978	8,556	30,208
percentage surviving to					
One week	95·7	53·2	88·3	96·8	99·0
Four weeks	95·0	47·6	86·4	96·2	98·8
One year	93·5	42·5	83·0	94·5	97·9

Table 2

Number of livebirths and percentage that survive to one week, four weeks and one year, by birthweight (under 2,500g.), Wales and Regional Health Authorities 1985

Area of usual residence	*Birthweight (grammes)*				
	Under 2,500	*Under 1,000*	*1,000-1,499*	*1500-1,999*	*2,000-2,499*
Wales					
Livebirths	2,387	85	285	455	1,642
percentage surviving to					
One week	95·2	48·2	83·4	95·6	99·0
Four weeks	94·3	45·9	79·5	94·5	98·7
One year	92·9	41·2	72·7	93·6	97·9
Northern Regional Health Authority					
Livebirths	2,764	120	233	536	1,875
percentage surviving to					
One week	95·4	46·7	90·6	96·1	98·9
Four weeks	94·5	37·5	88·4	95·1	98·7
One year	93·7	35·8	86·7	93·8	98·2

Area of usual residence	Birthweight (grammes)				
	Under 2,500	Under 1,000	1,000-1,499	1500-1,999	2,000-2,499
Yorkshire Regional Health Authority					
Livebirths	3,484	167	285	652	2,380
percentage surviving to					
One week	95·2	46·1	85·6	97·4	99·2
Four weeks	94·5	42·5	82·5	96·9	98·9
One year	92·5	36·5	77·2	94·2	97·8
Trent Regional Health Authority					
Livebirths	4,169	163	387	785	2,834
percentage surviving to					
One week	95·9	56·4	87·1	96·2	99·2
Four weeks	95·3	52·1	85·5	95·8	99·0
One year	94·1	48·5	83·5	94·0	98·2
East Anglian Regional Health Authority					
Livebirths	1,510	60	139	304	1,007
percentage surviving to					
One week	95·5	58·3	82·7	97·7	98·8
Four weeks	94·9	50·0	82·7	97·4	98·5
One year	93·4	45·0	79·9	95·1	97·7
North West Thames Regional Health Authority					
Livebirths	3,293	155	314	624	2,200
percentage survivng to					
One week	96·4	69·0	92·7	96·3	98·9
Four weeks	95·8	62·6	91·4	95·7	98·8
One year	94·2	55·5	87·9	94·4	97·8
North East Thames Regional Health Authority					
Livebirths	3,636	147	322	704	2,463
percentage surviving to					
One week	96·7	61·9	92·5	97·4	99·1
Four weeks	96·2	57·8	91·3	96·4	99·0
One year	94·4	50·3	87·0	94·0	98·1
South East Thames Regional Health Authority					
Livebirths	3,087	151	280	612	2,044
percentage surviving to					
One week	96·2	56·3	94·6	98·0	98·8
Four weeks	95·3	49·0	92·1	97·9	98·3
One year	93·7	43·7	88·6	96·7	97·2
South West Thames Regional Health Authority					
Livebirths	2,332	113	211	466	1,542
percentage surviving to					
One week	95·5	56·6	86·3	97·0	99·2
Four weeks	94·9	53·1	83·9	96·6	99·0
One year	93·9	52·2	82·5	94·4	98·4
Wessex Regional Health Authority					
Livebirths	2,108	76	206	416	1,410
percentage surving to					
One week	95·8	55·3	85·4	96·6	99·3
Four weeks	95·1	46·1	84·0	95·9	99·1
One year	93·9	421	81·6	94·7	98·2
Oxford Regional Health Authority					
Livebirths	2,150	80	192	383	1,495
percentage surving to					
One week	96·4	56·2	90·6	97·4	99·0
Four weeks	95·9	51·2	90·1	97·1	98·7
One year	94·2	42·5	88·5	95·3	97·5
South Western Regional Health Authority					
Livebirths	2,324	103	216	472	1,533
percentage surving to					
One week	95·4	56·3	88·0	96·4	98·8
Four weeks	94·8	50·5	86·1	95·8	98·6
One year	93·6	47·6	83·3	94·5	97·8
West Midlands Regional Health Authority					
Livebirths	5,021	214	433	931	3,443
percentage surviving to					
One week	94·5	42·1	83·1	96·0	98·8
Four weeks	93·7	36·4	81·1	95·2	98·5

Area of usual residence	Birthweight (grammes)				
	Under 2,500	Under 1,000	1,000-1,499	1500-1,999	2,000-2,499
One year	92·1	29·9	76·4	93·6	97·5
Mersey Regional Health Authority					
Livebirths	2,156	100	187	428	1,441
percentage surving to					
One week	94·8	41·0	84·0	97·0	99·3
Four weeks	94·2	38·0	83·4	96·3	99·0
One year	92·8	30·0	81·8	94·4	98·1
North Western Regional Health Authority					
Livebirths	4,200	182	361	780	2,877
percentage surviving to					
One week	96·3	53·3	93·6	97·4	99·1
Four weeks	95·6	45·1	91·7	97·3	98·9
One year	94·0	41·2	87·0	95·6	97·7

THE ARTS

North-West Region

36. **Mr. Stott** asked the Minister for the Arts what his most recent estimate is of local authority spending on the arts in the north-west region.

Mr. Luce: Statistics collected by the Department of the Environment show local authority current expenditure of £56·5 million and capital expenditure of £11·0 million in 1985-86 on museums, galleries and libraries in the north western region.

It is impossible to identify precise figures for performing arts, but estimates for leisure and recreation are published annually by the Chartered Institute of Public Finance and Accountancy and are available in the Library.

45. **Mr. Litherland** asked the Minister for the Arts what is his estimate of the revenue derived from arts-based tourism in the north-west region.

Mr. Luce: I have no breakdown in this amount of detail, but the subject will be covered in the survey of the economic importance of the arts, to be published later this year.

47. **Mr. Pike** asked the Minister for the Arts what is his estimate of local authority spending on the arts in the north-west region.

Mr. Luce: I refer the hon. Member to the answer I gave to the hon. Member for Wigan (Mr. Stott).

58. **Mr. Campbell-Savours** asked the Minister for the Arts what is his estimate of the revenue derived from arts-based tourism in the north-west region.

Mr. Luce: I refer the hon. Member to the answer I gave to the hon. Member for Manchester, Central (Mr. Litherland).

South-West Region

38. **Mr. Willie W. Hamilton** asked the Minister for the Arts what is his estimate of the revenue derived from arts-based tourism in the south-west region.

Mr. Luce: I have no estimated breakdown of revenue in this amount of detail, but the subject will be covered in the survey of the economic importance of the arts to be published in the summer.

Employment

39. **Dr. McDonald** asked the Minister for the Arts if, pursuant to his reply of 16 February, *Official Report*, column 651, he will state the terms of reference of the study into the impact of the arts on employment, to whose funding he is contributing.

Mr. Luce: The study will examine the economic contribution of the arts and arts-related industries to the economy in measures of productive activity such as sales, external trade and employment. It will also address itself to indirect and secondary contributions.

42. **Mrs. Clwyd** asked the Minister for the Arts if, pursuant to his reply of 16 February, *Official Report*, column 651, he will state when he proposes to publish the study into the impact of the arts on the economy and on employment, to whose funding he is contributing.

61. **Mr. Wareing** asked the Minister for the Arts if, pursuant to his reply of 16 February, *Official Report*, column 651, he will indicate the terms of reference of the two studies on the impact of the arts on the economy.

70. **Mr. Fatchett** asked the Minister for the Arts if, pursuant to his reply of 16 February, *Official Report*, column 651, he will state the terms of reference of the study into the impact of the arts on employment to whose funding he is contributing.

76. **Mr. Gareth Wardell** asked the Minister for the Arts if, pursuant to his reply of 16 February, *Official Report*, column 651, he will say when he proposes to publish the study into the impact of the arts on the economy, and on employment, to whose funding he is contributing.

Mr. Luce: The study is being conducted by the Policy Studies Institute, which will be responsible for publication. I expect the study to be published later this year.

54. **Mr. Cabom** asked the Minister for the Arts if, pursuant to his reply of 16 February, *Official Report*, column 651, he will publish a list of those from whom evidence was taken in compiling the study into the impact of the arts on the economy and employment, to whose funding he is contributing.

59. **Ms. Clare Short** asked the Minister for the Arts if, pursuant to his reply of 16 February, *Official Report*, column 651, he will publish a list of those from whom evidence was taken in compiling the study into the impact of the arts on the economy and employment, to whose funding he is contributing.

Mr. Luce: This is a research study being conducted by the Policy Studies Institute, in the course of which many people are being consulted, and information gathered from a wide variety of sources. Extensive surveys are being carried out, but formal evidence is not being taken.

73. **Mr. Raynsford** asked the Minister for the Arts if, pursuant to his reply of 16 February, *Official Report*, column 651, he will indicate the terms of reference of the two studies on the impact of the arts on the economy.

Mr. Luce: As regards the study on the economic importance of the arts, I would refer the hon. Member to the answer I gave to the hon. Member for Thurrock (Dr. McDonald) today.

A second study, not funded by me, is addressing itself to determining the extent to which unemployed adults are taking up activities of an artistic creative nature, and the impact of those activities on the community.

Public Libraries and Museums Act 1964

40. **Mr. Greenway** asked the Minister for the Arts what recent representations he has received regarding the exercise of his powers under the Public Libraries and Museums Act 1964 in relation to the activities of certain local authorities in banning some publications from public libraries; and if he will make a statement.

Mr. Luce: I have received no representations since the lifting of the ban on News International publications by all but one of the authorities which previously imposed one.

Museums (Admission Charges)

41. **Mr. Michie** asked the Minister for the Arts what is his most recent information about the effect on attendance of the introduction of admission charges to museums.

Mr. Luce: The most recent attendance figures are those given to the hon. Member for Warley, East (Mr. Faulds) in my written answer of 19 January. As I said in that answer, many factors can affect attendances at the national museums and galleries. The experience of independent museums, where charges for entrance are customary, is that attendance depends much more on the attractiveness of the service provided than on whether it is free.

Mr. Flannery asked the Minister for the Arts what is his most recent information about the effect on attendance of the introduction of admission charges to museums.

Mr. Luce: I refer the hon. Member to the answer given to the hon. Member for Sheffield, Heeley (Mr. Michie) earlier today.

Regional Arts Associations (Administrative Costs)

43. **Mr. Alexander** asked the Minister for the Arts when he expects to receive the report of the Arts Council's review of the regional arts associations' administrative costs.

Mr. Luce: During the summer.

Overseas Visitors (Expenditure)

44. **Mr. Haynes** asked the Minister for the Arts what is his latest estimate of the amount that overseas visitors spend in the United Kingdom on attending theatres and concerts.

Mr. Luce: I have no estimated breakdown of expenditure in this amount of detail, but the subject will be covered in the survey of the economic importance of the arts, to be published later this year.

Business Sponsorship

46. **Mr. Skinner** asked the Minister for the Arts what information he has about the level of business sponsorship of the arts as a proportion of total central Government expenditure on the arts.

Mr. Luce: The Association for Business Sponsorship of the Arts estimates that support for the arts from business sponsorship in 1986-87 will total some £25 million. It is equivalent to 8 per cent. of the central Government expenditure on my arts programme in that year.

Tourism

48. **Mr. Deakins** asked the Minister for the Arts whether he will undertake a survey to try to identify the importance of the arts, in overseas visitors' decisions to come to the United Kingdom.

65. **Mr. Madden** asked the Minister for the Arts whether he will undertake a study of the level of expenditure by tourists stimulated by the Arts Council's expenditure of its grant.

67. **Mr. Weetch** asked the Minister for the Arts whether he will undertake a study of the level of expenditure by tourists stimulated by the Arts Council's expenditure of its grant.

Mr. Luce: This topic will be covered in the survey of the economic importance of the arts, to be published later this year.

63. **Mr. Patchett** asked the Minister for the Arts what is his estimate of the revenue derived from arts-based tourism.

Mr. Luce: I have no estimate of the revenue for the arts derived from tourism, but this will be part of the study of the economic impact of the arts, the results of which will be available later this year.

Live Music

49. **Sir David Price** asked the Minister for the Arts what steps he is taking to promote live music.

Mr. Luce: The promotion of music is a matter for the Arts Council which is allocating £23 million to music, including opera, in 1987-88. Additionally, music is strongly supported from the Council's touring budget and by the regional arts associations.

Value Added Tax

50. **Mr. Freud** asked the Minister for the Arts what representations he has received on the effects on the performing arts of the current levels of value added tax.

Mr. Luce: I refer the hon. Member to the answer I gave to his question of 26 January 1987 at col. *18* on VAT and the performing arts. I have nothing to add.

Film

51. **Mr. Tom Clarke** asked the Minister for the Arts what representations he has received about the current level of central Government spending on film in general and on the British Film Institute in particular.

Mr. Luce: I discuss the funding of the British Film Institute with the chairman and director from time to time; I have received no other representations in recent months.

Provincial Museums and Galleries (Borrowings)

52. **Mr. Heathcoat-Amory** asked the Minister for the Arts what representations he has received from provincial museums and galleries about borrowing more items from the national collections.

Mr. Luce: I have had some representations. I am concerned to promote the widest practicable lending by the national museums and galleries to provincial institutions.

The Government indemnity scheme is of immense help in setting up such loans. Improved guidelines for the operation of the scheme will come into effect on 1 April next.

I was pleased to announce on 8 December last that the Museums and Galleries Commission intends to establish a touring exhibition unit to facilitate and co-ordinate such loans.

Expenditure (International Comparisons)

53. **Mr. Sean Hughes** asked the Minister for the Arts what information he has about the level of arts expenditure in other European Economic Community countries.

80. **Ms. Beckett** asked the Minister for the Arts what information he has about the level of arts expenditure in other European Economic Community countries.

Mr. Luce: Comprehensive information is not available.

Consumer Expenditure

55. **Mr. Cunliffe** asked the Minister for the Arts what is his estimate of total consumer expenditure on the arts.

Mr. Luce: In 1984, the last year for which figures are available, consumer expenditure on the arts, on the broadest definition, was estimated on the basis of figures collected by the Central Statistical Office to be in the region of £10·5 billion.

Expenditure

56. **Mr. Eastham** asked the Minister for the Arts what is his estimate of total central Government expenditure on the arts.

Mr. Luce: The provision for total central Government expenditure on the arts in my expenditure programme for 1986-87, is £324 million. There is expenditure under the programmes of other Departments which indirectly benefits the arts.

57. **Mr. Barron** asked the Minister for the Arts what is his estimate of total local government expenditure on the arts.

71. **Mr. Dixon** asked the Minister for the Arts what is his estimate of total local government expenditure on the arts.

Mr. Luce: I refer the hon. Members to the replies I gave to the hon. Member for Tyne Bridge (Mr. Clelland) on Wednesday 4 March, column *611*.

64. **Mr. Chris Smith** asked the Minister for the Arts what is his estimate of total current expenditure on the arts.

Mr. Luce: The 1986-87 provision for total expenditure by central and local government on the arts programme is £804 million. An analysis of this provision was included in the White Paper on Public Expenditure published on 14 January (Cm 56). The figure for local authorities includes libraries and museums, but not all their other expenditure on the arts.

Economics and Statistics Unit

60. **Mr. Fisher** asked the Minister for the Arts whether he has plans to establish an economics and statistics unit in the Office of Arts and Libraries.

Mr. Luce: I have no immediate plans to do so. The Policy Studies Institute's research studies on the arts provide very useful statistical analyses. I also make use of work done by the Arts Council, the British Library and CIPFA.

Payroll Giving

62. **Mr. Pawsey** asked the Minister for the Arts what steps he is taking to publicise the potential to the arts of the new payroll giving schemes.

Mr. Luce: My office has already circulated a leaflet "New Tax Benefits for the Arts", published in October 1986, which refers to the provisions of the payroll scheme and the other incentives introduced by the Finance Act 1986. A further leaflet dealing with the arrangements for payroll giving as they affect arts bodies will be available around the time when the scheme comes into operation from 6 April.

Museums and Galleries (Extensions)

66. **Mr. Jessel** asked the Minister for the Arts if he will list *(a)* recent and *(b)* planned extensions to national museums and galleries.

Mr. Luce: The most significant developments are as follows:

Imperial War Museum
Superhangar at Duxford. Opened in 1986.

Victoria and Albert Museum
Theatre Museum in Covent Garden. To be opened in April 1987.

National Museums and Galleries on Merseyside
Maritime Museum. A further phase to be opened in 1987.

Tate Gallery
Clore Gallery extension. To be opened in April 1987.
Tate in the North. Due to be opened in 1988.

Imperial War Museum
Redevelopment and extension of existing building. A major project due for completion in 1988-89.

National Gallery
Sainsbury Wing. Designs to be announced shortly.

In addition, a number of museums and galleries have redesigned and refurbished areas within their existing buildings to provide new gallery space.

Arts Council (Support Costs)

68. **Mr. Blair** asked the Minister for the Arts what he estimates to be the net cost of Arts Council support, taking into account returns to the Treasury accruing from expenditure of the Arts Council grant.

Mr. Luce: It is difficult to make a detailed estimate, but research commissioned by the Arts Council, and still under discussion, suggests that the return to the Exchequer is significant.

New British Library Building

69. **Mr. Beith** asked the Minister for the Arts by how much he now expects the cost of the new British library building in St. Pancras to exceed the original estimate; and whether he will make a statement.

Mr. Luce: I refer the hon. Member to the answer I gave to my hon. Friend the Member for Dudley, West (Dr. Blackburn) on Thursday 29 January 1987, c. *359*).

West Midlands

72. **Mrs. Golding** asked the Minister for the Arts what is his estimate of local authority spending on the arts in the west midlands.

Mr. Luce: Statistics collected by the Department of the Environment show local authority current expenditure of £44 million and capital expenditure of £5 million in 1985-86 on museums, galleries and libraries in the west midlands region.

It is impossible to identify precise figures for performing arts but estimates for leisure and recreation are published annually by the Chartered Institute of Public Finance and Accountancy and are available in the Library.

Crafts Council

Mr. Ashby asked the Minister for the Arts if he will encourage the Crafts Council to use European funds available for crafts in rural areas.

Mr. Luce: Yes, where appropriate; I understand that one or two rural craft projects have already benefited from European funds.

Arts Council (Grants)

75. **Mr. Chapman** asked the Minister for the Arts what priority he attaches to employment-creation prospects in the allocation of grants to the Arts Council.

Mr. Luce: The main criterion of the Arts Council is artistic merit. Employment and other factors are also taken into account.

Arts Marketing Scheme

77. **Mr. Bowen Wells** asked the Minister for the Arts what advice he gives to arts bodies whose potential marketing plans fall below the qualifying limit for his arts marketing scheme.

Mr. Luce: There is provision under the scheme for grouped applications where the arts bodies have a common objective and their individual projects are below the qualifying limit. This is an experimental scheme and if it is successful I shall be prepared to consider extending it.

Young Jazz Musicians

78. **Mr. Crowther** asked the Minister for the Arts what importance he attaches to the support by the Arts Council and regional arts associations of the development of young jazz musicians.

Mr. Luce: It is for the Arts Council, and the regional arts associations, to determine the distribution of their grants without guidance from me; they already support jazz orchestras, the touring of jazz, and bursaries for jazz composers.

Photography

79. **Mr. Boyes** asked the Minister for the Arts what representations he has received on the level of financial support for photography.

Mr. Luce: None. Support for photography is given by the Arts Council and regional arts associations by means of revenue grants to client bodies, training bursaries to photographers, and funding for public exhibitions. In addition, the National Museum of Photography, Film and Television in Bradford receives an annual grant through the Science museum, and the Victoria and Albert museum's funding includes an element for its photographic collection.

Choral Music

81. **Mr. Alan Howarth** asked the Minister for the Arts what plans he has for the encouragement of choral music.

Mr. Luce: Choral music generally falls outside the Arts Council's normal funding criteria; but choirs which are members of the National Federation of Music Societies can apply to regional arts associations for support.

Calder Valley Artists

Mr. Galley asked the Minister for the Arts if his Department has considered an application relating to Calder Valley Artists to be displayed in the Upper Waiting Hall for one week from 16 March.

Mr. Luce: I understand that arrangements have been made with the authorities of the House for the exhibition to be held in the Upper Waiting Hall between 16 and 20 March 1987.

AGRICULTURE, FISHERIES AND FOOD

Ethnic Monitoring

Mrs. Dunwoody asked the Minister of Agriculture, Fisheries and Food if he will list the numbers of entrants to his Department from the ethnic minorities in the years 1985-86 and 1986-87; if he will also list the monitoring procedures used to ascertain the percentage of the workforce represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into the Department.

Mr. Jopling: The ethnic origins of new entrants have been surveyed since October 1985. The latest available information for the period up to September 1986 is as follows:—

	Number
Total new entrants to Ministry of Agriculture, Fisheries and Food and Intervention Board for Agriculture Produce in period 1 October 1985 to 30 September 1986	600
Ethnic origins	
White	263
Black/Asian	18
Not stated[1]	319

[1] Includes non-respondents and responses received but not processed at 30 September 1986.

A phased programme of departmental surveys of the ethnic origin of civil servants by means of voluntary self-classification is being conducted. By the end of 1986 all staff in the county of Avon, the north west, the east and west midlands, London, the south east and East Anglia had been surveyed. It is intended that all remaining staff will be surveyed in 1987. Consideration is being given to ways of using the data on the ethnic origin of staff-in-post to monitor promotion.

All departmental recruitment is conducted on the basis of fair and open competition and selection is on merit. I refer the hon. Member to the answer given by my right hon. Friend the Minister of State, Privy Council Office on 20 February 1987 at column 880-81 reporting the arrangements being made to encourage people from the ethnic minorities to apply to the Civil Service.

ADAS

Sir Peter Mills asked the Minister of Agriculture, Fisheries and Food if he will make a further statement on the measures to reduce the net cost of the agricultural development advisory service and to improve its efficiency announced in his answer to the hon. Member for Sherwood (Mr. Stewart) on 23 July 1985, *Official Report*, column 450.

Mr. Jopling: The Government have carried out measures to reduce the cost and increase the efficiency of ADAS, and will shortly introduce the measures — foreshadowed during the passage of the Agriculture Act 1986—under which a contribution towards meeting the costs of ADAS services will be met by agriculture and its associated industries.

In the light of the report by Professor Bell published in November 1984 the Government concluded that the size of ADAS could be reduced without impairing its efficiency, and that economies would be essential if the industry were to be asked to bear part of the costs of running the service. During the financial years 1985-86 and 1986-87 the number of posts in ADAS was reduced by 450, a cut of over 9 per cent. Corresponding reductions were made in non-ADAS supporting staff.

As a further means towards increased efficiency, the Government have carried out a fundamental reorganisation of ADAS. Management of the service is now under a board of management which includes members from commerce and farming. The former agriculture, land and water, and science services have been reorganised to create two new services, the farm and countryside service and the research and development service. The organisation of the state veterinary service has not been altered. The changes bring together in one organisation the greater part of the ADAS staff concerned with direct advice to farmers, introduce strong unified management across the different professional disciplines (which however remain of fundamental importance), concentrate the bulk of the R and D work in a single organisation, and give greater weight to the environmental duties of ADAS.

From 30 March there will generally be a fee for advice and other services provided by ADAS. The traditional advisory visit will cost £28 plus VAT for a visit lasting up to an hour, with appropriate adjustments for longer visits or for the advice of certain specialists; other types of service will be offered on contract at negotiated prices or through a number of schemes designed to deal with specific livestock, land management, and business management needs; and there will be two types of subscription schemes at £50 plus VAT and £150 plus VAT, the latter including the provision of four hours of advice on the farm. In order to help small farmers, groups of up to four farmers may arrange for advisory visits to the farm of one member, and to share the fee between the members of the group. R and D services will be available on contract to agriculture, horticulture and their associated industries. Advice to farmers on conservation, farm business diversification, and animal welfare will continue to be free.

The Government believe that the general level of the fees is fair and reasonable having regard to the cost of providing advisory and development services, to their great value and importance to individual businesses and the well-being of the industry as a whole, and to the charges made by private commercial advisers.

Finally, orders have been or will shortly be laid imposing charges for certain statutory services carried out by the Government, often through ADAS staff, for the benefit of agriculture and its associated industries. The orders cover the provision of milk and dairies hygiene measures, AI, swill feeding, the provision of advice on certain planning cases, and the safety clearance of pesticides, plant health import and export licences and increased charges for seed certification, plant breeders' rights and national listing.

Livestock (Attacks)

Lord James Douglas-Hamilton asked the Minister of Agriculture, Fisheries and Food whether he will state the number of attacks on livestock by animals, for each of the years 1979 to 1985, for (1) Scotland, (2) England, (3) Northern Ireland and (4) Wales; and if he will publish a table indicating what variety of species of animal executed the attacks in each case, publishing figures for each year.

Mr. Donald Thompson: Records of the number of attacks by dogs on livestock in England, Wales and Scotland were discontinued in 1978, and have never been collected in Northern Ireland.

Salmon Advisory Committee

Mr. John Townend asked the Minister of Agriculture, Fisheries and Food when he expects to receive the report from the Salmon Advisory Committee on the influence of predators, including seals, on salmon stocks.

Mr. Gummer: I shall reply to my hon. Friend as soon as possible.

SCOTLAND

Strathclyde (Industrial Assistance)

Mr. Allan Stewart asked the Secretary of State for Scotland how many applications for selective financial assistance from companies seeking to invest in Strathclyde region his Department has refused on the grounds of over-capacity in the last six months; and how many potential jobs were involved.

Mr. Lang: One such application has been rejected in the last six months but the project in question has been approved for regional development grant (RDG) and a first payment of RDG has been made.

Firms (Redundancies and Closures)

Mr. Gordon Brown asked the Secretary of State for Scotland how many firms have *(a)* reported redundancies to his Department and *(b)* reported closures since June 1979; and in each case, how many jobs have been involved.

Mr. Lang: I shall reply to the hon. Member as soon as possible.

Prison System

Mr. Dewar asked the Secretary of State for Scotland when he expects to reply to the letter from the hon. Member for Glasgow, Garscadden dated 12 January concerning the Scottish prison system.

Mr Rifkind: I shall send the hon. Member a comprehensive reply this week which will also cover the recent industrial actions at Barlinnie prison.

Dr. John Mitchell

Mr. Maclennan asked the Secretary of State for Scotland if he has received the report of the Health Service Commissioner for Scotland on the complaint made by Dr. John Mitchell of Paisley.

Mr. John MacKay: Yes.

List D Schools (Corporal Punishment)

Mr. Key asked the Secretary of State for Scotland what steps he proposes to take to prohibit corporal punishment in list D schools.

Mr. Rifkind: From 31 March 1986, when funding was transferred to the local authorities, the schools ceased to be approved by me and they became independent social work establishments subject to registration by the appropriate local authority. By agreement of their managers no former list D school has used corporal punishment since 1984.

With effect from 15 August 1987 corporal punishment will be abolished for children whose education is provided in whole or in part from public funds.

Dunfermline and Kirkcaldy (Unemployment)

Mr. Gordon Brown asked the Secretary of State for Scotland if he will detail, ward by ward, the unemployment figures for Dunfermline and Kirkcaldy districts in *(a)* the electoral ward and *(b)* postal code areas for June 1983 and January 1987.

Mr. Lang: The information is not available in the precise form requested.

The following tables show the number of unemployed claimants in each electoral ward in the Dunfermline and Kirkcaldy local authority districts for June 1983 and January 1987.

Kirkcaldy Local Authority District

Ward (DE) Name	*June 1983*	*January 1987*
Aberhill/Methil	219	303
Auchmuty	414	458
Bennochy	164	214
Burntisland West	232	368
Cardenden	223	323
Denbeath and Savoy	251	309
Dunearn	245	296
Dunnikier	85	164
Dysart/Wemyss	211	295
East Wemyss and Muiredge	245	259
Fair Isle	248	321
Gallatown/Thornton	155	301
Glenwood North	325	366
Glenwood West	255	280
Hayfield	217	284
Kennoway	301	272
Kinghorn-Burntisland East	189	263
Kinglassie/Bowhill	274	374
Kirkland/Mountfleurie	424	425
Leslie	204	256
Leven East	146	254
Leven West	377	348
Linktown/Auchtertool	286	338
Methilhill	374	425
North Glenrothes/Markinch/Star	469	699
Old Buckhaven	245	325
Pathhead/Victoria	215	326
Pitteuchar	179	200
Raith	83	149
Rimbleton	235	276
Sinclairtown	249	376
Smeaton	244	276
South Parks	200	237
Stenton/Balgonie	195	258
Torbain	189	262
Valley	321	376
Windygates	197	302
Woodside	217	246
Total	9,305	11,804

Due to changes in the compilation of the statistics during the intervening period these figures are not directly comparable.

Corresponding figures for postal codes are not available as they cannot readily be linked to local authority districts which are defined in the terms of wards.

This information is available in the Library.

Dunfermline Local Authority District

Ward (DE) Name	*June 1983*	*January 1987*
Ballingry	343	543
Blacklaw/St. Leonards	152	206
Blairhall/High Valleyfield	331	390
Cairneyhill/Crossford	82	168
Cowdenbeath Foulford	179	331
Cowdenbeath Moss-side	251	406
Cowdenbeath South East	143	236
Crossgates/Hill of Beath	107	183
Dalgety Bay East/Aberdour	146	187
Dalgety Bay West/North Queensferry	113	210
Dunfermline Central	143	229
Dunfermline North 1	115	128
Wellwood/Milesmark/Dunfermline North 2	118	186

Ward (DE) Name	June 1983	January 1987
Dunfermline West	138	253
Dunfermline/Aberdour	192	240
Dunfermline/Garvock	112	160
Dunfermline/Linburn	279	324
Dunfermline/Pitcorthie	90	144
Dunfermline/Woodmill	279	325
Inverkeithing East	213	282
Inverkeithing West	252	279
Kelty East/West	162	241
Kincardine/Culross	202	276
Limekilns/Dunfermline/Pitreavie West	134	203
Lochgelly North	189	292
Lochgelly South	170	284
Lochore	238	352
Oakfield/Lumphinnans	256	352
Oakley North/Saline	163	232
Oakley South/Torryburn	190	261
Rosyth East	180	265
Rosyth South	99	164
Royth West	102	186
Townhill/Kingseat/Halbeath	179	276
TOTAL	6,042	8,794

BBC, Scotland (Police Raid)

Mr. Tam Dalyell asked the Secretary of State for Scotland, pursuant to his answer of 26 February, *Official Report*, column 392, what action was taken by the grade 7 officer in the police division of the Scottish Home and Health Department after he received a phone call from Strathclyde police about the intended police raid on the BBC.

Mr. Rifkind: The officer informed a member of my Private Office who, when it appeared that the police operation was unlikely to coincide with my visit to the BBC building, concluded — rightly in my view — that there was no need to bring the matter to my attention.

Mr. Dalyell asked the Secretary of State for Scotland why he will not call for a report from Strathclyde police into the progress of the inquiries following the search of the British Broadcasting Corporation's premises in Glasgow; and if he will make a statement

Mr. Rifkind: There is no reason for Strathclyde police to report to me about this matter.

Job Clubs

Mr. Ernie Ross asked the Secretary of State for Scotland what information he has that supports the creation of new job clubs in the Dundee travel-to-work area.

Mr. Lang: The principal factor governing the decision to open a new job club in any particular area is the incidence of long-term unemployment. Other considerations are the level of demand for extension of the service, the availability of suitable premises either within a jobcentre or elsewhere, and the degree of interest shown by external agents in setting up job clubs. These factors, together with the great success of the first three job clubs in Dundee, provided ample justification for the two further job clubs for Dundee opened on 2 March; and I do not rule out the possibility of further job clubs for the Dundee area if there is a sufficient demand.

Mr. Ernie Ross asked the Secretary of State for Scotland if he will indicate the activity rate of the individual job clubs within the Dundee travel-to-work area.

Mr. Lang: The activity rates of each of the three job clubs operating within the Dundee travel-to-work area on 6 February 1987 (the latest date for which information is available) are shown in the table below.

Job Club

	Dundee No. 1	Dundee No. 2	Dundee No. 3
Date opened	9 September 1985	27 January 1986	10 November 1986
People joining	232	122	28
People leaving	217	88	4
Direct job entries	185	70	2
	(85·3 per cent.)	(79·5 per cent.)	(50 per cent.)
Other Government employment or training measures	18	11	1
	(8·3 per cent.)	(12·5 per cent.)	(25 per cent.)

Assisted Places Scheme

Mrs. Anna McCurley asked the Secretary of State for Scotland if he has decided the amount of fee remission grant to allocate to schools participating in the assisted places scheme in respect of session 1987-88.

Mr. John MacKay: The allocations of fee remission grant 1987-88 are shown in the table below. As in 1986-87, 41 schools will participate.

Proposed Allocation

School	£
Albyn School for Girls, Aberdeen	19,000
Belmont House School, Newton Mearns	24,000
Craigholme School for Girls, Glasgow	38,000
Dollar Academy	90,000
Edinburgh Academy	92,000
Fernhill School, Glasgow	60,000
Fettes College, Edinburgh	85,000
Fort Augustus Abbey School	110,000
George Heriot's School, Edinburgh	371,000
Glasgow Academy	72,000
Glenalmond College, Perthshire	124,000
Gordonstoun School, Morayshire	77,000
The High School of Dundee	275,000
The High School of Glasgow	97,000
Hutchesons' Grammar School, Glasgow	190,000
Keil School, Dumbarton	110,000
Kelvinside Academy, Glasgow	101,000
Kilgraston (Convent of the Sacred Heart)	82,000
Kilquhanity House School, Castle Douglas	28,000
Lomond School, Helensburgh	83,000
Loretto School, Musselburgh	75,000

School	£
Merchant Company Schools	1,013,000
Merchiston Castle School, Edinburgh	156,000
Morrison's Academy, Crieff	250,000
Rannoch School, Perthshire	66,000
Robert Gordon's College, Aberdeen	77,000
Rudolf Steiner School of Edinburgh	93,000
St. Aloysius' College, Glasgow	193,000
St. Denis & Cranley School, Edinburgh	41,000
St. George's School for Girls, Edinburgh	28,000
St. Leonard's School, St. Andrews	51,000
St. Margaret's School for Girls, Aberdeen	19,000
St. Margaret's School for Girls, Edinburgh	103,000
Strathallan School, Forgandenny, Perthshire	113,000
Wellington School, Ayr	67,000
West of Scotland School Company	442,000
Total	4,915,000

DEFENCE

Heart Disease

Mr. Coombs asked the Secretary of State for Defence if he will list the actions taken by his Department since the publication of the COMA report designed to assist in the prevention of coronary heart disease.

Mr. Freeman: The Committee on Medical Aspects of Food Policy (COMA) has made certain recommendations regarding the relationship between diet and coronary heart disease. These recommendations are concerned primarily with dietary fat intake. The question of dietary content within HM Forces is under constant review within my Department, and the COMA report provides a valuable reference document.

In 1981, the Services nutrition advisory panel (SNAP) re-affirmed an earlier decision that fat should not exceed 33 per cent. of the daily energy requirement, and in this respect the Ministry of Defence had already adopted the principle recommendation of COMA. More recently, my Department has decided to discontinue the provision of loose salt packs in operational ration packs and within the next year, a new type of margarine, high in polyunsaturates and low in cholesterol, will be supplied to HM Forces.

Unit catering and medical officers regularly give briefings on healthy eating, and every encouragement is given to the service man to improve his diet.

Procurement Expenditure

Mr. Wilson asked the Secretary of State for Defence if she will state the estimated percentage share of procurement expenditure on equipment purchased from England, Wales and Northern Ireland in the 1986-87 financial year.

Mr. Archie Hamilton: I shall answer shortly.

RAF Squadron Leader (Press Statement)

Mr. Marlow asked the Secretary of State for Defence why disciplinary action was not taken against the squadron leader who recently made repeated unauthorised statements to the press.

Mr. Freeman: As I informed the hon. Member on 2 March, *Official Report*, Col *528*, action has been taken to remind him and all other officers of their obligation in regard to press statements. No disciplinary action was considered necessary in the specific case to which the hon. Member refers.

Pte Jeffrey Singh

Mr. Bidwell asked the Secretary of State for Defence when he anticipates the Army inquiry into the death of 17-year-old Pte Jeffrey Singh at Sir John Moore barracks, Shorncliffe, Kent in January, will be complete; and if he will make a statement.

Mr. Freeman: The Army board of inquiry into the death of junior soldier Singh reported its findings on 10 February 1987, but it would be inappropriate for me to comment in advance of the coroner's inquest.

AWACS

Mr. Ashdown asked the Secretary of State for Defence, pursuant to his answer of 27 February, *Official Report*, column *460*, what is his policy towards visits by United States officials to inspect the books of firms involved in the airborne warning and control system contract; and if he will make a statement.

Mr. Archie Hamilton: I refer the hon. Member to the answer on United States (Distribution Controls) given to the hon. Member for Leeds, West (Mr. Meadowcroft) on 2 March 1987, col. *528*. The contract for the purchase of AWACS makes no provision for distribution licences to be used.

Mr. Ashdown asked the Secretary of State for Defence, pursuant to the answer to the hon. Member for Yeovil on 27 February, *Official Report*, columns *459-60*, whether the policy enunciated with regard to protection from United States extra-territorial closures for firms engaged in the airborne warning and control system contract applies equally to all other United Kingdom firms engaged in defence contracts; and if he will make a statement.

Mr. Archie Hamilton: As stated in my answer of 27 February 1987, col. *459-60*, Her Majesty's Government's policy has long been to reject any claims that United States laws and regulations can be applied to encroach upon United Kingdom jurisdiction.

The terms of the contract to purchase AWACS can apply only to the parties to that contract and to sub-contracts derived from it.

Other defence contracts to which United Kingdom companies are parties will be negotiated in the light of our general policy.

Mr. Stuart Todd

Mr. Eastham asked the Secretary of State for Defence on what precise grounds Mr. Stuart Todd, a fitter at the Royal Naval aircraft repair yard at Fleetlands, was dismissed in August 1986; and if he will make a statement.

Mr. Archie Hamilton: The employment of Mr. Stuart Todd at Royal Naval aircraft yard, Fleetlands, was terminated on 9 August 1986 for failing to complete his probation, due to unsatisfactory work performance.

Mr. Eastham asked the Secretary of State for Defence if, in the light of the finding by a Civil Service appeal board that Mr. Stuart Todd, a fitter at the Royal Naval aircraft repair yard at Fleetlands, was unfairly dismissed, he will

now re-employ Mr. Todd; if he will compensate Mr. Todd for loss of earnings since his dismissal; and if he will make a statement.

Mr. Archie Hamilton: Mr. Stuart Todd appealed to the Civil Service appeal board against the Ministry of Defence decision to terminate his employment for failing to complete his probation due to unsatisfactory work performance. My department is considering the recommendation of the Civil Service appeal board that Mr. Todd be reinstated from a current date for a further probationary period of six months. A decision will be made shortly regarding all aspects of the case.

Mr. Eastham asked the Secretary of State for Defence when he expects to reach a decision on the finding of a Civil Service appeal board regarding the unfair dismissal of Mr. Stuart Todd, a fitter at the Royal Navy aircraft repair yard at Fleetlands; if, pending the outcome of his consideration of the board's finding, he will reinstate Mr. Todd on full pay; and if he will make a statement.

Mr. Archie Hamilton: My Department will reach a decision shortly on whether to reinstate Mr. Stuart Todd for a further probationary period of employment, following the recommendation of the Civil Service appeal board. If Mr. Todd is reinstated he will receive full pay from the date of his re-employment.

Army Horses

Mr. Marlow asked the Secretary of State for Defence on how many occasions in the last five years army horses have been used in connection with hunting activities; how many horses were involved on each such occasion; and if he will make a statement.

Mr. Freeman: Hunting or riding across country is considered to be good training for horse and soldier, but no central record is kept of all the occasions on which this takes place or the number of horses involved.

Written Answers to Questions

Tuesday 10 March 1987

EDUCATION AND SCIENCE

Microcomputers

Mr. Pawsey asked the Secretary of State for Education and Science if he has any plans to seek to increase the effectiveness of microcomputers in schools.

Mrs. Rumbold: My right hon. Friend is seeking to build on the achievements of the microelectronics education programme and to learn from its operation. The microelectronics education support unit, launched last year, is designed to disseminate good practice as widely as possible, through the development of curriculum materials, through support for teacher training, and through direct advice to LEAs and schools. The Council for Educational Technology, reorganised as from last year, will also be well placed to promote effective use of new technologies in schools.

Mr. Pawsey asked the Secretary of State for Education and Science if he is satisfied that teachers involved in the teaching of microcomputers are sufficiently well trained and motivated in their use.

Mrs. Rumbold: Training is one of the keys to effective use of information technology in classrooms, and although well over half the teaching force has attended at least an introductory course since the start of the decade, there remains scope for a great deal more training—introductory, in-depth and updating. The training grants scheme for 1987-88 allows some £4 million as a national priority to enable teachers to go on courses related to IT in schools, and the microelectronics education support unit will give back-up to the trainers themselves.

Mr. Pawsey asked the Secretary of State for Education and Science if he has any plans to increase the number of microcomputers in primary and secondary schools.

Mrs. Rumbold: My right hon. Friend the Minister of State for Information Technology announced on 9 March a scheme to assist the purchase of microcomputers and peripheral equipment for schools. The Government are currently considering whether they should make further funds available for this purpose.

Capital Expenditure

Mr. Ron Davies asked the Secretary of State for Education and Science if he will provide a breakdown of the capital expenditure allocations to each local education authority in England and Wales, showing the allocations in respect of further education establishments.

Mr. Walden: The component for further and higher education within the capital allocations made by my right hon. Friend to each local education authority for 1987-88 is shown in the following table. Allocations to local education authorities in Wales are the responsibility of my right hon. Friend the Secretary of State for Wales.

Allocations of Prescribed Capital Expenditure to LEAs for Further and Higher Education for 1987-88

	£000s
Barking	369
Barnet	1,104
Bexley	48
Brent	93
Bromley	54
Croydon	91
Ealing	942
Enfield	70
Haringey	33
Harrow	2,651
Havering	—
Hillingdon	16
Hounslow	98
Kingston-upon-Thames	1,462
Merton	35
Newham	64
Redbridge	31
Richmond-upon-Thames	49
Sutton	20
Waltham Forest	140
Inner London	2,641
Birmingham	366
Coventry	1,574
Dudley	79
Sandwell	94
Solihull	25
Walsall	—
Wolverhampton	759
Knowsley	283
Liverpool	744
St. Helens	45
Sefton	—
Wirral	76
Bolton	158
Bury	—
Manchester	1,430
Oldham	49
Rochdale	25
Salford	114
Stockport	108
Tameside	25
Trafford	72
Wigan	81
Barnsley	83
Doncaster	41
Rotherham	50
Sheffield	1,117
Bradford	182
Calderdale	20
Kirklees	1,014
Leeds	582
Wakefield	97
Gateshead	—
Newcastle upon Tyne	1,632
North Tyneside	28
South Tyneside	1,058
Sunderland	572
Isles of Scilly	—
Avon	912
Bedfordshire	143
Berkshire	298
Buckinghamshire	158
Cambridgeshire	144
Cheshire	350
Cleveland	468
Cornwall	530
Cumbria	572
Derbyshire	441
Devon	523
Dorset	926
Durham	434
East Sussex	795
Essex	696
Gloucestershire	784
Hampshire	1,696

	£000s
Hereford and Worcester	111
Hertfordshire	1,457
Humberside	745
Isle of Wight	21
Kent	1,050
Lancashire	1,391
Leicestershire	1,427
Lincolnshire	168
Norfolk	172
North Yorkshire	143
Northamptonshire	266
Northumberland	45
Nottinghamshire	562
Oxfordshire	612
Salop	138
Somerset	138
Staffordshire	750
Suffolk	729
Surrey	258
Warwickshire	96
West Sussex	127
Wiltshire	130
England total	43,000

Mr. Ron Davies asked the Secretary of State for Education and Science how much local education authority supplementary capital expenditure on further and higher education has taken place in the last five years for which figures are available, broken down into the local education authorities in England and Wales.

Mr. Walden: The information requested in respect of local education authorities in England is not available centrally. Local education authorities in Wales are the responsibility of my right hon. Friend the Secretary of State for Wales.

Substandard School Accommodation

Mr. Ashdown asked the Secretary of State for Education and Science if he will place in the Library copies of *(a)* his Department's letter of 15 December 1983 mentioned in a footnote to the table given in his reply to the hon. Member for Yeovil on 23 February, *Official Report*, columns *47-48* and *(b)* his Department's letter of 18 December 1985 mentioned in a footnote to the table given in his reply to the hon. Member for Yeovil on 2 February, *Official Report*, column *472*, concerning substandard school accommodation.

Mr. Dunn: Yes.

Capital Allocations

Mr. Ron Davies asked the Secretary of State for Education and Science if he has any plans to increase the capital expenditure allocations for further education and higher education; and if his Department has any information relating to past and projected future local education authority, supplementary spending out of their own capital receipts.

Mr. Walden: All the resources available for capital allocations to local education authorities for 1987-88 in England for further and higher education have been distributed. The level of allocations for 1988-89 will be decided later this year. Information about local authorities' supplementary spending is available from their annual returns of outturn capital expenditure. The provisional figure for further and higher education in 1985-86 is £133 million, £53 million more than the sum allocated for that year. For local authority capital expenditure on education as a whole, the gross outturn for 1986-87 is estimated to be £529 million, £232 million more than the sum allocated for that year. For all local authorities the available spending power from capital receipts in 1987-88 is estimated to be £2·8 billion, a higher figure than in 1986-87.

Special Needs Children

Mr. Lilley asked the Secretary of State for Education and Science what information he has about the support and resources being made available for children with special needs who are being educated in mainstream schools under the Education Act 1981.

Mr. Dunn: Research findings and HMI investigations indicate that LEAs are increasing the financial provision for support and other resources for children with special needs in mainstream schools. It is not possible to quantify that increase, since such expenditure is not separately identified in returns.

GCSE (Expenditure)

Mr. Ashdown asked the Secretary of State for Education and Science (1) what information is available to his Department on budgeted expenditure by local education authorities for 1986-87 and 1987-88 relating to the introduction of the general certificate of secondary education; which elements of such budgeted expenditure receive specific grant support from his Department; and if he will make a statement;

(2) what arrangements will be in force for 1987-88 to ensure or confirm that departmental spending targeted to support the introduction of the general certificate of secondary education through *(a)* rate support grant, *(b)* education support grant, *(c)* education training grant and *(d)* other specific grants is used for that purpose; and if he will make a statement;

(3) what arrangements exist to ensure or confirm that departmental spending targeted to support the introduction of the general certificate of secondary education through *(a)* rate support grant, *(b)* education support grant, *(c)* in-service education training grant and *(d)* other specific grants, in each year since 1984 has been used for that purpose; and if he will make a statement;

(4) what information is available to his Department on budgeted expenditure and out-turn expenditure by local education authorities in each year since 1984 relating to the introduction of the general certificate of secondary education; what separate programmes of expenditure by local education authorities are relevant to the introduction of the general certificate of secondary education; which of these programmes benefit from specific grant support from his Department; and if he will make a statement.

Mrs. Rumbold: It is for local authorities to determine the resources made available for GCSE provision, and this information is not collected centrally. The Government's plans for 1987-88 provide for an increase of 18·8 per cent. in total local authority expenditure compared with the current year; of this some £100 million is intended for GCSE non-teaching costs.

The Government have directed the following substantial resources specifically to help meet GCSE-related costs: £20 million expenditure on GCSE books and equipment

is being supported through education support grant and the Manpower Services Commission this year, and a further £10 million will be supported through ESG in 1987-88. For GCSE in-service training, up to £9·5 million has been supported in 1985-87 and £15 million has been set aside for 1987-88.

Expenditure under these schemes is being monitored by the authorities themselves, the Department and HMI.

Mr. Ashdown asked the Secretary of State for Education and Science if he will publish a breakdown of the education component of the block grant for each local authority in 1987-88 into rate support grant, education support grant, education training grant and any other elements, showing the amount of each element targeted to support the introduction of the general certificate of secondary education; and if he will make a statement;

(2) if he will publish a breakdown of the education component of the block grant for each local authority in 1986-87 into rate support grant, education support grant, in-service education training grant and any other elements, showing the amount of each element targeted to support the introduction of the general certificate of secondary education; and if he will make a statement;

(3) if he will publish a breakdown of the education component of the block grant for each local authority in 1985-86 into rate support grant, education support grant, in-service education training grant and any other elements, showing the amount of each element targeted to support the introduction of the general certificate of secondary education; and if he will make a statement;

(4) if he will publish a breakdown of the education component of the block grant for each local authority in 1984-85 into rate support grant, in-service education training grant and any other elements, showing the amount of each element targeted to support the introduction of the general certificate of secondary education; and if he will make a statement.

Mrs. Rumbold: I shall write to the hon. Member as soon as possible.

Violence in Schools

Mr. McCrindle asked the Secretary of State for Education and Science if he will consider setting up a committee to examine the evidence of violence in schools, directed both at teachers and pupils, and to make recommendations as to what measures can be taken to prevent such violence; and if he will make a statement.

Mrs. Rumbold: The evidence of visits by Her Majesty's inspectorate of schools suggests that most schools are well ordered and do not regard disruptive behaviour as a serious problem. Nevertheless any violent behaviour in schools is deplorable. It must be primarily a matter for individual schools to decide on the appropriate measures to prevent it in their own particular circumstances. I hope, however, that they will be assisted by the report of a survey of good practice as regards discipline and behaviour which is being prepared by Her Majesty's inspectorate and is to be published shortly.

School Meals

Mr. Haslehurst asked the Secretary of State for Education and Science what are the results of the October 1986 census of school meals; and what were the comparable results of the previous census.

Mr. Dunn: The information is as follows:

Maintained schools (including nursery and special): England

	October 1986		*October 1984*	
	Number	*Per cent. of (a)*	*Number*	*Per cent. of (a)*
Pupils in attendance	6,351,870	(a)	6,613,026	(a)
Pupils taking school meals:				
on payment	1,956,310	30·8	2,243,548	33·9
free	1,143,817	18·0	1,147,886	17·4
Total	3,100,127	48·8	3,391,434	51·3
Pupils bringing own food	1,937,151	30·5	1,940,682	29·3
Pupils having other arrangements	1,314,592	20·7	1,280,910	19·4

An analysis of the returns shows the following proportions for primary and secondary pupils, as percentages of pupils in attendance.

	Primary		*Secondary*	
	1986	*1984*	*1986*	*1984*
Pupils taking school meals	51·8	53·4	44·5	48·2
Pupils bringing own food	37·3	35·7	23·3	23·2
Pupils having other arrangements	11·0	10·9	32·1	28·6

No Census was carried out in October 1985 due to the effect of the teachers' action on the take-up of school meals.

Detailed tabulations on the returns from local education authorities in England, from which these national totals were derived, are being placed in the Library.

Cash Limits

Mr. Pawsey asked the Secretary of State for Education and Science if he will give details of any revised cash limits for his Department's votes in 1986-87.

Mr. Kenneth Baker: On 5 February I announced a change to the cash limit for Class XII, Vote 3 at columns 736-37. I regret that there was an error in the current cash limit given in that answer. The figures should have been:

£'000

Class	Vote	Description of expenditure	Current cash limit	Revision	Revised cash limit
XII	3	Universities etc.	1,564,289	−1,507	1,562,782

The cash limit for Class XII, Vote 3 is now, however, subject to two further changes. It has been reduced by £2,015,000 to reflect the decision not to seek supplementary provision to cover the carry forward previously announced on 26 July at columns 143-46 under the end year flexibility scheme. At the same time an increase of £781,000 has been agreed to reflect the extra cost to the universities of implementing for clinical academic staff the pay award recommended by the Doctors and Dentists Review Body compared with the cost in 1987-87 of the pay settlement for non-clinical academic staff.

The net effect of these two changes is a reduction as follows:

£'000

Class	Vote	Description of expenditure	Current cash limit	Revision	Revised cash limit
XII	3	Universities etc.	1,562,782	−1,234	1,561,548

Kingman Inquiry

Mr. Gerald Bowden asked the Secretary of State for Education and Science whether the Kingman committee of inquiry into English language teaching is inviting evidence; and if he will make a statement.

Mrs. Rumbold: Yes. The Kingman committee would welcome written evidence, particularly on what skills society and individuals need in oral and written communication, the nature of English language teaching in the different phases of schooling, and the implications for initial and in-service teacher training. My right hon. Friend hopes that anyone wishing to give evidence on these or other matters within the committee's terms of reference will write to the committee's secretary at Elizabeth House, York Road, London SE1 7PH, not later than 1 June 1987.

ENVIRONMENT

Derelict Land Grant

Mr. Rooker asked the Secretary of State for the Environment if he will list all the projects funded by derelict land grant in *(a)* the west midlands and *(b)* Birmingham in the last three years, in the same form as the answer relating to Wales given to the hon. Member for Alyn and Deeside (Mr. Jones) on 16 February, *Official Report*, column 452.

Mr. John Patten: I understand that the answer given by my hon. Friend the Parliamentary Under-Secretary of State for Wales related to 109 schemes and involved considerable effort to extract. I regret that I can only repeat that the hon. Gentleman's request for details of the 609 schemes for which derelict land grant was applied for in the west midlands, over the last three years, would involve disproportionate expenditure and would divert staff from the priority task of processing current applications. However, the proposed introduction of computerised records should in due course enable us to answer such requests more readily.

Housing Defects Act

Sir Russell Johnston asked the Secretary of State for the Environment how many owner-occupiers of designated prefabricated reinforced concrete (PRC) houses are currently unable to obtain assistance through the Housing Defects Act 1984.

Mr. John Patten: I refer the hon. Gentleman to the replies I gave on 2 and 5 February to the hon. Member for Basingstoke (Mr. Hunter) at columns 493 and 774 concerning the position of owners of privately developed PRC houses not eligible for assistance under the housing defects legislation.

Right to Buy

Mr. Soames asked the Secretary of State for the Environment if he will give details of the sale of council housing to sitting tenants in the Crawley borough and Mid Sussex district; and what was the percentage of relevant stock that existed at 30 September 1979 which has been sold to date.

Mr. Tracey: From April 1980 to September 1986, Crawley has reported selling 4,538 dwellings to sitting tenants, equivalent to 32·1 per cent. of the council stock in April 1980: Mid Sussex has reported 1,015 sales up to June 1986, equal to 18 per cent. of its April 1980 stock. Earlier sales to sitting tenants were not separately reported.

Council House Rents

Mr. Raynsford asked the Secretary of State for the Environment if he will publish a table showing such information as he has as to the average council rent level in *(a)* Hammersmith and Fulham and *(b)* the Greater London area; and if he will express each of these figures as a percentage of (i) average earnings in Greater London and (ii) the state retirement pension for a single pensioner and a pensioner couple, in each of the years from 1970 to 1986.

Mr. Tracey: The figures based on rent information reported by Hammersmith and Fulham and by all housing authorities in Greater London are as follows:

Average Local Authority Unrebated Rents

	£ per week	Per cent. of average earnings in Greater London	Per cent. of state retirement pension: single person	Per cent. of state retirement pension: married couple
Hammersmith and Fulham LBC				
1970	4·14	11·9	82·8	51·1
1971	4·42	11·6	88·4	54·6
1972	4·41	10·4	73·5	45·5
1973	5·24	11·0	77·6	48·1
1974	5·75	10·5	74·2	46·0
1975	not available			
1976	6·55	8·0	49·2	30·9
1977	7·56	8·5	49·4	30·9
1978	8·54	8·5	48·8	30·5
1979	9·70	8·4	49·7	31·1
1980	10·99	7·6	47·2	29·5
1981	12·62	7·7	46·5	29·0
1982	14·85	8·1	50·2	31·4
1983	17·31	8·7	52·7	32·9
1984	20·43	9·5	60·0	37·5
1985	22·12	9·5	61·8	38·6
1986	24·44	9·6	63·8	39·9
Greater London				
1970	3·09	8·9	61·8	38·1
1971	3·53	9·3	70·6	43·6
1972	3·71	8·8	61·8	38·2
1973	4·40	9·2	65·2	40·4
1974	4·85	8·8	62·6	38·8
1975	4·95	7·1	42·7	26·8
1976	5·78	7·0	43·5	27·3
1977	6·50	7·3	42·5	26·5
1978	6·99	6·9	39·9	25·0
1979	7·93	6·9	40·7	25·4
1980	9·42	6·6	40·4	25·3
1981	13·16	8·0	48·5	30·3
1982	15·24	8·3	51·5	32·2
1983	15·98	8·0	48·6	30·4
1984	16·87	7·9	49·5	31·0
1985	17·49	7·5	48·9	30·5
1986	18·07	7·1	47·2	29·5

Notes:
Average rents. Source: Chartered Institute of Public Finance and Accountancy
Average earnings for men aged 21 and over working full time in all occupations. *Source:* Department of Employment "New Earnings Survey"
Basic state retirement pension based on national insurance contributions. *Source:* DHSS

Voluntary Organisations (Grants)

Mrs. Dunwoody asked the Secretary of State for the Environment how many voluntary organisations receive grants from his Department for dealing with child homelessness and child prostitution; and if he will list the organisations by name as well as the amount of funding they receive.

Mr. Tracey: The Department provides, under section 73 of the Housing Act 1985, a substantial programme of grants for voluntary bodies concerned with homelessness. This year, grants to 17 bodies will amount to more than £500,000. Some of these bodies make special provision for advice and assistance to young people. For example, CHAR (grant £31,350) have a worker concerned with young homelessness, and "First Key" (grant £15,000) are concerned with providing housing advice and assistance to young people leaving care. In addition, we have funded (£38,528) under this programme the production by the International Year of Shelter for the Homeless Trust of material aimed at preventing homelessness among school leavers and other young people. The provision of accommodation for the homeless is also funded through the urban programme and through grants to housing associations.

Local Authority Dwellings (Sale)

Mr. John Fraser asked the Secretary of State for the Environment how many dwellings have been sold by local authorities and new towns in England from April 1979; how many were flats; and what percentage of the total stock of local authority dwellings these sales represent.

Mr. Tracey: From April 1979 to September 1986, English local authorities and new towns sold an estimated 793,000 dwellings, including 36,000 flats. The total sold represents about 15 per cent. of the local authority and new town housing which was available for sale during that period.

Council House Sales

Mr. Fatchett asked the Secretary of State for the Environment when he expects to announce his decision on the proposed sale by Leeds metropolitan district council of maisonettes on Cartmel drive, Leeds, to the Regent Housing Association; and if he will make a statement.

Mr. Tracey: The Department issued a formal letter of consent to the Director of Housing of Leeds City Council on 23 February 1987 following our unreserved endorsement of the Council's proposal to dispose of these dwellings, and others at Levens Garth and Boggart Hill, to the Yorkshire Metropolitan Housing Association for refurbishment by their development organisation, the Regent Housing Society Ltd. These disposals are entirely consistent with the Government's policy of bringing difficult to let council dwellings back into use with private sector capital.

KMS Ltd.

Mr. Foulkes asked the Secretary of State for the Environment if his Department at any time over the past five years has had contracts with KMS Ltd.

Mr. Ridley: As far as I am aware my Department has not placed any contracts with KMS Ltd.

Urban Programme

Mr. Tony Lloyd asked the Secretary of State for the Environment if he will publish details of the uses made of urban programme funds sponsored through health authorities in the north-west region over the last three years.

Mr. John Patten: The projects approved by this Department for Urban Programme funding in the financial years 1984-85, 1985-86 and 1986-87 are as follows:

District health authority and project	*Urban programme funding £000*
Bolton	
Landscaping and associated works—Chorley street	88
Access improvements to Bolton General and Royal Infirmary hospitals	20
Psychiatric support for child adolescent services	20
Incontinent—Help service	20
Medicine Advisory Service	80
Support for tranquilliser misusers	30
Education/Health kits to promote healthy living	108
Area Social Work Centre	14
Mobile Unit for Preventive Health Care for women	86
Training Lay-carers on health aspects of caring for the elderly	22
Self-help support for families with children requiring special needs	43
Renovation and refurbishing of older premises in the Inner Area	11
Blackburn	
Provision of health centre—Roman road	354
Health education base—James street	40
Knowsley	
Community Physiotherapists	30
Internal improvements to Twig lane clinic	50
Area Health clinics, security improvements	10
Improvements to waiting area, Whiston hospital	25
Twig lane clinic improvements phase II	100
Speech Therapists for language disorder unit	19
Night sitters for terminally ill	38
Liverpool	
Community Night Nursing Service	90
Alcholism Councillor	25
Garston Health Clinic, Improvements	230
Crosteth Health Clinic, Improvements	210
Rathbone—Phase I Improvements	180
Health Education Officer	15
Domiciliary Physiotherapist	26
Ethnic Minority Study	29
Care of Terminally Ill	18
Smoking Withdrawal Clinic	20
Toxteth Health Centre Refurbishment	70
Dental Hospital facilities for the disabled	22
St. Pauls Eye Hospital Improved access	50
Speke Family Health Centre	40
Teenage Advisory Centre	19
Mill Road Hospital	70
Disablement Resource Unit	91
Abercromby Health Centre, Building construction	215
Edgehill Health Centre, Building construction	531
Nelson Street Mini Health Centre, Improvements	307
Princess Park Health Centre, Extension	13
Environmental Improvements to hospitals and clinics	183
Primary care for single homeless	2
Screening programme for blood disorders in ethnic communities	42
Liverpool 8 Neighbourhood Health Project	90
Merseyside Drugs Council—Councillor	61
Sefton Geriatric Day Hospital	696
St. Paul's Eye Hospital Refurbishment	70
Mill Road Maternity Hospital Refurbishment	208
Old Swan Health Centre, Lift Provision	45
Merseyside Incest Survivors Project	43
Child Health Unit—Toxteth	132
Manchester (Central)	
St. Mary's Hospital Sexual Assault Centre	57
Hostel Ward for the mentally ill	75
Employment for Disabled	25
Employment for Ex-Psychiatric Patients	20
Extension of Health Centres, Gorton, Moss Side and Levenshulme	50
Transport for Geriatric Patients	14
Radio Communications; Community Psychiatric Nurses	4
Disability Forum	9
Community Facilities Hulme Combined Clinic	13
District Nursing Vehicle	4
Health Education—Ethnic Minorities	10
Sign Posting for Ethnic Minorities	15
Community Neighbourhood Nutrition Action Project	25
Hospital Arts Project	72
Transport Services for the elderly	35
Sheltered Training in Art	43
Child & Psychiatry Unit	40
Manchester Royal Infirmary, Stone Cleaning	6
Improvement to Eye Hospital Entrance	15
Denison Resettlement Scheme	350
Language Communication Centre	153
Manchester (North)	
Preventative Health Services for women	27
Openshaw Outreach Mental Health Project	115
Community Drugs Teams	110
Newton Heath Health Centre	735
Repairs/improvements to Life Line premises	100
Health Care Team for Homeless People	582
Mobile Clinic	100
Family Worker	293
Manchester (South)	
Wythenshawe Community Health Centre	990
Oldham	
Provision of Clinic in Derker/Ripponden Road area	80
Health Shop counselling, information, support services	68

District health authority and project	Urban programme funding £000
Rochdale	
Improvement of access to Rochdale Infirmary	30
Extension to Langley Clinic Audiology Unit	75
Interpreters to improve communication between patients and health service staff	22
Improvement of pre-natal and elderly facilities at Durnford Street Clinic, Middleton	50
Fieldworker for locally based treatment and advisory service for drug users	50
Salford	
Conversion of Ward, Hope Hospital	130
Health Promotion	25
Salford Royal Hospital, Extension to Dermatology Department	610
Wirral	
Community Resource Centre St. Catherines	100
Drug Rehabilitation Centre Phoenix House, Birkenhead	50
Health Centre, Cleveland Street	20
Rock Ferry Health Centre Extension	30
St. Catherines Hospital—Health Education Workshop	5

[1] The table shows the total of UP funding for projects approved in the three year period 1984-85 but UP funding can cover a period of up to 4 years.

Home Insulation

Mr. Hancock asked the Secretary of State for the Environment what has been the total public expenditure on improving home insulation for each of the last five years.

Mr. John Patten [*pursuant to his answer*, 9 March 1987]: The available information is as follows:

Public expenditure on housing insulation: Great Britain

£ million

	1981-82	1982-83	1983-84	1984-85	1985-86
Energy Conservation Programme local authorities' stock: (England and Scotland[1])	14·2	22·8	19·4	17·8	13·0
Homes Insulation Scheme: grants to tenants and private sector	24·4	30·0	25·5	25·2	27·7
Energy Efficiency Office projects	0·1	0·1	0·1	0·3	0·9
Management Services Commission labour costs	0·4	1·7	3·6	5·1	10·2
DHSS single payments	[2]	[2]	[2]	1·5	3·5
	39·1	54·6	48·6	49·9	55·3

[1] Data not available for Wales.
[2] DHSS single payments in 1981-82 to 1983-84 estimated to total £1·2 million.

Expenditure on energy conservation measures carried out as part of more general work on improvement, conversion or repair work to local authorities' stock, is not separately identified and is not included in the table.

Thamesmead

Mr. Tony Banks asked the Secretary of State for the Environment (1) if he will issue direction requiring the London residuary body to transfer Thamesmead to Thames Trust;

(2) when he expects the transfer of Thamesmead from the London residuary body to Thamesmead Trust.

Mr. Chope [*pursuant to his reply*, 5 March 1987, c. *653*]: The Department issued on 6 March a letter stating that the Secretary of State intends to direct the London residuary body to dispose of Thamesmead to Thamesmead town, the disposal to take place on 1 April if at all possible.

TRADE AND INDUSTRY

Ethnic Monitoring

Mrs. Dunwoody asked the Secretary of State for Trade and Industry if he will list the numbers of entrants to his Department from the ethnic minorities in the years 1985-86 and 1986-87; if he will also list the monitoring procedures used to ascertain the percentage of the work force represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into his Department.

Mr. Butcher: The ethnic origins of new entrants have been surveyed since October 1985. In the period from 1 October 1985 to 28 February 1987, there were 1,739 new entrants to the Department of Trade and Industry. Their ethnic origins were:

	Number
A White	743
B Non-White	119
C Data not yet available	850
D Non-respondents	27

A phased programme of surveys of the ethnic origin on non-industrial civil servants by means of voluntary self-classification is being conducted by the Department and is expected to be completed during 1987.

All departmental recruitment is conducted on the basis of fair and open competition and selection is on merit. Consideration is being given to ways of using the data on the ethnic origin of staff to monitor promotion.

Satellite Information Systems Ltd.

Mr. Watts asked the Secretary of State for Trade and Industry what representations he has received about the establishment of Satellite Information Systems Ltd.; and whether he has referred such representations to the Office of Fair Trading or the Monopolies and Mergers Commission.

Mr. Howard: My right hon. Friend has received representations from the National Greyhound Racing Club and from my hon. Friend. These have been referred to the Office of Fair Trading for consideration.

Bookmakers

Mr. Watts asked the Secretary of State for Trade and Industry if he will refer to the Office of Fair Trading plans by the larger bookmakers to establish their own rule-making body to control afternoon greyhound racing at tracks which they own and operate.

Mr. Howard: Representations alleging that certain bookmakers intend to establish their own control organisation for afternoon greyhound racing have been referred by my right hon. Friend to the Office of Fair Trading.

Nightwear (Safety) Regulations

Mr. Peter Bruinvels asked the Secretary of State for Trade and Industry what steps he has taken to consult the retail trade about implementation of the Nightwear (Safety) Regulations 1985; and how the trade was notified about the regulations.

Mr. Howard: The Nightwear (Safety) Regulations 1985 were the subject of two separate consultations in May and November 1984. Bodies representing the retail sector which were invited to comment on the proposals included the National Union of Small Shopkeepers, the Retail Alliance, the Retail Consortium and the Retail Distributors Association. In response to representtions from the trade, the period allowed before the regulations came into force was extended to 15 months.

A copy of the revised draft regulations, which were laid before the House in November 1985, was sent to all consultees. The regulations were made on 20 December 1985 and were publicised in *British Business* in January 1986. The Department's "Nightwear and Fire" guide to the regulations, which was published in September 1986, also received publicity in *British Business* and was featured in a number of trade magazines. Copies of the guide were sent direct to trade associations and individual suppliers and retailers who had contributed comments during the preparation of the regulations, or who had made their interest known to the Department at some later stage.

Mr. Peter Bruinvels asked the Secretary of State for Trade and Industry what representations he has received from the retail trade about the treatment of stock in hand following implementation of the Nightwear (Safety) Regulations 1985.

Mr. Howard: I met the trade associations, including the Retail Consortium, on 5 January this year to discuss their problems over implementing the 1985 regulations with respect to babies' garments by the due date of 1 March 1987. As a result I decided to introduce an amendment to the regulations which has since been approved by a resolution of each House.

The Nightwear (Safety) Regulations 1987, which were made on 27 February, postpone, until 1 September 1987, the coming into force of those requirements of the 1985 regulations which relate to the testing, labelling and advertisement of babies' garments, as defined in regulation 3(1) of the 1985 regulations.

KMS Ltd.

Mr. Foulkes asked the Secretary of State for Trade and Industry if his Department at any time over the past five years has had contracts with KMS Ltd.

Mr. Butcher: No such contracts have been placed by this Department.

EC (Research Council)

Mr. Nicholls asked the Secretary of State for Trade and Industry what progress was made at the meeting of the Council of the European Community, Research, on 24 February; and if he will make a statement.

Mr. Geoffrey Pattie: The Council of Ministers (Research) met on 24 February in Brussels. I represented Her Majesty's Government.

The meeting was devoted exclusively to discussion of the proposed new framework programme for EC research and development. The Council's discussion focused on a possible compromise tabled by the Belgian presidency. This called for the Council to concentrate its negotiations on 5.765 billion ecu (£4·21 billion) of new commitments which, when added to the commitments already agreed, was equivalent to a programme of 6·85 becu (£5 billion) as compared with the Commission's original proposal of 7·735 becu 8£5·65 billion) total expenditure. The United Kingdom took the view that while some elements of the compromise — subject to certain assurances — could be helpful in furthering progress, the total figure remained too high. The Council's meeting was inconclusive with some member states adopting a similar line to that of the United Kingdom and others indicating that the proposed compromise figures involved too great a reduction. The meeting was adjourned until 24 March.

The United Kingdom will continue to work for a programme based on high quality research and sharply focused on promoting industrial competitiveness. In the view of Her Majesty's Government, this can be achieved with a more modest growth over current expenditure than the European Commission has so far proposed.

Yorkshire and Humberside Development Association

Mr. Sheerman asked the Secretary of State for Trade and Industry how much Government money was allocated to the Yorkshire and Humberside Development Association in 1985-86 and in 1984-85.

Mr. Giles Shaw [*pursuant to his reply*, 9 March 1987, c. *36*]: The original grant in 1984-85 was £463,000 to which was added £55,000 for extraordinary additional payments. The grant in 1985-86 was £400,000.

Industry (Public Funds)

Sir Alex Fletcher asked the Secretary of State for Trade and Industry how much support from public funds of all kinds has been made available to the aerospace and aero-engines industries since the fiscal year 1978-79.

Mr. Butcher [*pursuant to his reply*, 2 March 1987, c. *517*]: From the fiscal year 1978-79 to 1985-86 inclusive, Department of Trade and Industry funding for the civil aircraft, aero-engines and associated equipment industry totalled approximately £1,400 million. This figure includes support in the form of launch aid, research and development programmes, direct grant support to companies for innovation, and assistance under sections 7 and 8 of the Industry Act; equity investment in Rolls-Royce Ltd. between 1978-79 and 1982-83; and public dividend capital for British Aerospace.

PRIME MINISTER

Pensioners (Representations)

Q26. **Mr. Wigley** asked the Prime Minister what representations were made to her at her recent meeting with representatives of pensioners' organisations; and how the Government will be responding to these representations.

The Prime Minister: I met a delegation from the National Pensioners' Convention steering committee on Thursday 5 March. They made representations with regard to the level of the basic pension, and the various other benefits and services available to pensioners. These will be considered and I will be writing to the National Pensioners' Convention in due course.

USA-EC Trade

Q27. **Mr. Teddy Taylor** asked the Prime Minister if she will raise at the next meeting of the European Council the question of relations between the Community and the United States of America with particular reference to the effect on trade of the Commission proposal to place taxes on oils, fats and margarine.

The Prime Minister: I refer my hon. Friend to the reply I gave to him on Tuesday 3 March, at column 543, on this subject.

Libya (Bombing)

Q59. **Mr. Dalyell** asked the Prime Minister what information she was given, prior to the United States bombing of Libya in April 1986, as to the expected whereabouts of Colonel Gadaffi at the time of the raids.

The Prime Minister: None.

Chequers (Official Dinner)

Q102. **Mr. Pollock** asked the Prime Minister when she last hosted an official dinner at Chequers.

The Prime Minister: I last gave an official dinner at Chequers on Saturday 23 November 1985.

Bedfordshire

Q170. **Mr. Madel** asked the Prime Minister if she will pay an official visit to Bedfordshire.

The Prime Minister: I have at present no plans to do so.

Engagements

Mr. Pike asked the Prime Minister if she will list her official engagements for Tuesday 10 March.

Mr. Andrew MacKay asked the Prime Minister if she will list her official engagements for Tuesday 10 March.

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for Tuesday 10 March.

Mr. Tony Lloyd asked the Prime Minister if she will list her official engagements for Tuesday 10 March.

Mr. Greenway asked the Prime Minister if she will list her official engagements for Tuesday 10 March.

Mr. Parry asked the Prime Minister if she will list her official engagements for Tuesday 10 March.

The Prime Minister: This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty the Queen.

TRANSPORT

Airports (Planning Policy)

Mr. Adley asked the Secretary of State for Transport if he will make it his policy to ensure that, following the conversion of local authority owned airports into public limited companies, no changes in planning policy occur as a result of changes in ownership; and if he will make a statement.

Mr. Michael Spicer: The transfer of local authority owned airports to public airport companies is not intended to bring about any change in planning policy. By virtue of part V of the Airports Act 1986, all major airport companies will have certain rights under the General Development Order but any development which would significantly increase capacity will remain subject to the normal planning process.

London-Exeter Route

Sir Peter Emery asked the Secretary of State for Transport if he will list the road schemes which are in hand or which have reached their planning stage to improve the London-Exeter route west of Amesbury; and if he will set out what schemes have been approved since his announcement in 1985 and what studies have been started since 23 June 1986 for this same stretch of road.

Mr. Peter Bottomley: I can confirm to my hon. Friend that substantial improvements are being made to the A303/A30 route west of Amesbury.

Two schemes are under construction; the Furze Hedge improvement in Wiltshire and Ilminster bypass in Somerset.

Also in Somerset, a public inquiry has been held into the Sparkford bypass and a decision will be announced shortly. We have announced a public inquiry into the South Petherton-Ilchester improvement to start later this month and, at the eastern edge of the County, we have published draft orders for the Mere-Wincanton improvement which will bypass Bourton in Dorset and Zeals in Wiltshire.

In Devon, we have consulted the public on possible routes for improvements between Marsh to Honiton and Honiton to Exeter, respectively.

We have also undertaken a general review of other possible candidates for inclusion in the trunk road programme and I hope to make an announcement about this before the summer.

Greater Manchester Passenger Transport Authority

Mr. Tony Lloyd asked the Secretary of State for Transport when he last met representatives of the Greater Manchester passenger transport authority to listen to its submission concerning the financing of that authority; when he replied in writing to the Greater Manchester passenger transport authority about that submission; and what account was taken in that letter of the submission.

Mr. David Mitchell: I last met representatives of Greater Manchester passenger transport authority on 16 February. The decision on their application for further borrowing approval, which my Department gave to them formally on the same day, was based on information provided by the authority and took into account copious discussions and correspondence.

Coaches (Motorways)

Mr. Greg Knight asked the Secretary of State for Transport if he will consider banning double-decker coaches from using the third lane on motorways.

Mr. Peter Bottomley: No. The Department makes no special speed limit distinction between double-decker and other coaches; all buses and coaches are subject to a 70 mph speed limit on motorways.

KMS Ltd.

Mr. Foulkes asked the Secretary of State for Transport if his Department at any time over the past five years has had contracts with KMS Ltd.

Mr. Moore: No, as far as can readily be ascertained. Central records are not kept of contracts let by the Department.

Motorways (Lighting)

Mr. Peter Bruinvels asked the Secretary of State for Transport in what circumstances it is not possible to provide lighting on fog-prone sections of motorways.

Mr. Peter Bottomley: I refer my hon. Friend to the announcement I made in the House on the new policy for the provision of lighting on motorways on 24 July 1986 at column 451.

Mr. Peter Bruinvels asked the Secretary of State for Transport what plans he has to provide lighting on all or some of the 30 fog-prone sites on the M25.

Mr. Peter Bottomley: Lighting is already installed at 12 of the fog-prone sites of the M25 motorway. We plan to light junction 6 during this autumn. There are no plans at present to provide lighting at the remaining sites. The situation is being kept under review.

M25 (Traffic Flows)

Mr. Peter Bruinvels asked the Secretary of State for Transport if he will publish in tabular form the most recent available figures of day and night traffic flows in each section of the M25.

Mr. Peter Bottomley: I shall answer this question shortly.

London (Transport Data)

Dr. Twinn asked the Secretary of State for Transport what action he has taken to secure the provision of transport data for London when the London residuary body withdraws its services in April.

Mr. Peter Bottomley: I welcome the discussions boroughs are having about a scheme to meet collective needs for Londonwide data, including traffic surveys and accident analysis information. Meanwhile, I must secure the Department's other requirements. London's transport data framework needs to be developed as professionally as possible for all who make use of it.

I have taken the steps announced on 12 December to place a contract with consultants to hold and develop the decennial Greater London transportation survey. We are also appointing consultants to maintain the programme of speed counts. We have today written to the London residuary body and the boroughs about these arrangements. We shall continue to consult closely with boroughs both about the development of the modelling and about appropriate longer-term arrangements. They and other users will be able to buy the services they need.

Fishing Vessels (Accidents)

Mr. Foulkes asked the Secretary of State for Transport if he will list all cases reported to his Department or to the coastguard, or about which his Department has information where fishing vessels have been in any kind of incident involving *(a)* British, *(b)* United States or *(c)* about submarines; and what action he has taken as a result.

Mr. Michael Spicer [*pursuant to his reply*, 4 March 1987, Vol. 111, c. 605]: Her Majesty's Coastguard has not been involved in any SAR operations involving fishing vessels and submarines since 1979 other than the Summer Morn. The signal log book at Clyde recorded that FV Berachah (6 December 1982) and FV Huntress (11 September 1984) had reported that a submarine had caused them difficulty. No further details are known.

No such incident has been reported to other divisions in my Department but the maritime safety committee of the International Maritime Organisation discussed, last year, the dangers of fishing vessels at sea posed by submerged submarines and subsequently issued an advisory circular.

WALES

Ethnic Monitoring

Mrs. Dunwoody asked the Secretary of State for Wales if he will list the numbers of entrants to his Department from the ethnic minorities in the years 1985-86 and 1986-87; and if he will also list the monitoring procedures

used to ascertain the percentage of the work force represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into the Department.

Mr. Nicholas Edwards: The ethnic origins of new entrants to my Department have been surveyed since October 1985. The position is:

	Number
Total new entrants to Welsh Office in the period 1 October 1985 to 28 February 1987	133
Ethnic origins:	
white	132
black-Asian	1
not stated	—

A phased programme of departmental surveys of the ethnic origin of non-industrial civil servants by means of voluntary self-classification is being conducted. All non-industrial staff in my Department will be surveyed by June 1988. Consideration is being given to ways of using the date on the ethnic origin of staff-in-post to monitor promotion.

All departmental recruitment is conducted on the basis of fair and open competition and selection is on merit. I refer the hon. Member to the answer given by my right hon. Friend the Minister of State, Privy Council Office on 20 February 1987 at columns *880-81*, reporting the arrangements being made to encourage people from the ethnic minorities to apply to the Civil Service.

Radioactive Waste

Mr. Campbell-Savours asked the Secretary of State for Wales, pursuant to the reply to the hon. Member for Meirionnydd Nant Conwy (Mr. Thomas) of 5 February, *Official Report*, column *755*, if he will set out the reasons why it has not been the practice to make publicly available papers submitted to the Radioactive Waste Management Advisory Committee; and if he will make it his policy to publish such papers.

Mr. Wyn Roberts: The current practice that working papers submitted to the Radioactive Waste Management Advisory Committee are not made publicly available allows for full discussion by the committee in cooperation with Government Departments. The conclusions of RWMAC discussions are made public in their annual reports.

KMS Ltd.

Mr. Foulkes asked the Secretary of State for Wales if his Department at any time over the past five years has had contracts with KMS Ltd.

Mr. Nicholas Edwards: No.

Anglesey (Public Funds)

Mr. Best asked the Secretary of State for Wales if he will state total amount of public funds provided through his Department or its agencies which came to Anglesey between 1974 and 1979 and between 1979 and 1987.

Mr. Nicholas Edwards: I will write to my hon. Friend about the figures for 1979 to 1987 as soon as possible, and place a copy of my letter in the Library of the House. The figures for 1974 to 1979 are not readily available and could only to obtained at disproportionate cost.

Singleton Hospital, Swansea

Mr. Williams asked the Secretary of State for Wales if he will provide the financial resources to enable accident and emergency consultants to be appointed for the casualty unit at Singleton hospital, Swansea.

Mr. Wyn Roberts: Discussions are continuing between West Glamorgan health authority and the Welsh Office about the health authority's request for funding of a consultant in accident and emergency services whose responsibilities would include Singleton minor casualty unit. It would be premature to forecast the outcome of these discussions at this stage.

Mentally Handicapped People

Mr. Raffan asked the Secretary of State for Wales what conclusion he has reached following his Department's review of the "All Wales Strategy for the Development of Services for Mentally Handicapped People"; and if he will make a statement.

Mr. Mark Robinson: The Welsh Office has completed its three-year review of progress on the all-Wales strategy provided for by my right hon. Friend when he launched this major initiative in 1983, and I am grateful to all those who have assisted by responding positively to invitations to comment. A copy of the report is being placed in the Library of the House.

The strategy is designed to promote the development of new patterns of community-based services for mentally handicapped people over a 10-year period, and the Report confirms that a start has been made in the eight counties and in the vanguard areas following the formal approval of funding in all 10 plans submitted to the Welsh Office. Activities have been concentrated so far on relieving pressures on families and these and other services will be progressively developed for mentally handicapped people whether in the community or in hospital. While progress has been less rapid than had been hoped, the 10-year period allowed for the development of the strategy recognised from the outset that if, as was the intention, services are to be planned according to the needs of the individual, radical changes in attitudes towards the needs and the means of meeting them were called for. It was acknowledged, therefore, that achieving these changes would take time. Nevertheless, I am encouraged by what has already been accomplished in some counties.

The review has highlighted a number of issues which will need to be addressed by the Welsh Office and the counties; and several recommendations are aimed at introducing measures to relieve pressures on families, developing educational opportunities, providing a wider range of day time activity including employment and choice of accommodation for independent long-term living.

My right hon. Friend and I accordingly reaffirm our support for the strategy and its objectives and do not propose to make fundamental changes in the arrangements for its implementation. We shall however be revising, in the light of experience, the terms of reference and constitution of the all-Wales advisory panel to whose chairman and members I pay tribute for the commitment they have shown and the contribution they have made to progress thus far. For the future my right hon. Friend proposes to set up a smaller panel which will advise on

major policy issues, though he hopes that members of the existing panel will continue to make their expertise available to counties as required.

ENERGY

AGRs (Control Rods)

Mr. Frank Cook asked the Secretary of State for Energy if the Nuclear Installations Inspectorate plans to order conclusive tests to be performed on control rod assemblies at Hinkley and Hunterston to confirm that wear is not present; and if he will make a statement.

Mr. Goodlad: Regular inspection and maintenance of the control rod assemblies is carried out at all nuclear power stations. The NII is of course free to carry out whatever further tests it considers necessary.

KMS Ltd.

Mr. Foulkes asked the Secretary of State for Energy if his Department at any time over the past five years has had contracts with KMS Ltd.

Mr. Peter Walker: No.

Labour Statistics

Mr. Frank Cook asked the Secretary of State for Energy what is his current estimate of the number of direct jobs likely to be created by building at *(a)* Sizewell B and *(b)* a large coal-fired station, specifying in each case the estimated duration of the employment.

Mr. Goodlad: I shall ask the Central Electricity Generating Board to write to the hon. Member.

Nuclear Installations Inspectorate

Mr. Frank Cook asked the Secretary of State for Energy what was the number of inspectors employed by the Nuclear Installations Inspectorate in 1960, 1965, 1970, 1975, 1980, 1984 and 1986.

Mr. Trippier: I have been asked to reply.
The numbers are as follows:

Date (December figures)	*Number of Inspectors in NII*
1960	13
1965	36
1970	45
1975	99
1980	90
1984	99
1986	98

Area Electricity Boards (External Audit)

Mr. Gregory asked the Secretary of State for Energy if he has any plans to seek to introduce competition for external audit work for area electricity boards; and if he will make a statement.

Mr. Goodlad [*pursuant to his reply*, 24 November 1986, c. *14*]: I can now announce that the Secretary of State for Energy has decided, following a competition by submission of tenders, to appoint Messrs. Price Waterhouse as auditors to the Electricity Council and to reappoint Messrs. Ernst & Whinney as auditors to the South Western electricity board. Both appointments will commence with the financial year 1987-88.

Nuclear Power Stations

Mr. Barron asked the Secretary of State for Energy, further to his reply to the hon. Member for Rother Valley on 18 December, *Official Report*, column *621*, concerning emergency arrangements at nuclear power stations, what is the statutory requirement for emergency arrangements to be rehearsed regularly; what is the typical number of inspectors present during the annual exercise at each location; whether any full-scale exercises have been undertaken in recent years other than those witnessed by Her Majesty's nuclear installations inspectorate; whether he has any plans to review the content or frequency of exercises of emergency arrangements; and if he will make a statement.

Mr. Goodlad [*pursuant to his reply*, 15 January 1987, c. *261*]: The operators of licensed nuclear power stations are required as a condition of their site licences to rehearse their emergency arrangements to such extent as the Health and Safety Executive may direct. There are normally four inspectors present at an annual emergency exercise at each station. The operators hold additional exercises each year without the involvement of Her Majesty's nuclear installations inspectorate. The extent and frequency of emergency exercises are kept under review. Arrangements for United Kingdom Atomic Energy Authority nuclear power station sites are similar.

Mr. Barron asked the Secretary of State for Energy, further to his replies to the hon. Member for Rother Valley on 27 November 1986, *Official Report*, column *302*, and 18 December 1986, *Official Report*, column *621*, concerning duly authorised persons and exercises of emergency arrangements at nuclear power stations, what proportion of duly authorised persons at a typical station is associated with each separate shift; what arrangements are made for newly appointed duly authorised persons to participate in annual exercises witnessed by Her Majesty's nuclear installations inspectorate in the first year of appointment; with what frequency a duly authorised person participates in such annual exercises; what proportion of annual exercise scenarios include rehearsal of off-site measures to protect the public; with what frequency each manager or deputy manager participates in exercises of off-site measures to protect the public; and if he will make a statement.

Mr. Goodlad [*pursuant to his reply*, 15 January 1987, c. *262*]: Site licences require training of all persons with duties to perform in the event of an emergency. Such persons, who will include duly authorised persons, are present on each shift. Typically one sixth of duly authorised persons are present on a shift. All persons having specified duties in an emergency participate in a training exercise in their first year and regularly thereafter, generally about once a year. As explained in my earlier answer, nuclear installations inspectorate witness different shifts in the annual exercise and not all persons on the shift can participate. Broadly those with special duties can expect to participate in an exercise witnessed by Her Majesty's nuclear installations inspectorate about once every five years.

For each site an emergency controller, normally the site manager or one of his nominated deputies, takes charge of an annual exercise which involves communication with the police and other local authorities who bear responsibility for offsite action to protect the public.

Arrangements for UKAEA nuclear power station sites are similar.

HOME DEPARTMENT

Shops Act 1950

Mr. Heddle asked the Secretary of State for the Home Department whether he has any plans to seek to amend the fifth schedule to the Shops Act 1950.

Mr. Waddington: We have no plans to do so. It would be difficult to draft any amendments to the schedule which would not still leave glaring anomalies.

Mr. Joe Rajiah (Shooting)

Mr. Hunter asked the Secretary of State for the Home Department, further to his answer of 21 November 1986, *Official Report*, column *371*, if information of any nature was offered directly or indirectly by any authority in the United Kingdom to Spain prior to the Spanish police operation which resulted in the shooting of Mr. Joe Rajiah on 29 October 1986.

Mr. Douglas Hogg: Our inquiries have not revealed any evidence to suggest that the authorities in this country passed information of any nature to the Spanish authorities prior to the Spanish police operation in which Mr. Rajiah was killed.

Police and Local Authorities (Co-operation)

Sir John Biggs-Davison asked the Secretary of State for the Home Department if he will call for a report from chief police officers as to which police forces have requested, and been refused, co-operation or consultation by which local authorities on admission to their schools; and if he will make a statement.

Mr. Douglas Hogg: The admission of police officers to schools is normally a matter for individual head teachers. We deplore the refusal of a small number of schools to admit police officers for education visits.

Following the publication last year of a report by a joint working party of the Association of Chief Police Officers and the Society of Education Officers, efforts are being made at local level to improve the educational contribution of police officers in schools. These efforts deserve the full support of all those in a position to influence the education of our young people. The position is monitored routinely by Her Majesty's inspectors of constabulary.

Racial Incidents (Southwark)

Ms. Harman asked the Secretary of State for the Home Department what was the number of cases of racial incidents reported to the police within the London borough of Southwark for each month of 1986; how many of these cases led to arrests being made; and what was the total number of persons arrested.

Mr. Douglas Hogg: The information is set out in the table below.

I am informed by the Commissioner of Police of the Metropolis that of the 37 incidents three led to arrests, one person being arrested in each case.

Reported racial incidents in Southwark by month for 1986

	Number
January	5
February	2
March	4
April	2
May	3
June	4
July	1
August	7
September	0
October	4
November	4
December	1
Total	37

Citizenship

Mr. Tony Lloyd asked the Secretary of State for the Home Department if he will seek to amend the British Nationality Act 1981 so that registration will remain as a means of acquiring British citizenship beyond 1987 for those now eligible; and if he will publicise the changes which will take place in the means of obtaining British citizenship for those eligible when the present registration process lapses.

Mr. Waddington: We have no plans to amend the British Nationality Act 1981 the registration provisions of which have been fully discussed and approved by Parliament. The Government's publicity on registration rights already makes clear that those who decide not to apply for registration may still apply for naturalisation at any time.

Turkish Nationals (Asylum)

Mr. Corbyn asked the Secretary of State for the Home Department how many Turkish nationals have been given asylum in the United Kingdom in each year since 1980.

Mr. Waddington: The numbers of Turkish nationals granted asylum in the years 1980 to 1985 (with separate figures for those refused asylum but granted leave to remain on exceptional grounds) were published in tables 1 and 5B-5F of Home Office statistical bulletin "Refugee Statistics, United Kingdom, 1985" (issue 12/86). It is hoped to publish corresponding figures for 1986 around the end of April.

Civil Defence

Mr. Redmond asked the Secretary of State for the Home Department if he will state, in relation to the Home Office working group currently considering further guidance on the setting up and running of a rescue service under Civil Defence regulations *(a)* its composition, *(b)* its terms of reference, *(c)* its schedule of meetings, *(d)* the proposed date of its report and *(e)* the details of any interim findings, conclusions or recommendations.

Mr. Douglas Hogg: The working group is composed of Home Office and local authority representatives. Its terms of reference are:

"to help local authorities meet the requirements under the Civil Defence (General Local Authority Functions)

Regulations 1983 to make plans for providing and monitoring a service in their area for the rescue of persons from damaged buildings and debris in the event of hostile attack by:

(i) identifying the component parts of plans with particular regard to the type of rescue and the training and expertise required;

(ii) considering how such a service should be organised (structure and line responsibility) and in particular the role of the volunteer eg as a support to the CFO as a "generic" local authority volunteer, and as a community volunteer;

(iii) considering the extent to which volunteers should be recruited and training with particular regard to their potential usefulness in both peace and war emergencies; and

(iv) considering and drafting appropriate guidance to local authorities on all aspects of a rescue service to meet the requirement in the 1983 Regulations for incorporation in the Emergency Planning Guidance by F6 Division."

The working group has had three meetings and will be meeting again later this month to consider its recommendations. A date for the report has not yet been fixed.

KMS Ltd.

Mr. Foulkes asked the Secretary of State for the Home Department if his Department at any time over the past five years has had contracts with KMS Ltd.

Mr. Hurd: Records are readily available only from April 1984. They include no contracts placed with, nor payments made to, KMS Ltd. by or on behalf of my Department during that period.

Parole

Mr. Millan asked the Secretary of State for the Home Department (1) what changes in parole policy and procedure he intends to implement in the light of the High Court judgment in the case of Brian Handscomb;

(2) what changes in parole policy and procedure he intends to implement in the light of the judgment of the European Court of Human Rights in the case of Robert Weeks.

Mr. Mellor: We are studying these judgments carefully and will announce the Government's response to them in due course.

Immigration

Mr. Parry asked the Secretary of State for the Home Department what is the policy of Her Majesty's Government towards the temporary recognition as dependants of their mother, who is resident in the United Kingdom, of children studying in the United Kingdom, pending the arrival of their father who has applied for residence as a person of independent means; and if he will make a statement.

Mr. Waddington: The immigration rules (HC 169, as amended) provide for children to be admitted as dependants if both parents are in the United Kingdom, or are being admitted to the United Kingdom, for settlement or in a capacity leading to settlement. Under the rules a child may be admitted as the dependant of one parent here if the other parent is dead, if the parent here has had sole responsibility for the child's upbringing, or if there are serious and compelling considerations which make the child's exclusion undesirable. Every application is considered individually.

Political Rallies (Ban)

Mr. Corbyn asked the Secretary of State for the Home Department what representations he has received concerning the ban by Mid Sussex district council on political rallies in public parks in Haywards Heath.

Mr. Douglas Hogg: None. No proposal for a byelaw imposing a ban has been received. We should not agree to such a byelaw unless strong evidence of substantial need was produced, and of course we would consider carefully any objections which might be received. I understand that the district council has passed a resolution banning political rallies in public parks, but that is not a matter for which we have any responsibility.

Public Disorder

Mr. Peter Bruinvels asked the Secretary of State for the Home Department, pursuant to his reply of 12 January to the hon. Member for Leicester, East, *Official Report*, column *71*, whether he has completed his consideration of the disturbances over the new year period; and if he will make a statement.

Mr. Hurd: I have now consulted chief officers of police about the disturbances in various towns on new year's eve. The police handling of the disorder at Lincoln is being reviewed by an assistant chief constable from the Humberside police. I shall ensure that any lessons for the future handling of such incidents are disseminated to chief officers.

In many of the incidents, there was evidence of excessive drinking. I regard the link between alcohol misuse and crime and disorder as increasingly serious and requiring Government and public attention. The ministerial group on crime prevention, chaired by my hon. Friend the Parliamentary Under-Secretary of State, has been considering the matter.

A project is being established by a local committee in Coventry to consider the various aspects of disorder associated with licensed premises. Further projects are being considered. A working group of the standing conference on crime prevention has been set up under the chairmanship of Lady Masham to study the question of alcohol and young people. I understand that the problem of disorderly behaviour by drunken youths will be one of the issues which the working group will consider.

Police (Establishment)

Mr. Richard Page asked the Secretary of State for the Home Department whether he has reached decisions on the applications from police authorities for increases in police force establishments of provincial forces in the next financial year 1987-88.

Mr. Hurd: I have approved 209 additional police posts for the following nine provincial police forces with effect from 1 April 1987.

Police authority/force	*Increase approved*
Avon and Somerset	10
Cambridgeshire	20
Devon and Cornwall	20
Dorset	9
Northamptonshire	20
Staffordshire	25

Police authority/force	Increase approved
Sussex	66
Warwickshire	14
Wiltshire	25
	209

With the 98 additional police posts approved previously for three forces with effect from 1 April 1987 (eight for Cumbria, 40 for Northumbria and 50 for Thames Valley), increases totalling 307 police posts have so far been approved in provincial forces for the next financial year, 1987-88. Four other police authorities have been informed that I am prepared to approve increases totalling 141 police posts provided that they are able to give assurances about local financial provision for these additional posts in 1987-88.

OVERSEAS DEVELOPMENT

Developing Countries (Loans)

Mr. Kirkwood asked the Secretary of State for Foreign and Commonwealth Affairs if he will list in the *Official Report* the extent of lending by United Kingdom banks to developing countries, for each year over the last 10 years for which figures are available.

Mr. Ian Stewart: I have been asked to reply.

The information requested can be obtained from issues of the "Bank of England Quarterly Bulletin", table 15.

ATTORNEY-GENERAL

Director of Public Prosecutions

Mr. Corbyn asked the Attorney-General on approximately how many occasions each month he consults the Director of Public Prosecutions; and for what purposes.

The Attorney-General: I consult the Director of Public Prosecutions frequently for the purpose of discussing criminal prosecutions and related matters.

Social Security Commissioners

Mr. Kirkwood asked the Attorney-General what progress has been made on the review of the arrangements governing the reporting and availability of social security commissioners' decisions.

The Attorney-General: The arrangements governing the reporting and availability of written decisions of the social security commissioners have been reviewed in consultation with a wide range of representative organisations. In the light of the comments received, it has been decided that revised arrangements should be introduced, as follows:

(1) There will be made available for inspection and for the obtaining of copies on payment at the London or Edinburgh office, as appropriate, of the social security commissioners decisions of commissioners as follows:

(i) the starred decisions of commissioners made on or after 1 January 1987 (starred decisions are those decisions of more general significance);

(ii) other commissioners' decisions made on or after 1 January 1987;

(iii) as available, decisions of commissioners made on or before 31 December 1986.

(2) A subscription system will also be provided.

(3) Anonimity will be preserved so far as reasonably possible in those commissioners' decisions which are copied and issued, and such decisions will therefore not, in particular, include the name of the claimant.

(4) The selection of decisions for reporting will continue to be made by the chief commissioner after consultation with commissioners; there is also a general standing invitation to comment on the "report worthiness" of any decision.

(5) Commissioners' decisions on appeals and references, whether reported or not, may be cited to the commissioners at oral hearings subject to seven days notice being given.

It is intended that the revised arrangements will be brought into operation from 1 April 1987 onwards.

EMPLOYMENT

Labour Statistics

Mr. Deakins asked the Paymaster General how many permanent jobs, full-time and part-time, have been created in the London borough of Waltham Forest since 1979.

Mr. Lee: Information about jobs created is not available from my Department's statistics. Net changes in employment can be given, but, for areas smaller than regions, only those dates when censuses of employment are taken.

The latest available figures are from the June 1978 and the September 1981 censuses of employment. In that period, the number of employees in employment in the local authority district of Waltham Forest fell by 7,100; a breakdown of full-time and part-time employees for the district is not readily available for the earlier year. The September 1984 census estimates for local areas are not yet available. Between censuses employment statistics are based on small scale sample inquiries which cannot produce reliable results for areas smaller than the standard economic regions.

Ms. Clare Short asked the Paymaster General what was the unemployment rate on Budget day and six months later for each year since 1979.

Mr. Lee: The following information is in the Library. The table gives seasonally adjusted unemployment rates calculated as a percentage of the working population for the United Kingdom on monthly unemployment count dates closest to Budget days and six months after each count date for each year since 1979. The statistics have been adjusted for discontinuities to be consistent with the current monthly count.

Seasonally adjusted unemployment percentage rates—United Kingdom

Budget day dates	Appropriate unemployment Count dates	Unemployment rate Per cent.
3 April 1979	5 April 1979	4·3
	11 October 1979	4·2
12 June 1979	14 June 1979	4·2
	6 December 1979	4·2
26 March 1980	13 March 1980	4·5
	11 September 1980	6·0
10 March 1981	12 March 1981	7·9
	10 September 1981	9·0
9 March 1982	11 March 1982	9·5
	9 September 1982	10·1
15 March 1983	10 March 1983	10·6
	8 September 1983	10·9
13 March 1984	8 March 1984	10·9
	13 September 1984	11·2
19 March 1985	14 March 1985	11·2

Budget day dates	Appropriate unemployment Count dates	Unemployment rate Per cent.
	12 September 1985	11·3
18 March 1986	6 March 1986	11·6
	11 September 1986	11·6

Mr. Frank Cook asked the Paymaster General if he will list the current unemployment rates in the unemployment exchanges nearest to the following nuclear power installations: *(a)* Springfields, *(b)* Heysham A and B, *(c)* Hartlepool, *(d)* Wylfa, *(e)* Trawsfynydd, *(f)* Oldbury, *(g)* Berkeley, *(h)* Hinckley Point A and B, *(i)* Winfrith, *(j)* Dungeness A and B, *(k)* Bradwell, *(l)* Sizewell A and *(m)* Sellafield.

Mr. Lee: Unemployment rates are only calculated for self-contained labour market areas; the smallest such areas are travel-to-work areas. The following table shows unemployment rates as at 8 January 1987 in the travel-to-work areas covering the nuclear power installations specified, expressed as a percentage of employees in employment plus the unemployed.

Nuclear Power Installation	Travel-to-work area	Unemployment rate at 8 January 1987
Springfields	Preston	11·3
Heysham A and B	Lancaster and Morecambe	15·9
Hartlepool	Hartlepool	23·2
Wylfa	Holyhead	23·3
Trawsfynydd	Portmadoc and Ffestiniog	19·2
Oldbury	Bristol	10·8
Berkeley	Stroud	9·7
Hinckley Point A and B	Bridgwater	13·9
Winfrith	Dorchester and Weymouth	11·2
Dungeness A and B	Folkestone	16·1
Bradwell	Southend	13·6
Sizewell	Woodbridge and Leiston	8·7
Sellafield	Whitehaven	12·3

YTS

Mr. Fallon asked the Paymaster General whether he will list the total number of young people on the YTS in Darlington in each year since its inception.

Mr. Trippier: The numbers of entrants to YTS in the Darlington local authority district are as follows:

	Number
1983-84	1,085
1984-85	1,243
1985-86	1,268
[1]1986-87	1,662

[1] Up to 5 March.

Mr. Robert B. Jones asked the Paymaster General whether, in the manner of his answer of 17 June 1986, *Official Report*, column *485*, he will set out a table showing for each monthly or three-monthly period for which figures are available, the percentage of YTS leavers in Dacorum *(a)* entering full-time work, *(b)* entering part-time work, *(c)* entering full-time education and *(d)* returning to the unemployment register.

Mr. Trippier: The table sets out results from the Manpower Services Commission's regular follow-up survey of YTS leavers. The information shows the proportions of YTS leavers, on a cumulative monthly basis, in a full-time job, in a part-time job, on a full-time course and those unemployed, three months after leaving YTS, separately for the years 1985-86 and 1986-87, for the local authority district of Dacorum.

Cumulative Proportions of Young People in Stated Categories[1]

	In a full-time job Per cent.	In a part-time job Per cent.	In a full-time course Per cent.	Unemployed Per cent.
1985-86				
April 1985	75	0	0	25
April-May 1985	68	3	0	23
April-June 1985	71	3	2	20
April-July 1985	70	4	2	19
April-August 1985	74	4	2	15
April-September 1985	75	3	2	14
April-October 1985	74	3	2	14
April-November 1985	72	2	2	14
April-December 1985	71	3	2	15
April-January 1986	70	3	2	15
April-February 1986	70	2	2	15
April-March 1986	71	2	2	15
1986-87				
April 1986	[2]40	0	0	27
April-May 1986	76	0	2	8
April-June 1986	81	0	2	7
April-July 1986	83	0	2	6

[1] Figures refer to answers to the question "What are you doing now?" The totals do not add up to 100 per cent. because the table does not include those answering "on another YTS scheme" or "doing something else" or "not answered."

[2] Represents a low number of leavers.

Job Training Scheme

Ms. Clare Short asked the Paymaster General how many hours training per month has been provided to each job training scheme participant in the pilot areas.

Mr. Kenneth Clarke: In the initial pilots the contracts with managing agents have required the provision of at least 150 hours of directed training to a participant with an average six-month programme, although most trainees will receive far more.

When the scheme is extended nationwide managing agents will be required to provided at least 300 hours of directed training during an average six-month course.

Mr. Ernie Ross asked the Paymaster General (1) whether trainee participants in the new job training scheme are permitted or are expected to be included in shift work during placement;

(2) whether participants in the new job training scheme are permitted or are expected to work overtime during placement.

Mr. Kenneth Clarke [*pursuant to his reply*, 9 March 1987, c. *21*]: Participants are under no obligation to undertake unsocial or long hours, but they may be invited to do so where this is normal working practice in the industry and business in which they are being trained.

Mr. Ernie Ross asked the Paymaster General how many job training scheme participants have found placement within Government Departments; and if he will make a statement.

Mr. Kenneth Clarke [*pursuant to his reply*, 9 March 1987, c. *21*]: I am informed by the Manpower Services Commission that it is not aware of any practical experience placements in Government Departments so far in the new JTS pilot programmes.

Mr. Ernie Ross asked the Paymaster General whether he will increase the allowance to participants in the new job training scheme to compensate for midday meals taken outside the house whilst under training with a managing agent and on placement.

Mr. Kenneth Clarke [*pursuant to his reply*, 9 March 1987, c. *21*]: We have accepted in full the Manpower Services Commission's recommendations for the development of the job training scheme, including its view that trainees should be no worse off through their participation in the scheme. The commission is now considering detailed proposals for meeting trainees' out-of-pocket expenses.

Ms. Clare Short asked the Paymaster General if he will specify exactly how the funding for the job training scheme has been assembled within the departmental budget.

Mr. Kenneth Clarke [*pursuant to his reply*, 23 February 1987, c. *87*]: Details of planned provision for my Department's programmes are contained in chapter 3·7 of "The Government's Expenditure Plans 1987-88 to 1989-90", volume II" (Cmnd. 56-II), a copy of which is in the Library. On 28 January I announced a further expansion of certain programmes which will increase my Department's total provision beyond that shown in Cmnd 56-II without adding to total public expenditure. A detailed breakdown will be contained in class VII of the Government's expenditure estimates, to be published on March 17.

Enterprise Allowance Scheme

Ms. Clare Short asked the Paymaster General how many individuals have participated in the enterprise allowance scheme in each year since 1979.

Mr. Trippier: The enterprise allowance scheme was piloted in five areas between February 1982 and July 1983 and introduced nationally in August 1983. The numbers participating from 1982 until 1987 were:

	Number
February 1982—July 1983 (pilot scheme)	3,331
August 1983—March 1984	27,629
April 1984—March 1985	46,037
April 1985—March 1986	60,036
April 1986—February 1987	[1]76,330

[1] Provisional

Independent Financial Intermediaries

Mr. Allan Stewart asked the Paymaster General what information he has as to the total numbers of people employed by independent financial intermediaries and as to the number of self-employed independent financial intermediaries.

Mr. Trippier: The Department's employment statistics are analysed according to the 1980 standard industrial classification (SIC) and independent financial intermediaries are not separately identified.

In September 1986, the latest date for which estimates are available, there were 921,000 employees in employment in Great Britain in banking and finance (Class 81 of the 1981 SIC), insurance except for compulsory social security (class 82), and business services auxiliary to these industries (activity headings 8310 and 8320).

The published estimates of the self-employed, which are not available in as much detail as those for employees in employment, show that in September 1986 there were an estimated 281,000 self-employed people in banking, finance, insurance, business services and leasing (division 8 of the 1980 SIC) in Great Britain.

On a different basis, estimates of the self-employed derived from the spring 1985 "Labour Force Survey" (the latest available) indicate that 15 per cent. of the total for division 8 were employed in banking and finance, insurance except for compulsory social security, and business services auxiliary to these industries.

Nuclear Power Plants (Closure)

Mr. Frank Cook asked the Paymaster General what assessments his Department has made of the economic and employment impact of the closure of nuclear power plants on nearby communities; whether such studies are publicly available; and if he will make a statement.

Mr. Trippier: My Department has made no such studies.

Health and Safety Regulations

Mrs. Ann Winterton asked the Paymaster General how many visits per day he expects to be carried out on average by inspectors under health and safety regulations; how long he estimates an inspector's visit made under health and safety regulations lasts on average; if he will give details of the salary structure and average salary of

inspectors who carry out visits under the health and safety regulations; and what is the total number of inspectors employed to carry out visits under health and safety regulations.

Mr. Trippier: It is not possible to provide meaningful information on the average number of visits per day or on the average duration of a visit made by Health and Safety Executive (HSE) inspectors, since the length of visits varies widely depending on the nature and purpose of the visit. The salary structure and the average salaries of those HSE inspectors who carry out visits are as follows:

Average national salary (1986)

Inspectorate and grade	*Average salary* £	*Salary scale from*	*to*
Agricultural			
Principal inspector	14,354	12,589	15,839
Inspector	11,187	9,680	14,946
Assistant inspector	6,965	7,930	10,387
Explosives			
Deputy chief inspector	21,297	19,257	22,575
Inspector	17,559	14,318	19,465
Assistant inspector	13,115	11,745	14,480
Factory			
Deputy superintending inspector	21,039	19,257	22,575
Inspector 1A	18,203	15,323	20,173
Inspector 1B	12,953	10,433	15,483
Inspector II	8,056	7,273	10,387
Technical and specialists			
Deputy superintending specialist inspector	20,836	19,257	22,575
Senior engineering inspector	16,933	15,301	18,636
Engineering inspector	13,421	11,745	14,480
Senior electrical inspector	18,138	14,318	19,465
Electrical inspector	13,011	11,745	14,480
Senior constructional engineering inspector	16,694	15,301	18,636
Constructional engineering inspector	12,826	11,745	14,480
Senior chemical inspector	16,212	15,301	18,636
Chemical inspector	12,494	11,745	14,480
Industrial air pollution			
District inspector	21,122	17,113	22,434
Inspector	16,206	13,205	17,649
Mines and quarries			
Principal inspector	34,171	34,171	34,171
District inspector (mines)	32,535	32,535	32,535
Senior inspector (mines)	32,535	32,535	32,535
Inspector (mines)	28,554	25,314	30,693
Inspector (mechanical) (mines)	26,986	25,314	30,693
Inspector (electrical) (mines)	29,002	25,314	30,693
Senior inspector (quarries)	16,115	15,238	17,926
Inspector (quarries)	13,409	11,745	14,480
Nuclear installations			
Principal inspector	21,883	19,880	23,675
Inspector	17,003	16,250	18,950

A total of 859 inspectors are employed by the Health and Safety Executive to carry out visits under health and safety regulations. This does not include 98 nuclear inspectors who are based at headquarters, but who also carry out visits to nuclear installations from time to time.

There are also inspectors employed by local authorities, and inspectorates covered by agency agreements with the Health and Safety Executive, who make visits to enforce health and safety regulations.

Wages Inspectorate

Mrs. Ann Winterton asked the Paymaster General how many visits per day he expects to be carried out on average by inspectors of the wages inspectorate; how long he estimates an inspector's visit made by the wages inspectorate lasts on average; if he will give details of the salary structure and average salary of inspectors who carry out visits for the wages inspectorate; and what is the total number of inspectors employed to carry out visits for the wages inspectorate.

Mr. Trippier: During 1987 it is planned that wages inspectors will carry out an average of 3·4 visits per day. The length of visits varies considerably according to the circumstances but on average about an hour is spent on the employer's premises.

The current salary structure for wages inspectors is given in the following table:

Wages inspector	*London* £	*Elsewhere* £
Executive Officer grade	6,715-10,917	5,250-9,492
Higher Executive Officer grade	10,895-13,406	9,430-11,941

The average salary of wages inspectors is £10,166.

At present there are 78 outdoor wages inspectors.

Adult Training Scheme

Ms. Clare Short asked the Paymaster General if he will provide details of the numbers in the adult training scheme and a breakdown of the type, duration and cost per place of the training in which they are engaged.

Mr. Trippier [*pursuant to his reply*, 6 March 1987, c. *712*]: Details of the numbers, cost and type of our adult training programmes are contained in sub-head H of class VII, vote 6, of the Supply Estimates for 1986-87. The length of courses mounted under these programmes can vary, according to content, from a day to several months.

TVEI (Grants)

Mr. Ashdown asked the Paymaster General what technical and vocational education initiative grants have been made to each local education authority in 1986-87; when the pilot schemes started in each authority; whether in each case he has received an evaluation report of the pilot schemes; and if he will make a statement.

Mr. Trippier [*pursuant to his reply*, 6 March 1987, c. *712-13*]: The table shows the profiled expenditure for 1986-87 and the date pilot projects started the technical and vocational education initiative (TVEI) for the 95 local education authorities/education authorities currently operating projects.

The Manpower Services Commission has mechanisms for monitoring the progress of each individual scheme and has already published interim evaluation reports on the management of TVEI pilot schemes. Further independent evaluation including a summary of evaluation studies to date will be published later this year and thereafter. In each case the local education authority/education authority is required to commission an independent local evaluator. In addition, Her Majesty's inspectorate of schools has issued a number of reports on TVEI pilot schemes and will continue to do so.

It is the Government's wish that all authorities should participate in the extension of the initiative and benefit from the lessons emerging from the pilot projects.

Authority	Year pilot project started	Profiled expenditure 1986-87 (£'000)
Barking	1986	325
Barnet	1986	325
Barnsley	1983	680·6
Bedfordshire	1983	904·4
Berkshire	1984	434
Bexley	1986	331
Birmingham	1983	1,014·9
Bolton	1984	409
Borders	1984	400
Bradford	1983	831·8
Bromley	1985	487·9
Buckinghamshire	1984	422·4
Bury	1984	516·5
Calderdale	1986	393
Cambridgeshire	1984	450
Cheshire	1984	522·8
Cleveland	1984	420
Clwyd	1983	734·6
Cornwall	1984	406·8
Coventry	1984	400
Croydon	1984	359·1
Cumbria	1984	388·6
Derbyshire	1984	402·8
Devon	1983	864·8
Doncaster	1984	400
Dorset	1986	325
Dudley	1984	425
Dumfries and Galloway	1984	400
Durham	1984	387
Dyfed	1985	402·6
Ealing	1985	400
East Sussex	1984	405·8
Enfield	1983	806·3
Essex	1984	318·5
Fife	1984	400
Gateshead	1986	325
Gloucestershire	1984	409
Gwent	1984	402
Gwynedd	1984	444
Hampshire	1984	451
Harrow	1986	325
Havering	1984	400
Hereford and Worcester	1983	943
Hertfordshire	1983	805·5
Hillingdon	1986	325
Isle of Wight	1984	406·8
Kent	1985	435
Kingston upon Thames	1985	400
Leicestershire	1983	757·2
Lincolnshire	1984	399·9
Lothian	1985	411·8
Manchester	1986	280·6
Merton	1986	325
Mid Glamorgan	1984	424
Newcastle-upon-Tyne	1984	428·4
Norfolk	1984	445·3
North Tyneside	1984	411
North Yorkshire	1985	443·7
Northamptonshire	1984	411
Northumberland	1984	400
Nottingham	1986	328
Oxford	1986	367
Powys	1984	400
Redbridge	1986	325
Richmond-upon-Thames	1984	474·5
Rochdale	1986	325
Salford	1986	325
Sandwell	1983	425·5
Sheffield	1986	325
Shropshire	1984	407
Solihull	1984	411·5
Somerset	1984	424·6
South Glamorgan	1985	414
South Tyneside	1984	400
St. Helens	1986	325
Staffordshire	1983	485·6
Stockport	1984	400
Strathclyde—Glasgow	1984	462
Strathclyde—Renfrew	1984	421
Suffolk	1984	414
Sunderland	1984	375·7
Surrey	1984	400
Sutton	1986	325
Tameside	1984	441·5
Tayside	1986	490
Trafford	1986	368
Wakefield	1986	331·4
Walsall	1985	341
Warwickshire	1984	400
West Glamorgan	1984	400
West Sussex	1985	399
Wigan	1983	421·2
Wiltshire	1985	328
Wirral	1983	580·6
Wolverhampton	1985	415

Mr. Ashdown asked the Paymaster General what technical and vocational education initiative extension grants have been approved for each local education authority; and if he will make a statement.

Mr. Trippier [*pursuant to his reply*, 6 March 1987, c. *712-13*]: Contracts have yet to be agreed with any authority for extension funding. Sixty-one authorities were eligible to apply for extension funding in 1987. On these, 25 submitted proposals and the Manpower Services Commission is holding discussions with 11 of these with a view to their launching extension programmes in the autumn. Negotiations about funding for preparatory projects are also in hand with six of the 18 authorities not previously involved in the technical and vocational education initiative (TVEI). The Government hope that all authorities will take advantage of the opportunity to participate in the TVEI extension.

Engineering Apprenticeships

Mr. Barry Jones asked the Paymaster General how many engineering apprenticeships were supplied in 1979 and in 1986.

Mr. Trippier [*pursuant to his reply*, 9 March 1987, c. *19*]: The information is not available in the detail requested. There is no central record of all engineering apprentices, many of whom are employed outside the engineering industry.

However, the Engineering Industry Training Board (EITB) has maintained a record of those trainees registering with it for basic craft and technician training. The record includes both trainees in firms within the industry and those employed by companies in other industries that choose to register their trainees with the board. This record does not include all engineering craft and technician trainees outside the engineering industry. Statistics for these are not available. EITB registrations for the years 1978-79 and 1985-86 are as follows:

Registrations

Year	Engineering Industry	Other Industries
1978-79	24,519	3,239
1985-86	9,302	1,256

Source: EITB records.

Total employment in the engineering industry has fallen by about one third since the late 1970s — and the population of people employed as craftsmen and technicians has declined by about the same amount. Apprenticeship is not the only route to craft and technician jobs. A substantial amount of initial skills training is undertaken within YTS and the expended two-year scheme will provide increased opportunity for flexible skills training relevant to employers' needs.

FOREIGN AND COMMONWEALTH AFFAIRS

Control of Goods Act

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs if he will seek to amend the Control of Goods Act and other legislation to give effect in British law to the recommendations contained in United Nations Security Council resolution 591 of 28 November 1986, in particular in clauses 2, 3, 4, 7, 10 and 11.

Mrs. Chalker: No amendments to United Kingdom legislation are necessary following the adoption by consensus of Security Council resolution 591.

South Africa

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs what was the establishment of the British embassy and consulates in South Africa as at 1 March 1987, 1 March 1986 and 1 March 1985; and if he will indicate the duties of each diplomatic official on those dates.

Mr. Eggar: The establishment of Her Majesty's embassy and consulates in South Africa at 1 March 1987 was 161, at 1 March 986 was 166 and at 1 March 1985 was 158.

The duties of diplomatic officials at 1 March 1987 were as follows:

(a) British embassy, Pretoria/Cape Town
Her Majesty's ambassador
Minister
Counsellor, head of chancery
Counsellor
Cultural attache (British Council) (not in establishment figures)
First secretary (labour)
First secretary (economic)
First secretary (chancery)
First secretary (information)
First secretary (administration)
Second secretary (chancery)
Second secretary (chancery)
Second secretary (works)
Second secretary (works)
Second secretary (communications)
Second secretary (communications)
Third secretary (communications)

(b) British consulate general, Johannesburg
Consul general and director of trade promotions
Deputy consul general
Consul (commercial)
Consul (consular)
Vice consul (political information)
Vice consul (commercial)
Vice consul (commercial)
Vice consul (consular)
Vice consul (consular)
Vice consul (consular)

(c) British consulate, Cape Town
Consul
Vice consul (political/information)
Vice consul (commercial)
Vice consul (consular)

(d) British consulate, Durban
Consul

The only changes during the period in question affecting diplomatic officials were the abolition of the post of vice consul (information), Johannesburg, in April 1986 and the addition of the post of vice consul (consular), Johannesburg, in March 1986. The defence attaché and naval and air attaché were withdrawn from Her Majesty's embassy in November 1985.

United Nations Fund for Victims of Torture

Mr. Lawrence asked the Secretary of State for Foreign and Commonwealth Affairs what contribution Her Majesty's Government make to the United Nations fund for victims of torture.

Mr. Eggar: The United Kingdom made a contribution of £10,000 to this fund in 1984.

Turkish Minority (Bulgaria)

Mr. David Atkinson asked the Secretary of State for Foreign and Commonwealth Affairs (1) what information his Department has collected about the latest developments in Bulgaria concerning the Turkish assimilation campaign; and if he will make a statement;

(2) whether he has any information about the numbers of Turks who have been killed as a result of the assimilation of the Turkish minority in Bulgaria.

Mr. Renton: Reports on recent actions by the Bulgarian authorities towards the ethnic Turkish minority have referred to violent clashes and deaths. We have pressed the Bulgarian authorities to permit access to the affected areas, so that the facts can be established. Facilities for this have not been granted. We therefore have no first-hand information on the situation.

Mr. David Atkinson asked the Secretary of State for Foreign and Commonwealth Affairs (1) what recent representations the Government have made to the Bulgarian authorities about the treatment of the ethnic Turkish minority;

(2) whether the Government will make representations to the United Nations Commission on Human Rights about the treatment of the minority Turkish population in Bulgaria.

Mr. Renton: Reports of mistreatment of the ethnic Turkish minority have still not been satisfactorily explained by the Bulgarian authorities. This remains a matter of concern which we have repeatedly brought to their attention bilaterally and in multilateral fora, including at the current CSCE follow-up meeting in Vienna and at the current session of the United Nations Commission for Human Rights in Vienna.

Mr. David Atkinson asked the Secretary of State for Foreign and Commonwealth Affairs (1) whether he has

any information about the number of Turks in Bulgaria who have been given permission to visit relatives in Turkey since 1985;

(2) what information his Department has collected about the numbers of Turks who have been allowed to emigrate from Bulgaria since 1982.

Mr. Renton: The information requested is not readily available. I will write to my hon. Friend as soon as possible.

Lebanon

Mr. Beith asked the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has held with his counterparts in the European Community Council of Foreign Ministers about the situation in the Lebanon.

Mr. Renton: The situation in Lebanon was among the subjects my right hon. and learned Friend discussed with his EC colleagues at their meeting in Brussels on 23 February.

Single European Act

Sir Russell Johnston asked the Secretary of State for Foreign and Commonwealth Affairs what consideration he has given to the communication from the European Commission, entitled "Making a Success of the Single Act."

Mrs. Chalker: The Commission's paper was discussed by Foreign Ministers on 22 February. My right hon. and learned Friend made clear that the first requirement was for measures to be taken to control expenditure, including agricultural expenditure and called on the Commission to put forward detailed proposals building on the ideas in its paper. He made clear that Britain stood by the conclusions of the Fontainebleau European Council of June 1984 and saw no case for going beyond them.

Diplomatic Immunity

Mr. Lawrence asked the Secretary of State for Foreign and Commonwealth Affairs on how many occasions in the past 10 years members of the diplomatic administrative or technical staff of foreign missions, or members of their families, have escaped arrest or prosecution for serious offences as a result of their status.

Mr. Eggar: The figures for 1974 to 1983 were given on page 16 of the Foreign Affairs Committee report "The Abuse of Diplomatic Immunities and Privileges" of December 1984.

The figures for subsequent years to date are as follows:

	Number
1984	48
1985	53
1986	38
1987	6

In accordance with the report, "serious" is defined as falling into a category which could in certain circumstances attract a penalty of six months imprisonment or more; in fact, we are advised that very few of the alleged offences would have been likely to attract a custodial sentence. There has been a significant fall in the number of alleged serious offences since the notification to the Diplomatic Corps of the stricter standards set out in the White Paper on diplomatic immunities and privileges (Cmnd. 9497).

Mr. Lawrence asked the Secretary of State for Foreign and Commonwealth Affairs how many foreign diplomats have been withdrawn from their posts in Britain following allegations of serious crime against them in the last 10 years.

Mr. Eggar: The figures for withdrawals of diplomats, administrative and technical staff members and dependants where applicable from 1982 onwards to date are:

	Number
1982	14
1983	17
1984	13
1985	25
1986	17
1987	3

Figures for withdrawals for the years 1976-81 could be obtained only at a disproportionate cost.

Mr. Lawrence asked the Secretary of State for Foreign and Commonwealth Affairs on how many occasions in the last 10 years when an allegation has been made that a diplomat has committed a serious offence has that diplomat not been required to leave Great Britain.

Mr. Eggar: I regret that the information in the form requested by my hon. Friend is not readily available, and could be obtained only at disproportionate cost.

Mr. Peter Bruinvels asked the Secretary of State for Foreign and Commonwealth Affairs on how many occasions in the last 10 years foreign Governments have refused to waive the immunity of diplomats alleged to have committed sexual offences; and if he will break down this figure by year, by country of origin of the diplomat, and by nature of the offence.

Mr. Eggar: Statistics for 1974 to 1983 relating to alleged sexual offences by persons with immunity were given on page 16 of the Foreign Affairs Committee report "The Abuse of Diplomatic Immunities and Privileges."

The figures for subsequent years to date are as follows:

	Number
1984	3 (two indecent assault, one gross indecency)
1985	2 (both gross indecency)
1986	none
1987	none

It has not been the practice to name individual missions whose staff are reported to have committed offences.

One waiver was requested and refused in 1984 and also in 1985. The other alleged offenders in 1982 to 1985 were transferred without a waiver being requested. We have no centralised records of waivers requested before 1982 and figures could be provided only at disproportionate cost.

KMS Ltd

Mr. Foulkes asked the Secretary of State for Foreign and Commonwealth Affairs if his Department at any time over the past five years has had contracts with KMS Ltd.

Mr. Eggar: The Foreign and Commonwealth Office last employed KMS Ltd from May to August 1982.

NATIONAL FINANCE

Income Tax

Sir Brandon Rhys Williams asked the Chancellor of the Exchequer what is his latest estimate of the cost of cutting the top rate of income tax to 50 per cent.

Mr. Norman Lamont: The direct revenue cost would be about £400 million in a full year at forecast 1987-88 income levels compared with an indexed income tax regime. This estimate does not allow for any possible behavioural effects.

Mr. Ralph Howell asked the Chancellor of the Exchequer what was the total amount paid in income tax for the tax year 1985-86 by persons who earned more than two thirds of the national average wage, showing the percentage of the total income tax revenue that his figure represents; and what is the forecast for 1986-87.

Mr. Norman Lamont: In 1985-86 average earnings were about £10,300 for male employees paid at adult rates with pay unaffected by absence. Taxpaying single people and married couples with gross incomes for income tax purposes about two thirds of this level had income tax liabilities of about £36 billion in 1985-86, approximately 90 per cent. of total income tax liability. In 1986-87 the corresponding estimates are £11,100, £38 billion and 90 per cent. respectively.

Mr. Ralph Howell asked the Chancellor of the Exchequer if he will publish a list, in league order, showing such information as he has for each member state of the European Economic Community, United States of America, Canada, Sweden and Japan about *(a)* the starting rate of income tax and *(b)* the top rate of income tax, excluding local income tax.

Mr. Norman Lamont: The information requested is given in the tables:

	Per cent.
(a) Starting rates of income tax	
Portugal	2·5
Sweden	4·0
Canada	6·0
Greece	7·0
Japan	10·5
Luxembourg	11·0
United States of America	11·0
Italy	12·0
Netherlands	16·0
France	19·0
Spain	21·0
Denmark	21·0
Belgium	22·0
Germany	22·0
United Kingdom	29·0
Ireland	35-60·0
(b) Top rates of income tax	
Canada	38·0
United States of America	38·5
Denmark	40·0
Sweden	50·0
Germany	56·0
France	58·0
Ireland	58·0
United Kingdom	60·0
Portugal	60·0
Luxembourg	61·0
Italy	62·0
Greece	63·0
Spain	66·0
Japan	66·5
Belgium	72·0
Netherlands	72·0

Notes:

1. The rates used are those current in 1987, where available ie Denmark, Germany, Luxembourg, Netherlands, Spain, United States of America, Ireland (1986-87) and United Kingdom (1986-87). Otherwise the 1986 rates are used, ie Belgium, France, Greece, Italy, Portugal, Canada, Japan and Sweden.
2. The figures relate to a married couple without children. The rates are those applicable to employment income. These are the same as those applicable to investment income, except in the case of Japan where the top rate on investment income is 70 per cent. and Portugal where it is 53-65 per cent. (there are different rates for different types of investment income).
3. The figures are shown exclusive of local income taxes. Local income taxes can sometimes make a significant difference. In Denmark, for example, the starting rate would be 49 per cent. with the inclusion of local income tax at the Copenhagen rate (a typical one)—the top rate would be 68 per cent. In Sweden inclusion of local income tax at the typical Stockholm rate would make the starting rate 30 per cent. and the top rate 80 per cent. In Japan the inclusive figure for the top rate would be 84 per cent. (using the rate paid by the majority of the population).
4. The higher starting rate for a married couple in Ireland (60 per cent.) reflects the marginal relief just above the exemption limit. Where there is no longer any marginal relief, the rate reduces to 35 per cent.

Local Authorities (Capital Receipts)

Mr. Raison asked the Chancellor of the Exchequer what assessment he has made of the impact on public expenditure of empowering local authorities to increase the proportion of capital receipts which they could spend from 30 per cent. to *(a)* 40 per cent. and *(b)* 50 per cent.

Mr. Lawson: At present a local authority can use 20 per cent. of its housing receipts and 30 per cent. of most other receipts for capital spending in any one year, and these prescribed proportions apply to past receipts not already used in this way in previous years as well as to those which arise during the year.

If the proportions were increased, the rate at which local authorities could use receipts for capital spending would be accelerated. With proportions of *(a)* 40 per cent. and *(b)* 50 per cent. their scope for spending from receipts would initially increase by an estimated *(a)* £1½ billion and *(b)* £2½ billion a year.

But in order to keep to the Government's overall plans for local authority capital spending, allocations related to individual local authorities' actual need to spend would have to be reduced to offsett the scope for accelerated use of receipts. If, for example, half the increased scope for spending from receipts were actually used, the room for spending from allocations would be *(a)* £¾ billion and *(b)* £1¼ billion less.

Floating Debt

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing the floating debt as a percentage of gross domestic product and of the national debt in 1957, 1967 and 1977 and the latest 12 months for which figures are available.

Mr. Ian Stewart: No. The information requested can be derived from the following publications:

Annual Consolidated Funds and National Loans Fund Accounts since 1968-69; supplementary statements.
Finance Accounts of the United Kingdom pre 1968-69.
Economic Trends; Economic Trends Annual Supplement.

EC Commission (Overdraft Facilities)

Mr. Teddy Taylor asked the Chancellor of the Exchequer on how many occasions prior to February 1987 the European Economic Community Commission has demanded to overdraw on the account of member states under article 12(2) of Regulation 2891/77; if he will make a statement on the operation of the sub-article; and whether there is any restriction on the amount of such overdraft facilities which can be demanded from the accounts of member states.

Mr. Brooke [*pursuant to his reply*, 5 March 1987, c. *645*]: Article 12(2) of Council Regulation 2891/77 of 19 December 1977 empowers the Commission, in certain circumstances, to draw in excess of the total assets in its accounts in member states. The payments are an obligation to be met by a direct charge on the Consolidated Fund under section 2(3) of the European Communities Act 1972. The facility can be used only to meet legitimate expenditure commitments up to the limit of available own resources in the budget, or within the limits of the provisional twelfths regime. In practice the Commission only draws at any one time sufficient to meet its immediate cash needs. Repayment is achieved by deduction of the outstanding amount of the overdraft from the next available own resources payment into the Commission's accounts. The overdraft payment made in February this year was recovered from the VAT contribution paid on 2 March.

The United Kingdom first made payments to the EEC Commission under the provisions of article 12 during February 1985. My right hon. Friend the Economic Secretary notified the House of the Commission's request at the time in his reply to the hon. Member for Corby (Mr. Powell) on 25 February 1985, columns *58*). Between 25 February and 29 April 1985 the Commission drew in excess of the total assets in its United Kingdom account on eleven separate occasions. The Commission did not make any further use of this facility between April 1985 and February 1987.

Taxpayers

Mrs. Virginia Bottomley asked the Chancellor of the Exchequer, for the last year that information is available, how many taxpayers had incomes between *(a)* £27,500 to £29,999; *(b)* £30,000 to £34,000, *(c)* £35,000 to £39,999, *(d)* £40,000 to £44,999 and over £50,000.

Mr. Norman Lamont [*pursuant to his reply*, 9 March 1987]: Estimates for 1986-87 are given in the table. The analysis is of single people and married couples liable to income tax. The figures are based on a projection from the 1984-85 "Survey of Personal Incomes" and are therefore provisional.

Number of tax units liable to income tax by range of total income, 1986-87

Total income (lower limit) (£ per annum)	*Number of taxpayers[1] (thousands)*
27,500	160
30,000	210
35,000	110
40,000	70
45,000	50
50,000	110

[1] Counting married couples as one and combining their incomes.

Overdue Taxes

Mr. Speller asked the Chancellor of the Exchequer if he will list the grade of officer who may receive some form of commission or other payment for success in collecting overdue taxes; how much has been paid in each of the past five years for which figures are available; what was the highest individual sum paid; and if he will make a statement on his policy regarding such payment by results.

Mr. Norman Lamont [*pursuant to his reply*, 9 March 1987]: No grade of officer receives payment of commission or other payment simply on the basis of success in collecting overdue taxes. Like all other departments the Inland Revenue has an experimental performance bonus scheme for senior staff of grade 3 (under-secretary) down to grade 7 (principal and equivalent grades) and all staff of these grades, whatever their duties, are eligible.

The scheme has been running for two years. The total amount to be awarded for 1986-87 is £508,740 and in 1985-86 the total was £509,500. The highest award payable under the scheme in both years was £1,100.

NORTHERN IRELAND

Ethnic Monitoring

Mrs. Dunwoody asked the Secretary of State for Northern Ireland if he will list the number of entrants to his Department from the ethnic minorities in the years 1985-86 and 1986-87; if he will also list the monitoring procedures used to ascertain the percentage of the work force represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into his Department.

Mr. Scott: The ethnic origins of new entrants have been surveyed since October 1985. The latest available information for the period up to 30 September 1986 is as follows:

Total new entrants to the Northern Ireland Office in period 1 October 1985 to 30 September 1986

Ethnic origins	*Number*
white	5
black/asian	3
not stated	2
Total	10

A phased programme of departmental surveys of the ethnic origin of non-industrial civil servants by means of voluntary self-classification is being conducted. By the end of 1986 all home civil servants (industrial as well as non-industrial) in the Northern Ireland Office had been surveyed. Northern Ireland civil servants were not included in this survey since they are covered by a separate equal opportunities monitoring system adapted to the different needs and circumstances of Northern Ireland.

Consideration is being given to ways of using the data on the ethnic origin of staff-in-post to monitor promotion.

All departmental recruitment is conducted on the basis of fair and open competition and selection is on merit. I refer the hon. Member to the answer given by my right hon. Friend the Minister of State, Privy Council Office, on 20 February 1987 at columns *880-81*, reporting the arrangements being made to encourage people from the ethnic minorities to apply to the Civil Service.

Civil Servants (Anglo-Irish Conference)

Mr. J. Enoch Powell asked the Secretary of State for Northern Ireland what authorisation has been given to civil servants servicing the Anglo-Irish conference to address party political meetings on their work.

Mr. Tom King: The secretariat was established in December 1985 to service the Anglo-Irish Intergovernmental Conference. It is staffed jointly by civil servants from the United Kingdom and the Republic of Ireland and acts as a channel of communication between the two Governments. No member of the secretariat has been involved with or addressed any party political meetings in Northern Ireland.

Cervical Cancer Screening

Mr. Parry asked the Secretary of State for Northern Ireland if he will make a statement on facilities provided for the screening of cervical cancer in the Province; and if he will make a statement.

Mr. Needham: Until recently all cervical screening smears were tested at three laboratories in Northern Ireland, two in the eastern health and social services board area and one in the western board area. A new laboratory opened in the northern board area in February. Additional laboratory accommodation is planned for the southern board next year and arrangements are also being made for extra smears to be processed in the western board area.

The resources needed for staff and equipment have been provided and a computerised call and recall system is being developed to ensure that all women aged 20-65 will be called for screening at five-yearly intervals. The Government's aim is to have in place by 1988 a comprehensive cervical screening service which meets the need of all women in Northern Ireland.

KMS Ltd

Mr. Foulkes asked the Secretary of State for Northern Ireland if his Department at any time over the past five years has had contracts with KMS Ltd.

Mr. Scott: No.

Unity Flats

Mr. Bell asked the Secretary of State for Northern Ireland what are the Northern Ireland Housing Executive's estimates for the Unity flats of *(a)* the total cost of refurbishing the whole complex and *(b)* the average cost per dwelling, including loan and interest charges for refurbishment, given a 30-year estimated life span.

Mr. Needham: This is a matter for the chairman of the Northern Ireland Housing Executive who has advised me that *(a)* the total estimated works cost of refurbishing the whole complex is approximately £5·25 million, which is an average cost per dwelling of between £18,000 and £19,000; and *(b)* the estimated average unit cost including loan and interest charges over 25 years would be £50,000.

Mr. Bell asked the Secretary of State for Northern Ireland what are the Northern Ireland Housing Executive's detailed results and estimates of the cost-benefit analysis it agreed to complete for the Unity Flats Tenants' Association last June into comparing the total costs of demolition and redevelopment for the Unity flats complex as compared with the total costs of refurbishment including the isolation of the blocks.

Mr. Needham: This is a matter for the chairman of the Northern Ireland Housing Executive who has advised me that the detailed results are not yet available.

Mr. Bell asked the Secretary of State for Northern Ireland if he will list the areas of land zoned for industrial and residential use in the immediate vicinity of Unity flats including the area between Upper Library street, Carlisle circus, Clifton street, Donegall street, Upper North street and Royal avenue.

Mr. Needham: The current Belfast urban area plan has no zoning indications for the area in question. In the absence of zoning indications, the presumption is that the current land use will continue, but any planning indication for change of use would be considered on its merits.

Mr. Bell asked the Secretary of State for Northern Ireland how many residents of Unity flats have been subject to action under the Payment for Debt (Emergency Provisions) Act (Northern Ireland) in each year for which information is available.

Mr. Scott: The information is not available in the form requested and could be obtained only at disproportionate cost.

Mr. Bell asked the Secretary of State for Northern Ireland what are the figures for the number of dwellings in Unity flats *(a)* occupied, *(b)* under occupied, *(c)* overcrowded and *(d)* vacant at the most recent date for which figures are available.

Mr. Needham: This is a matter for the Northern Ireland Housing Executive. I understand from the chairman that at 6 March 1987, 254 dwellings were occupied and 31 were vacant. Information is not available about the extent of any under-occupation or overcrowding.

Mr. Bell asked the Secretary of State for Northern Ireland how many residents of Unity flats have received *(a)* certificate housing benefits, *(b)* standard housing benefits and *(c)* housing benefit supplement since 1983 for each year; and what have been the total amounts in each category paid to the Unity residents since the introduction of the scheme.

Mr. Needham: I am informed by the Northern Ireland Housing Executive that this information is not readily available and could be obtained only at disproportionate cost.

Mr. Bell asked the Secretary of State for Northern Ireland how many people from the waiting list by category are currently on the waiting list seeking *(a)* transfer out of Unity and *(b)* a transfer into Unity; and of these categories if he will list by numbers their areas of preference.

Mr. Needham: This is a matter for the Northern Ireland Housing Executive. I understand from the chairman that there are currently 65 applications for transfer out of the Unity complex and 63 applications for transfers into the Unity complex. The more detailed information sought could be obtained only at disproportionate cost.

Mr. Bell asked the Secretary of State for Northern Ireland (1) how many repairs by type and category are carried out annually in Unity flats for the years in which information is available;

(2) if he will list the type and number of repair requests made by the residents of Unity to the Northern Ireland Housing Executive for the past five years to date.

Mr. Needham: This is a matter for the chairman of the Northern Ireland Housing Executive who has advised me that information in the form requested is not readily available and could be compiled only at disproportionate cost. He has advised me, however, that approximately 1,200 repair requests are processed annually; the most common requests relate to dampness, wind and weather proofing difficulties, condensation, and various internal defects.

Carrick Hostel Site (Development)

Mr. Bell asked the Secretary of State for Northern Ireland when the Northern Ireland Housing Executive and Department of the Environment first received the initial planning request to build flats on the site of the Carrick hostel from the Open Door Housing Association; when initial planning permission was first given; and which authorities, groups, voluntary and statutory bodies the Department of the Environment and the Northern Ireland Housing Executive have consulted to date on these proposals.

Mr. Needham: A planning application to build flats for single persons, on the site of the annexe to the Carrick house hostel, was received on 17 December 1986 and outline approval was given on 25 February 1987. The Belfast city council was consulted on the planning application. In considering the association's application for grant aid for the project, the Department sought the views of the eastern health and social services board and the Northern Ireland Housing Executive, both of which supported the proposal.

The Department has, therefore, accepted the project in principle; its implementation will be subject to the award of full planning permission, detailed approval of costs and design standards and the availability of resources.

The House Executive has not direct role in planning matters or in the approval of housing association projects.

Terrorism

Mr. Campbell-Savours asked the Secretary of State for Northern Ireland what investigations are currently taking place into murders and kidnappings by paramilitary organisations in the 1970s.

Mr. Scott [*pursuant to his reply*, 5 March 1987, c. 658]: All crimes committed within Northern Ireland are investigated by the Royal Ulster Constabulary. Files on serious crimes are kept open indefinitely and any new evidence is vigorously pursued.

Broadleaved Woodlands

Mr. Chapman asked the Secretary of State for Northern Ireland how many broadleaved woodlands have been notified as areas of special scientific interest in Northern Ireland; and how many tree preservation orders exist covering areas of broadleaved woodland, rather than individual trees.

Mr. Needham [*pursuant to his reply*, 9 March 1987, c. *2-3*]: No exclusively broadleaved woodlands have yet been notified as areas of special scientific interest under the provisions of the Nature Conservation and Amenity Lands (NI) Order 1985. Sixty-one tree preservation orders have been made in respect of groups of trees; none of these are in respect of exclusively broadleaved woodlands.

AGRICULTURE, FISHERIES AND FOOD

Milk and Dairies Regulations

Mrs. Ann Winterton asked the Minister of Agriculture, Fisheries and Food (1) how many visits per day he expects to be carried out on average by his Department's inspectors as statutory inspections carried out under the Milk and Dairies and Milk (Special Designation) (Charges) Regulations (S.I., 1987, No. 212); and how long he estimates an inspector's visit made under the Milk and Dairies Regulations last on average;

(2) if he will give details of *(a)* the proposed salary structure and anticipated average salary and *(b)* the total number of inspectors employed to carry out visits under the Milk and Dairies and Milk (Special Designation) (Charges) Regulations (S.I., 1987, No. 212) whole time equivalent;

(3) how many further inspectors are to be employed by his Department to carry out visits under the Milk and Dairies and Milk (Special Designation) (Charges) Regulations (S.I., 1987, No. 212);

(4) if he will estimate the number of farms which fall into the smaller farms category as defined by the Milk and Dairy and Milk (Special Designation) (Charges) Regulations (S.I. 1987, No. 212).

Mr. Gummer: I shall reply to my hon. Friend as soon as possible.

Cow Subsidies

Mrs. Ann Winterton asked the Minister of Agriculture, Fisheries and Food what information he has concerning the average level of financial support per cow in each of the other European Economic Community countries.

Mr. Gummer: I shall reply to my hon. Friend as soon as possible.

SCOTLAND

Ethnic Monitoring

Mrs. Dunwoody asked the Secretary of State for Scotland if he will list the numbers of entrants to his Department from the ethnic minorities in the years 1985-86 and 1986-87; if he will also list the monitoring procedures used to ascertain the percentage of the work force represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into his Department.

Mr. Rifkind: The ethnic origins of new entrant non-industrial staff have been surveyed since October 1985. The latest available information for the period up to 31 January 1987 is as follows:

	Number
Total non-industrial new entrants to the Scottish Office in the period 1 October 1985 to 31 January 1987	750
Ethnic origins (rounded up the nearest multiple of five to preserve confidentiality)	
White	385
Black/Asian/Others	5
Not stated (ie non respondents)	365

A phased programme of departmental surveys of the ethnic origin of all non-industrial civil servants by means of voluntary self-classification is being conducted. Scottish Office staff will be surveyed by the end of 1987. Consideration is being given to ways of using the data on the ethnic origin of staff-in-post to monitor promotion.

All Departmental recruitment is conducted on the basis of fair and open competition and selection is on merit. I refer the hon. Member to the answer given by my right hon. Friend the Minister of State, Privy Council Office on 20 February 1987 at column *882* reporting the arrangements being made to encourage people from the ethnic minorities to apply to the Civil Service.

Breast Cancer

Mr. Parry asked the Secretary of State for Scotland what is the average waiting time for women in Scotland who have had tests for breast cancer to be informed of the results of the tests.

Mr. John MacKay: This information is not available centrally.

Cervical Cancer

Mr. Parry asked the Secretary of State for Scotland if he will make a statement on facilities provided for the screening of cervical cancer in Scotland; and if he will make a statement.

Mr. John MacKay: All Scottish health boards provide facilities for the immediate investigation of patients for whom a cervical smear is required on clinical grounds, and in addition provide facilities for routine screening. I am currently considering whether to give boards revised guidance on routine screening.

KMS Ltd

Mr. Foulkes asked the Secretary of State for Scotland if his Department at any time over the past five years has had contracts with KMS Ltd.

Mr. Lang: I shall reply as soon as possible.

Parole

Mr. Millan asked the Secretary of State for Scotland (1) what changes in parole policy and procedure he intends to implement in the light of the judgment of the European Court of Human Rights in the case of Robert Weeks;

(2) what changes in parole policy and procedure he intends to implement in the light of the English High Court judgment in the case of Brian Handscomb.

Mr. Rifkind: I have no immediate proposals for changes in parole policy and procedures, but will study carefully the implications for Scotland of the two judgments.

Dunfermline College

Mr. Millan asked the Secretary of State for Scotland what response he has sent to the Council for National Academic Awards in response to its advice that any transfer to Dunfermline college of students at present attending the first year of their course at the Scottish school of physical education, Jordanhill, requires the consent of the students concerned; and whether he has obtained that consent.

Mr. Rifkind: My Department indicated that while it is in the students' interests to move to the Dunfermline site so that their training may be completed on an integrated basis, it was not intended to impose any transfer. I understand that arrangements are being made for all the students to meet staff and students at Dunfermline before they reach any decision.

Mr. Millan asked the Secretary of State for Scotland (1) what estimate he has made of the cost of providing a sports pavilion at Dunfermline college;

(2) what estimate he has made of the cost of upgrading and extending the games hall facilities at Dunfermline college;

(3) what estimate he has made of the cost of providing a floodlit synthetic pitch at Dunfermline college.

Mr. Rifkind: I have nothing to add to my reply of 12 January, at columns *81-82*, to the hon. Member for Glasgow, Garscadden (Mr. Dewar).

Mr. Millan asked the Secretary of State for Scotland what estimate he has made of the cost of providing additional toilet and other facilities to provide for male physical education students at Dunfermline college.

Mr. Rifkind: I understand from Dunfermline college of physical education that it is not envisaged that any additional costs need be incurred during the 1987-88 financial year but that expenditure in the region of £50,000 is likely to be required during 1988-89.

Jordanhill College

Mr. Millan asked the Secretary of State for Scotland if he will list the facilities which will be surplus to requirements at Jordanhill college in the event of the training of physical education teachers being discontinued there; how these facilities are proposed to be disposed of; and what he estimates the proceeds of disposal will be.

Mr. Rifkind: In my statement on 17 July 1986 announcing the centralisation of physical education training, I also asked colleges to dispose of surplus accommodation, whether for educational or for other use. My Department has subsequently sought to agree a programme of disposals with each college. Jordanhill was not pressed to include firm proposals for the disposal or alternative use in due course of the specialist facilities used to train secondary physical education teachers, primarily because the extent to which those facilities will become surplus is uncertain until the outcome of a review of leisure and recreation courses, which is to be undertaken shortly by my Department, is known.

Mr. Millan asked the Secretary of State for Scotland if he will publish in the *Official Report* his reply to the letter from the chairman of the board of governors of Jordanhill college, dated 15 September 1986, with regard to his proposal to discontinue the training of physical education teachers at Jordanhill.

Mr. Rifkind: I refer the right hon. Member to my letter sent to the chairman of the board of governors of Jordanhill college on 24 September 1986. I am arranging for a copy of this letter, which is as follows, to be placed in the Library of the House.

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James L. Brown, Esq, MA, MEd
Chairman of the Board of Governors
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24 September 1986

Dear Mr. Brown,

I was glad to have the opportunity to meet you and your colleagues on 5 September and to hear at first hand the reasons for the College's opposition to the ending of pre-service training for physical education teachers at Jordanhill. I have also seen your letter of 15 September.

In conjunction with my officials, I have considered carefully the various points which you have raised. However, I must say that I remain of the view that the decision which I announced to the House of Commons on 17 July is soundly based.

I should nevertheless like to clarify a number of aspects in the light of our discussion. In the short term the retention of PE teacher training at both sites might seem to provide a relatively easy option, both in geographical terms and to avoid an unpalatable outcome to one of the existing specialist units. But I am convinced that such a course of action would be mistaken, having regard to the educational implications in the longer term. I am satisfied that it is in the wider interests of Scottish education as a whole for a single, national centre for physical education to be established in order to develop a centre of excellence in the full sense of the term. I do not believe that the same excellence and scope for professional innovation across the range of related fields can be secured at two centres in a country of Scotland's size.

It seems to me that only by seeking to create a single establishment can the necessary scale of operation be achieved in order to ensure that the range of course options is suitably rich and the specialist support services sufficiently broad. In management terms, moreover, two specialist centres could exacerbate the difficulties which can arise—and are being experienced, at present—from fluctuations in the demand for teachers in a single secondary subject. Against that background I have had to make a choice between the two current providers and I have concluded on balance that the Dunfermline site offers the more promising professional climate for meeting the training needs of male and female PE teachers and generally for realising the Government's aspirations in this particular field of education. I must emphasise that it has been educational considerations that have had most weight in reaching this conclusion.

I am aware that the Scottish Sports Council had expressed an interest in moving to Cramond if the Dunfermline campus became available. However, it is by no means certain that their accommodation requirements could be satisfactorily met without additional capital expenditure, if PE and other training continued to be provided and office accommodation was required to support the academic and other staff based at the campus. It is certainly my expectation that as part of the exercise to dispose of surplus accommodation at the colleges of education, the views of the Council will be sought on the possible future use of specialist PE facilities by the SSC itself and by individual sporting bodies in Scotland.

The importance of in-service provision for physical education, with an appropriate specialist input, in the West of Scotland is fully recognised. Yet I understand that academic staff from Dunfermline currently provide school-based in-service training extensively in the West of Scotland, including Strathclyde. The working party established to take matters forward will be considering how to meet the wide spectrum of in-service training needs for PE teachers in the West of Scotland most effectively under the new arrangements. Their thinking will, of course, have to take account of authorities' overall in-service requirements.

On the integration of PE students in the merged college in the East, it is easier to mix socially with other students on a single campus, although even on that basis the highly specialist nature of PE training inevitably restricts the scope for shared teaching experiences. By merging the resources of Moray House and Dunfermline, however, I would expect it to be possible to provide an academic teaching input no less comprehensive than that which is currently available at Jordanhill.

I realise that by confirming my original decision this letter will come as a deep disappointment to the College. I acknowledge the contribution which SSPE has made over the years but change is needed for the future. I hope that you and your colleagues will now work constructively with other members of the working party to ensure that the detail arrangements are in the best interests of existing students at both sites and of Scottish education as a whole.

Yours sincerely

Malcolm Rifkind

Mr. Millan asked the Secretary of State for Scotland if he has now concluded his financial appraisal of his proposal to discontinue the training of physical education teachers at Jordanhill; and if he will give details of the result.

Mr. Rifkind: I refer the right hon. Member to my hon. Friend's reply of 3 November 1986, at columns *225-26*, to the hon. Member for Glasgow, Maryhill (Mr. Craigen).

Mr. Millan asked the Secretary of State for Scotland what response he has sent to the National Coaching Foundation which has informed him that the Scottish school of physical education, Jordanhill, has been designated a national coaching centre; and whether he will abandon his proposal to discontinue the training of physical education teachers at Jordanhill.

Mr. Rifkind: The National Coaching Foundation was aware of my decision to centralise PE teacher training in Scotland when it announced its network of national coaching centres. My Department has pointed out that the coaching input from academic staff at Jordanhill may be in doubt once secondary PE training ceases there.

I see no reason to depart from my decisions on the future of PE teacher training.

Electricity Supply

Sir Russell Johnston asked the Secretary of State for Scotland how much electricity the South of Scotland Electricity Board supplies to the national grid.

Mr. Lang: I am advised by the South of Scotland electricity board that the board supplied to the national grid in the year 1985-86 24,518 gigawatt/hours of electricity of which 3,002 gigawatt/hours were supplied to

the North of Scotland Hydro-Electric Board and 2,084 gigawatt hours to the Central Electricity Generating Board.

SOCIAL SERVICES

Expenditure (London)

13. **Mr. Simon Hughes** asked the Secretary of State for Social Services what is the average change in expenditure on National Health Service hospital and community health services between 1980-81 and 1985-86, as measured in terms of input volume by *(a)* Greater London health authorities in total and *(b)* inner London health authorities in total.

Mr. Newton: I regret that the information requested is not available. It would not be appropriate to apply input volume measures to health authority expenditure at district level as these measures reflect centrally assessed movements in NHS pay and prices, and local expenditure can differ substantially from the national average.

Bolton General Hospital

14. **Mr. Thurnham** asked the Secretary of State for Social Services if he will make a statement about the current situation on funding for phase I of the Bolton general hospital development.

Mrs. Currie: Building of phase I of Bolton general hospital will start, as planned, in September 1989. Associated capital funds have been earmarked for this. Discussions on the funding of running costs as from 1993, when the new hospital will be commissioned are continuing between the north western regional health authority and Bolton district health authority.

Computerisation

18. **Mr. Stevens** asked the Secretary of State for Social Services how the computerisation within his Department is progressing; and if he will make a statement.

Mr. Lyell: The social security computerisation programme, which is the largest in Europe, is making good progress. The local office micro project is already in 85 per cent. of local offices and will be complete this summer. The terminal replacement and inquiry system giving immediate on-line access between unemployment benefit offices and the mainframe computers at Reading and Livingston is already in two thirds of unemployment offices and will be completed by October. The local office project is well underway.

AIDS

19. **Mr. Sackville** asked the Secretary of State for Social Services if he has any plans to advertise in the regional press in campaigning against AIDS.

Mr. Newton: We are considering an increasing use of the regional press in the future stages of the campaign.

34. **Mrs. Shields** asked the Secretary of State for Social Services what plans he has to ensure complete subtitling for AIDS publicity capaign.

Mr. Newton: We are urgently examining ways of ensuring that the campaign messages about AIDS are effectively communicated to those who, for whatever reason, may have experienced some difficulty in receiving them.

Mr. Alfred Morris asked the Secretary of State for Social Services what steps his Department took to ensure that deaf people, including those whose first or preferential language is British sign language, were reached by television announcements about AIDS; and what reply was given to the British Deaf Association's application for a grant to produce an AIDS video in sign language.

Mr. Newton: The Government have offered the British Deaf Association an initial grant of £25,000 towards the production cost of a sign language video giving information about AIDS, which is also to be shown on television. In addition, on 1 March the BBC TV programme "See hear" and broadcasting support services jointly launched our National Advisory Service for the deaf on AIDS. The service uses Vistel, the number of which is listed on Ceefax, Oracle and 4 Tel.

Some independent Television programmes on AIDS have been subtitled on Oracle and consideration is being given to a subtitled return of the ITV "First AIDS" programme.

Further proposals from the British Deaf Association for a network of volunteer trainers and for counsellors and befrienders for AIDS sufferers with hearing impairment are currently being considered by the Department.

Home Insulation

20. **Mr. Jim Callaghan** asked the Secretary of State for Social Services whether he intends to maintain a system of special grants for home insulation; and if he will make a statement.

22. **Mr. Caborn** asked the Secretary of State for Social Services whether he intends to continue the system of single payment grants for home insulation; and if he will make a statement.

Mr. Lyell: Single payments of supplementary benefit may currently be made to cover the cost of draughtproofing materials. We have made it clear our intention to make suitable alternative arrangements before the current system of single payments ends in April 1988. Discussions on this are currently taking place between the Government Departments concerned.

Leicester Royal Infirmary

21. **Mr. Latham** asked the Secretary of State for Social Services whether he will consider the allocation of additional funds to the Trent regional health authority to modernise the older wards at Leicester royal infirmary.

Mrs. Currie: In the financial year starting on 1 April, Trent regional health authority will receive increases of over £55 million on this year's £901 million revenue allocation and £3·6 million on this year's [£59 million] capital allocation—respectively 6·3 per cent. and 6·6 per cent. increases. Capital and revenue allocations to districts are a matter for the regional health authority. It is for the authorities to decide on priorities for capital expenditure.

Cervical Cancer Screening

23. **Mr. Alton** asked the Secretary of State for Social Services if he will extend payment to doctors for annual cervical cancer screening for women in the 25 to 35 years age group.

Mrs. Currie: The general medical services for which GPs are remunerated out of the generality of their fees and allowances already include the screening of all women of any age who are at risk.

GPs receive an item of service payment for screening women aged 35 and over as an incentive to them to persuade this age group to have regular smears, because 94 per cent. of deaths from cervical cancer occur in these women, who are generally less likely than younger women to come forward for screening of their own accord.

Pensions

24. **Mr. Leigh** asked the Secretary of State for Social Services if he will make a statement on the extent to which pensions have kept pace with inflation since 1979.

Mr. Major: The level of retirement pension prevailing for most of 1979 was determined by the uprating of social security benefits in November 1978. Between November 1978 and July 1986 (the latest uprating) the retail price index rose by 90 per cent. and the state retirement pension rose by 98·5 per cent. for a single person and 98·6 per cent. for a married couple.

Dental Charges

25. **Mrs. Clwyd** asked the Secretary of State for Social Services if he has any current plans to review dental charges.

Mrs. Currie: I refer the hon. Member to my hon. Friend's statement to the House on Tuesday 3 March 1987.

Pensioners (Income)

26. **Mr. Wood** asked the Secretary of State for Social Services what was the change in pensioners' average income over the period 1979 to 1985; and how this compares with that from 1974 to 1979.

Mr. Major: I refer my hon. Friend to my reply to my hon. Friend the Member for High Peak (Mr. Hawkins) on 2 March at column *497*.

Severe Weather Payments

27. **Mr. Andrew Bowden** asked the Secretary of State for Social Services if he proposes to make any further changes regarding payment of the severe weather heating allowance; and if he will make a statement.

Mr. Major: I refer my hon. Friend to the reply given by my right hon. Friend the Prime Minister to my hon. Friend the Member for Eastleigh (Sir D. Price) on 3 February at column *557*.

32. **Mr. Flannery** asked the Secretary of State for Social Services how many applications for the extra heating allowance for cold weather have been received; and how many people have received payment.

Mr. Major: I refer the hon. Member to my reply to the hon. Member for Midlothian (Mr. Eadie) and the hon. Member for Thurrock (Dr. McDonald) earlier today.

North Western Regional Health Authority (Waiting Lists)

28. **Mr. Hind** asked the Secretary of State for Social Services how waiting lists have changed in the North Western regional health authority since 1979.

Mr. Newton: At 31 March 1986, the latest date for which figures are available centrally, there were 60,242 cases awaiting admission to National Health Service hospitals in the North Western regional health authority. The corresponding figure for 31 March 1979 was 77,368. This represents a reduction of 22 per cent. The proportion waiting more than one year has declined from 28 per cent. to 23 per cent. of all cases.

39. **Mr. Hargreaves** asked the Secretary of State for Social Services whether he will make a statement on the allocation of the waiting list fund within the North Western health region.

Mr. Newton: North Western regional health authority has been allocated £2·295 million from the waiting list fund for 1987-88, which will enable an additional 14,600 patients from the waiting list to be treated through 48 separate projects.

Medical Secretaries

29. **Dame Jill Knight** asked the Secretary of State for Social Services what steps he intends to take to improve the morale and reduce the number of resignations of medical secretaries; and if he will make a statement.

Mr. Newton: A working party set up by the chief medical officer has recently examined the secretarial and support services for hospital medical staff and made a number of recommendations. Its report has been sent to health authorities, with a view to encouraging them to look at ways of improving the working environment and career structure of medical secretaries.

Breast Cancer Screening

30. **Mr. Coombs** asked the Secretary of State for Social Services if he is prepared to make a further announcement on breast cancer screening.

Mrs. Currie: I refer my hon. Friend to my right hon. Friend's statement on health developments in cancer screening on 25 February at columns *271-72*.

Under-Fives

31. **Mr. D. E. Thomas** asked the Secretary of State for Social Services what initiatives his Department has undertaken directed specifically at under-fives since November 1986.

Mrs. Currie: My hon. Friend the Minister for Health, in his reply to my right hon. Friend the Member for Halifax (Mr. Galley) on 12 December 1986 at column *284*, announced the Government's plans to allocate an extra £550,000 in 1987-88 to help families with pre-school children. Up to £400,000 of this sum would be available in the form of tapering grants to help projects, currently funded under the under-fives initiative, secure alternative funds from statutory or other sources after 31 March 1987. The balance would be used to set up a scheme under which

selected national voluntary bodies active in the under-fives field would be able to give small capital grants to local groups.

Over-80s (Pension)

33. **Mr. David Atkinson** asked the Secretary of State for Social Services if he has any plans to seek to bring the over-80s into the state retirement pension scheme.

Mr. Major: People aged over 80 are not excluded from the state retirement pension scheme. Contributory pensions are payable for life, and non-contributory pensions are payable to those people over 80 who either have no entitlement to a contributory penson or whose rate of pension is below the level of the over-80s non-contributory pension. Eligibility for this non-contributory benefit is based on a residence test. There are no plans to alter these arrangements.

Pensioners (Single Payments)

35. **Mr. Dubs** asked the Secretary of State for Social Services how many pensioners on supplementary benefit are ineligible for single payments because they possess £500.

Mr. Major: The latest available information comes from the November 1984 annual statistical inquiry which shows that about 560,000 supplementary pensioners had capital over £500. However, claimants who have savings over £500 are not necessarily excluded from single payments as part payments can be made for the difference between the cost of the item and the amount of capital in excess of £500.

Unisex Annuities

36. **Mr. Watts** asked the Secretary of State for Social Services what representations he has received about the proposed requirement for unisex annuities.

Mr. Major: We published draft regulations on 17 December 1986 which included a requirement on insurers to offer men and women on equal terms the annuities that will correspond to the state additional pension for people with personal or money purchase ocupational pensions. Comments on this proposal range from strong support to equally strong criticism.

Trent (Elderly Person)

37. **Mr. Duffy** asked the Secretary of State for Social Services if he is satisfied that among the principal objectives of the Trent regional strategic plan the additional funding for services for the elderly will be available to meet the 1993-94 target; and if he will make a statement.

Mrs. Currie: Trent regional health authority's strategic plan was approved by Ministers in 1986 on the basis that its objectives could be met within the long term resource assumptions issued to authorities and that it was therefore affordable. The funds that we have made available to Trent since 1984, together with the region's own cost improvement programme, have exceeded the average annual growth rates in resources on which the plan was based. The regional health authority is closely monitoring annual progress towards the plan's strategic aims to assess what action is needed in the light of that progress and of any changes in circumstances.

Sexually Transmitted Diseases

38. **Mr. Kirkwood** asked the Secretary of State for Social Services what steps he is taking to meet the increased demands for treatment in clinics dealing with sexually transmitted diseases following the Government's recent AIDS campaign.

Mr. Newton: It is for health authorities to allocate resources among their various health-care programmes in the light of local circumstances. On 23 December 1986 my right hon. Friend wrote to all district health authority chairmen stressing the importance which we attach to these services being provided with adequate resources, and additional allocations of money for services connected with AIDS have been made to the three health regions likely to be experiencing the greatest pressure.

Child Care and Family Services

40. **Mrs. Virginia Bottomley** asked the Secretary of State for Social Services what response he has received to his White Paper "The Law on Child Care and Family Services."

Mrs. Currie: The White Paper which sets out the Government's intention for legislation on child care and family services has been generally well received. The proposals take account of the recommendations of the report of the working party on child care law, which was issued as a consultative document, and the many comments received. The proposals will involve a major overhaul of child care law in order to provide a clearer and fairer framework for the provision of child care services and the protection of children at risk of harm.

Amongst the key points are a positive statement of the role of local authorities in promoting the care and upbringing of children within their families, which will generally be in the child's interest; for children looked after under voluntary arrangements an emphasis on partnership between parents and local authorities in caring for the child; and improved court processes, including new rights for parents and relatives, in the interest of a better outcome for the child.

Hospital Waiting Lists

41. **Mr. Hunter** asked the Secretary of State for Social Services what steps he takes to monitor the efficiency of previous measures taken to reduce hospital waiting lists; and if he will make a statement.

Mr. Newton: Before the launch of the current three year initiative, waiting lists and times were discussed with some regional health authorities as part of the annual review process. As with all other subjects considered in these reviews, regions might be required to take specific action which would be followed up by the National Health Service management board as a matter of course.

Social Fund

42. **Mr. Ron Brown** asked the Secretary of State for Social Services whether each local office will have a budget for the social fund; and if he will make a statement.

Mr. Major: We intend to issue separate budgets to individual local social security offices for social fund payments (other than those for maternity and funeral expenses). Decisions on the size of such budgets, and of the fund as a whole, will be taken nearer the time of the fund's full introduction in April 1988.

Liable Relative Officers (Interviews)

43. **Mr. Madden** asked the Secretary of State for Social Services if he will consider changing the range of questions asked by liable relative officers in interviews.

Mr. Lyell: The possibility of introducing a postal inquiry form, to filter out those cases where an interview is not necessary, is being considered. This should reduce the number of interviews by liable relative officers, thus saving time for claimants and the Department.

Disabled People

44. **Mr. Wigley** asked the Secretary of State for Social Services if he will now state the outcome of the discussions he has held with bodies representing local authorities with regard to the Disabled Persons (Services, Consultation and Representation) Act 1986, and the Government's latest timetable for the full implementation of the Act.

Mr. Major: I met the local authority associations on 24 February to discuss implementation of the Act. At the meeting it was agreed that sections 9 and 10 will be brought into effect on 1 April. The local authority associations expressed concern about the possible resource implications of sections 4 and 8, and I shall be writing to them shortly about that. I hope that it will be possible to implement those sections too on 1 April. We also expect to implement section 11 during 1987.

The resource implications of sections 5 and 6 of the Act, which cover disabled school-leavers, were also discussed at the meeting with the associations. It was agreed that urgent discussions between officials from the associations and the Department should take place to estimate those resource implications more accurately with a view to a further meeting between the associations and myself in May.

It was also agreed that there should be discussions at official level to make more realistic estimates of the costs of sections 3 and 7 of the Act and that progress in these discussions will be reviewed at the meeting in May.

It is not possible to announce a timetable for full implementation of the Act. The discussions that are proceeding at official level with the local authority associations will enable us to estimate more precisely the resource implications of the various sections of the Act. This should help to make progress towards establishing such a timetable.

Mortgage Interest Payments

45. **Mrs. Beckett** asked the Secretary of State for Social Services if he intends to amend the regulations which restrict payment of mortgage interest in the first weeks of unemployment; and if he will make a statement.

Mr. Major: We are proposing to amend the regulation, which provides for a disregard in supplementary benefit assessments on income received from an insurance policy taken out to protect mortgage interest repayments. Our intention was that one half of any such income should be disregarded, but, as drafted, the regulation provides for the disregard of an amount equivalent to the full interest. This amendment will be included in the uprating regulation for the supplementary benefit residential care and nursing homes limits. We have no plans to make any further changes to the regulations covering the amount of mortgage interest included in supplementary benefit.

Nurses (Pay)

46. **Sir John Farr** asked the Secretary of State for Social Services what representations he has received on nurses' pay.

Mr. Newton: The Department has received approximately 150 letters about nurses' pay since last November. It is, of course, for the independent Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine to make recommendations to my right hon. Friend the Prime Minister on the remuneration of those groups of staff within its remit.

Local Authority Expenditure

47. **Mr. Dykes** asked the Secretary of State for Social Services what representations he has received on the effects on social services programmes of Government policies which constrain local authority expenditure.

Mr. Newton: We have identified about 70 such representations from right hon. and hon. Members, local authorities and other interests in the last six months. In the rate support grant settlement each year the Government set national indicative figures for spending on individual local authority services. The figure for personal social services takes account of demographic and other pressures. For 1987-88 an extra 1 per cent. has been allowed for the development of community care policies. It is, however, for each local authority to decide what to spend on personal social services and the degree of priority this should be given against other areas of expenditure.

Disabled Persons (Single Payments)

48. **Mr. Litherland** asked the Secretary of State for Social Services if he has any plans to increase the assistance from single payments for furniture for disabled persons being resettled in the community.

Mr. Major: We have no plans to make changes to the single payments furniture rules which already contain special protection for supplementary benefit claimants who are chronically sick or mentally or physically disabled.

Nurses and Auxiliaries

49. **Mr. Pavitt** asked the Secretary of State for Social Services what is his estimate of the present number of untrained nursing aides and auxiliaries at present employed in the National Health Service; if he includes this category within the total figures issued by his Department for nurses employed; and what steps his Department is taking to protect the professional and legal status attaching to the title of nurse.

Mr. Newton: The whole-time equivalent number of National Health Service staff directly employed as nursing

auxiliaries, nursing assistants and other unqualified nursing staff was 91,600 in England at 30 September 1985 (the latest date for which such detail is available). This figure excludes nurse learners undertaking basic nurse training and those undertaking post-basic training such as midwifery, health visiting and district nursing.

These staff are normally included by the Department in the presentation of figures relating to total nursing and midwifery staff.

The professional and legal status attaching to the title of nurse is covered by sections 10 to 14 of the Nurses, Midwives and Health Visitors Act 1979.

AIDS (Haemophiliacs)

50. **Mr. Ashley** asked the Secretary of State for Social Services what recent representations he has received from the Haemophilia Society about haemophiliacs who are AIDS victims; and if he will make a statement.

Mr. Newton: The Haemophilia Society has recently made representations about provision of HIV counselling for haemophiliac children attending Birmingham children's hospital. In 1987-88 we are allocating £16,000 to the West Midlands regional health authority for counselling at the Birmingham haemophilia centre, part of which is based at the children's hospital.

Social Fund

51. **Mr. Fatchett** asked the Secretary of State for Social Services whether those appealing against a refusal of assistance from the social fund will have a right to an oral hearing; and if he will make a statement.

Mr. Major: Decisions on payments from the social fund for maternity and funeral expenses will be subject to the normal appeal procedures of the social security adjudication system, and claimants wishing to appeal will have a right to an oral hearing by a social security appeal tribunal. Those who are dissatisfied with decisions about other payments from the fund will have a right of review, in the first instance by local management, and will be given the opportunity at that stage of an interview at which to discuss their case.

Speech Therapy (Northern Region)

52. **Mr. Wrigglesworth** asked the Secretary of State for Social Services what discussions he has had with the Northern regional health authority about the provision of speech therapy services in the northern region.

Mr. Newton: None. The provision of speech therapy services is a matter for individual health authorities to determine in the light of their judgment of priorities and available resources.

Wexham Park Hospital

53. **Mr. Tim Smith** asked the Secretary of State for Social Services what the capital cost of Wexham park hospital has been to date.

Mrs. Currie: Wexham park hospital was originally built in 1952. A major programme of redevelopment commenced in 1979 aimed at developing the hospital as one of East Berkshire's two main district general hospitals. From 1979 to date capital expenditure at Wexham park hospital has been £21·5 million, with a further £2·5 million remaining to be spent over the next two years.

Leicestershire (Hospital Closures)

54. **Mr. Janner** asked the Secretary of State for Social Services what information he has concerning plans for the closure of hospitals in the county of Leicestershire.

Mrs. Currie: Health authorities routinely inform the Department when they are consulting on a proposal to close a hospital. The Department has been advised of the following such consultation exercises in Leicestershire:

Kibworth Hall hospital for mentally handicapped people
Glengate hospital for mentally handicapped people

The hon. and learned Member may wish to contact the chairman of Leicestershire health authority for fuller details of the proposals listed and for information on any proposals which are not yet subject to public consultation.

Maternity Allowances

55. **Mr. Madel** asked the Secretary of State for Social Services if he has any plans to increase his Department's publicity effort in relation to the changes in maternity allowances which come into force on 6 April; and if he will make a statement.

Mr. Lyell: Yes. Further advertising in the national and regional press and in women's magazines is planned on the maternity changes over the coming weeks. At the same time a new poster will appear in post offices, antenatal clinics and social security offices, with revised versions of DHSS leaflets also available at the same outlets.

South Birmingham Health Authority

56. **Mr. Roger King** asked the Secretary of State for Social Services what is the total amount of capital investment announced by his Department for expenditure in the South Birmingham health authority.

Mr. Newton: Allocations to individual health authorities are a matter for the regional health authority. I understand, however, that some £37 million has been allocated to the South Birmingham health authority in the West Midlands regional health authority's operational capital programme over the period 1986-87 to 1993-94. This includes provision for the replacement of the Birmingham accident hospital. My hon. Friend may also wish to be aware that the capital allocation to the West Midlands regional health authority for the years 1986-87 and 1987-88 have been the highest in the country at some £82 million and £88 million respectively.

St. James's Hospital, Balham

57. **Mr. Tom Cox** asked the Secretary of State for Social Services what discussions he has had with the Wandsworth health authority as to supplies of bedding at St. James's hospital, Balham, SW12.

Mrs. Currie: None. This is a matter wholly for Wandsworth health authority.

Hospital Projects

58. **Mr. Dicks** asked the Secretary of State for Social Services how many major hospital projects in England are due to be completed in the next three years.

Mrs. Currie: In England over 100 health building schemes each costing over £1 million are due for completion in the next three years, at a local cost of about £700 million. A list is in the Library.

South East Thames (Hospital Waiting Lists)

59. **Mr. Evennett** asked the Secretary of State for Social Services what steps he is taking to seek to reduce hospital waiting lists in the south-east Thames health region.

Mr. Newton: In July 1986 my right hon. Friend asked the chairman of regional health authorities to review waiting lists within their districts, and to report on current measures to reduce waiting lists and times and proposals for future action within existing resources. In November last year regions were asked to submit bids against the £50 million waiting list fund for 1987-88 and 1988-89 established to assist progress to this end. Details of the first year's allocation of £25 million were announced by my right hon. Friend on 17 February.

South East Thames regional health authority will receive £2·04 million in 1987-88. This will allow hospitals in the region to treat an additional 11,300 waiting list cases through 31 separate projects. These will include 830 extra joint replacements and 808 extra cataract operations. This is in addition to measures already being taken to reduce waiting lists from within existing resources.

West Midlands Health Region (Waiting List Fund)

60. **Mr. Pawsey** asked the Secretary of State for Social Services whether he is able to make a statement on the allocation of the waiting list fund within the west midlands health region.

Mr. Newton: West Midlands regional health authority is to receive £2·88 million from the waiting list fund in 1987-88. The region is still negotiating with districts to achieve the most cost-effective use of the money and only £1·207 million has as yet been allocated to specific projects. The amount already allocated will enable hospitals in the region to treat an additional 4,500 waiting list cases through 22 separate projects.

Housing Benefit (Rates)

Mr. Pike asked the Secretary of State for Social Services if he will estimate the number of people now in receipt of housing benefit for the full amount of their domestic rates.

Mr. Lyell: It is estimated that in autumn 1985 the total number of people receiving housing benefit for the full amount of their domestic rates was 3·3 million.

Invalid Care Allowance

Mr. George Robertson asked the Secretary of State for Social Services, following his statement of 23 June 1986 on invalid care allowance, *Official Report*, column 21, how many successful invalid care allowance claims require recovery action because of the overlapping benefit rule; and, of these, how many involved supplementary benefit.

Mr. Major: None; but to date arrears of invalid care allowance have been abated in some 8,000 cases on account of other social secrity benefits paid to or for the claimant. In about 800 cases the other benefit was supplementary benefit.

Mr. George Robertson asked the Secretary of State for Social Services, following his statement of 23 June 1986 on invalid care allowance, *Official Report*, column 21, how long it will take to clear the backlog of invalid care allowance claims.

Mr. Major: To date about half the invalid care allowance claims received from married women have been decided. We estimate that the remainder will be cleared within the next 18 weeks.

Cervical and Breast Cancer

Mr. Alton asked the Secretary of State for Social Services how many laser treatment centres for the treatment of cervical cancer there are in England and Wales; how many patients those centres have treated in the last five years for which figures are available; and what plans he has to increase provision of such centres.

Mrs. Currie: The information is not available centrally. Lasers are one of a range of treatment options for pre-malignancies of the cervix and the provision of such treatment is a matter for individual health authorities.

Mr. Parry asked the Secretary of State for Social Services what is the average waiting time for women in England and Wales who have tests for cervical cancer to receive details of the test at the latest date.

Mrs. Currie: I regret that this information is not held centrally in the form requested.

Our target for laboratories is that they should hold no more than one month's work. Last month 157 Districts in England reported that they were meeting that target. Where backlogs do exist they are being tackled mainly by the recruitment and training of more staff.

Cervical cancer screening in Wales is a matter for my right hon. Friend the Secretary of State for Wales.

Mr. Parry asked the Secretary of State for Social Services how many women have died from cervical cancer in *(a)* Liverpool and *(b)* Merseyside in each year since 1979.

Mrs. Currie: The information is shown in the table.

Number of deaths registered to usual residents of (a) Liverpool Metropolitan District and (b) Merseyside Metropolitan County, with underlying cause of death as malignant neoplasm of cervix uteri (ICD(9)[1] 180) 1979-85

Year	Number of deaths	
	(a) Liverpool	(b) Merseyside
1979	27	74
1980	40	95
1981	37	98
1982	34	92
1983	35	89
1984	25	85
1985	31	94

[1] International Classification of Diseases 9th revision.

Mr. Parry asked the Secretary of State for Social Services how many women have died from cancer of the breast in *(a)* Liverpool and *(b)* Merseyside in each of the past 10 years.

Mrs. Currie: The information is shown in the table.

Number of deaths registered to usual residents of (a) Liverpool Metropolitan District and (b) Merseyside Metropolitan County, with underlying cause of death as malignant neoplasm of female breast (ICD(8, 9)[1] 174) 1976-85

Year	Number of deaths	
	(a) Liverpool	(b) Merseyside
1976	122	374
1977	162	380
1978	119	334
1979	143	351
1980	125	379
1981	112	353
1982	139	359
1983	144	404
1984	121	403
1985	132	374

[1] International Classification of Diseases 8th and 9th revisions.

Mr. Parry asked the Secretary of State for Social Services what is the average waiting time for women in England and Wales who have had tests for breast cancer to be informed of the tests at the latest date.

Mrs. Currie: The information requested is not collected centrally.

Mr. Parry asked the Secretary of State for Social Services (1) how many tests for cervical cancer have been made on women in *(a)* Liverpool and *(b)* Merseyside in each year since 1979;

(2) if he will make a statement on the facilities provided for the screening of cancer of the breast at *(a)* Liverpool and *(b)* Merseyside; and if he will make a statement;

(3) if he will make a statement on the facilities for screening of cervical cancer in *(a)* Liverpool and *(b)* Merseyside; and if he will make a statement;

(4) if he will make a statement on the facilities provided for the detection of cancer of the breast in *(a)* Liverpool and *(b)* Merseyside; and if he will make a statement;

(5) how much has been spent by the National Health Service on cervical cancer in *(a)* Liverpool and *(b)* Merseyside in each of the past five years;

(6) how much has been spent by the National Health Service on the screening of cancer of the breast in *(a)* Liverpool and *(b)* Merseyside in each of the past five years;

(7) what in the average waiting time of women in Liverpool who have had tests for cervical cancer to receive details of the test; and if he will make a statement.

Mrs. Currie: I shall let the hon. Member have replies as soon as possible.

Residential Homes

Mr. Arnold asked the Secretary of State for Social Services if he has any plans to introduce legislation to bring three-bed residential and nursing homes within the existing statutory inspection procedures; to what extent the current review of registration arrangements will take account of such homes; and if he will make a statement.

Mrs. Currie: Nursing homes with three patients already have to be registered with district health authorities and are inspected by them. The registration and inspection of residential care homes with three or fewer residents will be considered as we take stock of the system in the light of current studies involving residential care.

Muscular Dystrophy

Mr. Ashley asked the Secretary of State for Social Services what is the average life expectancy of children with muscular dystrophy.

Mr. Major: Muscular dystrophy is not a single disorder and the various types are differentiated by mode of inheritance, age of onset, distribution of weakness and rate of deterioration. While in Duchenne muscular dystrophy, the commonest, death usually occurs from respiratory infection by the age of 20, and in Becker muscular dystrophy death is likely in middle age, average life expectancy does not provide a prognosis in the individual case. There are five other, even less common forms of muscular dystrophy which may present in childhood.

Mr. Ashley asked the Secretary of State for Social Services how many children are currently suffering from muscular dystrophy; and if he has been given any information on the proportion of these whose arms are too weak for them to propel their own wheelchair.

Mr. Major: There is no exact information on the number of children currently suffering from muscular dystrophy. There are probably 1,300 to 1,500 boys and young men with Duchenne muscular dystrophy in England and Wales. By the age of 10-12 most sufferers are using a wheelchair. No information is available as to the proportion of children with muscular dystrophy who are unable to propel their own wheelchairs.

Wheelchairs

Mr. Ashley asked the Secretary of State for Social Services if his Department has made any estimate of the cost of providing all children who could benefit from it with dual purpose powered wheelchairs.

Mr. Major: We have no central records to indicate how many children could benefit from dual purpose powered wheelchairs and therefore an estimate of cost has not been possible.

Mr. Ashley asked the Secretary of State for Social Services what has been the average cost per wheelchair provided by his Department over the last 10 years.

Mr. Major: Since the Department supplies a wide variety of wheelchairs, at greatly differing prices, an average cost figure would not be helpful. The average purchase prices, excluding administrative costs, of four typical models of non-powered wheelchairs and one typical powered wheelchair over the last ten years are as follows:

Year	non-powered £	powered £
1978	80·32	223·00
1979	94·85	295·00
1980	101·44	340·00
1981	117·43	364·00
1982	111·37	None purchased
1983	115·86	380·00
1984	110·24	437·00
1985	118·43	458·00
1986	117·79	466·00
1987	129·72	468·00

Mr. Ashley asked the Secretary of State for Social Services what is the current cost of the wheelchair service; and for how many people it provides wheelchairs.

Mr. Major: The current annual budget for the purchase and maintenance of wheelchairs, excluding administrative costs, is a little under £27 million. It is estimated that at 31 December 1986 there were 435,000 people making use of the service.

Mr. Ashley asked the Secretary of State for Social Services when he intends to make a decision on the recommendation of the McColl report that there should be dual purpose powered wheelchairs.

Mr. Major: I am unable usefully to add to my reply to the right hon. Member on 29 January at column *370* when I indicated that we are still considering this major issue. I will announce our conclusions as soon as they are reached.

Mr. Ashley asked the Secretary of State for Social Services what is the estimated cost of a dual purpose powered wheelchair for a child; and what is the expected number of years usage such a chair would provide.

Mr. Major: Wheelchair manufacturers' catalogues indicate that the retail cost of a dual purpose powered wheelchair for a child ranges between £800 and £3,000, largely depending on the degree of sophistication that is built into the wheelchair. The life of such a wheelchair is heavily dependent on the nature of its use and the age and development of the child, but we would expect that typically such equipment, with adequate maintenance, would remain serviceable for between three and five years.

Mr. Ashley asked the Secretary of State for Social Services what representations he has received from the Muscular Dystrophy Society urging the provision of dual purpose powered wheelchairs; and what response he made.

Mr. Major: The Muscular Dystrophy Group submitted a detailed response to the McColl report immediately following its publication. Its view, that the recommendation to provide dual purpose powered chairs should be implemented as a matter of urgency, has since been repeated in a number of letters received from local branches of the Group. In addition, on 7 May 1986, my predecessor the Minister for Health accepted a petition from Sir Richard Attenborough, the president of the group, in support of this request.

I have advised the Muscular Dystrophy Group, as I have advised other organisations anxious to see the provision of dual purpose powered chairs, that we are still considering this major issue in the context of decisions on other important aspects of the artificial limb and appliance centre services raised by the McColl report.

Artificial Limbs and Appliances

Mr. Ashley asked the Secretary of State for Social Services what is the current cost of artificial limb and appliance centres; and for how many people they provide appliances.

Mr. Major: The estimated cost in 1986-87 of services provided through the artificial limb and appliance centres is £82·9 million. This includes the cost of artificial limbs and appliances, wheelchairs and administration costs. Artificial limb and appliance centres provide appliances to war pensioners, of whom almost 13,000 currently have an appliance on issue.

South Manchester Health Authority (Vice-Chairman)

Mr. Tony Lloyd asked the Secretary of State for Social Services if he will give details including home addresses of all candidates who were considered for the post of vice-chairman of the South Manchester health authority; and if he considered any candidate for the vice chairmanship of the South Manchester health authority resident in south Manchester.

Mrs. Currie: This information is not held centrally. Responsibility for electing one of their number as vice-chairman, lies with the chairman and members of a health authority. The hon. Member may therefore wish to seek this information from the South Manchester health authority.

Christie Hospital, Manchester

Mr. Tony Lloyd asked the Secretary of State for Social Services if he will make a statement on present and future funding plans for Christie hospital, Manchester.

Mrs. Currie: The funding of the Christie hospital is a matter for the South Manchester health authority to consider in conjunction with the North Western regional health authority. I refer the hon. Member to my reply to the right hon. Member for Manchester, Wythenshawe (Mr. Morris) on 4 March at column *625* which gave details of additional funding for the Christie hospital.

Maternity Payments

Ms. Harman asked the Secretary of State for Social Services how many women in Peckham claimed maternity grant for each of the years 1982, 1983, 1984, 1985 and 1986.

Mr. Lyell: Information is not available in the precise form requested.

The Peckham constituency is covered by the Department's local offices at Kennington Park and Peckham although their boundaries are not conterminous with the constituency. The numbers of claims for maternity grant received at those local offices were as follows:

	Kennington Park	*Peckham*
1982	[1]304	[2]
1983	663	[2]
1984	637	2,097
1985	672	1,845
1986	731	1,958

[1] 1982 figure relates only to claims with an expected/actual date of confinement of 4 July 1982 or later. No earlier records held.
[2] Records for 1982 and 1983 are not available.

Benefit Claims

Mr. Corbyn asked the Secretary of State for Social Services what was the backlog of claims at the *(a)* Highgate, *(b)* Finsbury Park and *(c)* Arcola street offices of his Department in January 1986, July 1986 and January 1987.

Mr. Lyell: The table sets out the information requested about outstanding claims to social security benefits.

Benefit	14 January 1986	27 July 1986	13 January 1987
(a) Highgate			
Sickness/Invalidity	201	207	242
Maternity Allowance	55	88	122
Severe Disablement Allowance	—	7	26
Supplementary Benefit	1,035	1,735	1,331
(b) Finsbury Park			
Sickness/Invalidity	209	332	358
Maternity Allowance	137	154	152
Severe Disablement Allowance	—	2	18
Supplementary Benefit	698	1,214	843
(c) Stoke Newington (Arcola Street)			
Sickness/Invalidity	207	184	184
Maternity Allowance	99	134	126
Severe Disablement Allowance	—	—	12
Supplementary Benefit	554	866	767

Spinal Injury Beds

Mr. Corbyn asked the Secretary of State for Social Services how many spinal injury beds are available at National Health Service hospitals in each of the four Thames regional hospital authorities in the current year; and what are the planned facilities for 1990.

Mrs. Currie: The spinal injuries unit at the Royal National Orthopaedic hospital provides 20 beds to all four Thames regions as a supra-regional service. There are no plans at present to alter this number.

Royal National Orthopaedic Hospital, Stanmore

Mr. Corbyn asked the Secretary of State for Social Services (1) how many beds for orthopaedic patients will be lost as a result of the proposed closure of the Royal National Orthopaedic hospital at Stanmore;

(2) what representations he has received concerning the proposed closure of the Royal National Orthopaedic hospital at Stanmore.

Mrs. Currie: There are no proposals to close the Royal National Orthopaedic hospital. I would confirm previous assurances given by this Government that proposals for any substantial change to services at Stanmore will be subject to a final decision by my right hon. Friend the Secretary of State.

The Royal National Orthopaedic hospital at Stanmore is currently the subject of an options appraisal by Bloomsbury health authority which is intended to clarify the future role of the hospital and consider its most appropriate location.

So far this year we have received four letters from members of the public referred by hon. Members, and three letters direct from the public, which have anticipated the results of this options appraisal.

Southend General Hospital (Radiotherapy Unit)

Mr. Teddy Taylor asked the Secretary of State for Social Services how many letters he has now received from the public about the proposal by the North East Thames regional health authority to close the radiotherapy unit in Southend general hospital; and if he will make a statement.

Mrs. Currie: We have received 15 letters which have been referred by hon. Members together with about 670 letters direct from members of the general public.

NHS Management

Mr. Dobson asked the Secretary of State for Social Services (1) if he will list *(a)* regional and district health authorities which have employed management consultants for each year since 1979, *(b)* the reasons given for the employment of management consultants by those health authorities, *(c)* the names of the management consultants employed by those health authorities and *(d)* the fees charged by the management consultants employed by those health authorities;

(2) if he will list regional and district health authorities which have sought help from university or polytechnic schools of management in rationalising services; which schools of management have been used; and what fees have been paid to them for each year since 1979.

Mr. Newton: The employment of management consultants and schools of management is a matter for individual health authorities. Details of such employment and the expenditure consequently incurred are not routinely collected centrally.

Ophthalmic Surgery (Bolton)

Mr. David Young asked the Secretary of State for Social Services if he will indicate the length of waiting time for ophthalmic surgery in Bolton; and how this compares with waiting time for such treatment on a regional or national basis.

Mr. Newton: I am sorry I cannot give the hon. Member all the information he seeks. For cases treated in 1984, the latest year for which information is available centrally, the estimated median interval between the date a patient was placed on the waiting list and the date of admission to ophthalmology beds in NHS hospitals in North Western regional health authority area and in England was 13 weeks and 11 weeks respectively. The numbers in the central data sample are too small for reliable estimates to be made below regional level. The hon. Member may wish to write to the chairman of the Bolton district health authority for the information he requires.

Health Education Council (Advisory Groups)

Mr. Kirkwood asked the Secretary of State for Social Services (1) if he will make a statement on the proposed disbandment of the Health Education Council's advisory groups;

(2) if he will make a statement on the proposed abolition of the joint advisory committee on nutritional education.

Mr. Newton: The joint advisory committee on nutrition education, like the other advisory committees and groups set up by the Health Education Council, will automatically cease to exist when the council comes to an end on 31 March. It will be for the new Health Education Authority to determine the source of any specialist professional advice it may require.

Supplementary Benefit

Mr. Holt asked the Secretary of State for Social Services whether he proposes to make any changes in the Supplementary Benefit (Requirements) Regulations.

Mr. Major: We propose to make three small changes in the Supplementary Benefit (Requirements) Regulations dealing with claimants in residential care and nursing homes.

Since the beginning of the supplementary benefit scheme the policy has been that all charges levied by nursing and residential care home owners or proprietors should be treated together as the board and lodging charge. Recent legal advice has however cast doubts on this long-standing interpretation. We propose, therefore, to amend the regulations to give clear effect to the original policy intention that people in residential care and nursing homes should not be entitled to additional requirements which relate to items which normal charges may be expected to cover, such as heating, extra baths and laundry. At the same time we propose to amend the regulations to ensure that charges for these items can be included with the board and lodging charge. For claimants who are currently getting these additional requirements there will be transitional protection to safeguard their overall benefit entitlement.

Secondly, we propose to correct an unintended effect in regulation 9(18) of the requirements regulations. This regulation allows transitionally protected claimants an increase in benefit of up to a maximum of £10 to help meet any increase in fees since April 1985. As currently drafted the regulation would allow some claimants to get an increase of more than £10 at the next up-rating. However, at future up-ratings the same claimants would lose that increase and the amount of benefit in payment to them would be reduced. The proposed amendment would restore the original policy intention.

Thirdly, we propose to clarify the supplementary benefit provisions governing local authority residential accommodation set up under the National Health Service Act 1977 so that it more accurately reflects the diversity of provision that local authorities are now making. Regulations will make it clear that the part III rate should only apply to residential accommodation provided by local authorities where full board is available and which is not a hostel.

The social security advisory committee has agreed that the proposed amendments do not need to be referred to them. These amendments will be included in the uprating regulations for the supplementary benefit residential care and nursing home limits which will be laid before the House shortly.

Meningococcal Infections

Dr. Marek asked the Secretary of State for Social Services (1) if he will list the research projects currently in progress into meningococcal infections;

(2) what plans he has for further research into meningococcal infections.

Mrs. Currie [*pursuant to her reply*, 11 February 1987, c. *283-4*]: On research currently in progress, I refer the hon. Member to my reply to the hon. Member for Southwark and Bermondsey (Mr. Hughes) on 26 February at column *410*. The main body for Government-funded biomedical research is the Medical Research Council, which receives its grant in aid from the Department of Education and Science. The council is, I understand, being contacted by a team at Edinburgh university researching a possible link between the non-secretion of blood group antigens and susceptibility to bacterial meningitis.

HOUSE OF COMMONS

Colour Television Sets

Mr. Tim Smith asked the Lord Privy Seal what television licence fees are payable in respect of the 41 colour television sets in the Palace of Westminster provided by the Department of the Environment.

Mr. Biffen: No licence fees have ever been regarded as payable in respect of these sets.

DEFENCE

Ethnic Monitoring

Mrs. Dunwoody asked the Secretary of State for Defence if he will list the numbers of entrants to his Department from the ethnic minorities in the years 1985-86 and 1986-87; if he will also list the monitoring procedures used to ascertain the percentage of the work force represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into his Department.

Mr. Archie Hamilton: The ethnic origins of new civilian entrants have been surveyed since October 1985. The latest available information for the period up to 5 March 1987 is as follows:

	Number
Total new entrants	10,810
Ethnic origin:	
White	7,588
Black/Asian	192
Not stated	3,030

A phased programme of departmental surveys of the ethnic origin of non-industrial civil servants by means of voluntary self-classification is being conducted. By the end of 1986 all non-industrial staff in the county of Avon, the north-west, the east and west midlands, London, the south-east and East Anglia had been surveyed. Consideration is being given to ways of using the data on the ethnic origin of staff in post to monitor promotion.

All departmental recruitment is conducted on the basis of fair and open competition and selection on merit. I refer the hon. Member to the answer given by my right hon. Friend the Minister for the Privy Council Office on 20 February (*Official Report*, Vol. 110, column 882) reporting the arrangements being made to encourage people from the ethnic minorities to apply to the Civil Service.

Nuclear Tests

Mr. Ashley asked the Secretary of State for Defence (1) to what extent the National Radiological Protection Board will be analysing its figures of death and cancer amongst those who took part in nuclear tests according to the level of the radiation dose received;

(2) how the National Radiological Protection Board decided the size of group to be studied in connection with the nuclear tests of the 1950s and 1960s;

(3) in what ways the National Radiological Protection Board searched for the statistical data to be used in its study of the health of nuclear test veterans; and if there was any appeal for evidence;

(4) if he will explain the term cancer registration used in connection with the study of the health of nuclear test veterans by the National Radiological Protection Board;

(5) which aspects of the health of nuclear veterans are being studied by the National Radiological Protection Board, and why.

Mr. Archie Hamilton: This is a matter for the NRPB.

Mr. Ashley asked the Secretary of State for Defence when he now expects to receive the report of the National Radiological Protection Board on nuclear test veterans; when the report was commissioned; at what date it was then expected to be completed; what further expected dates for completion have been given and when; and what has been the reason for the delay.

Mr. Archie Hamilton: When the NRPB health study was commissioned in October 1983, it was anticipated that it would take about three years to complete. However, the NRPB have now sought more time to do further checks on the data base. Additional work is needed to identify a small proportion (about 10 per cent.) of the study population, which in total now comprises 45,000 names, half participants and half controls. The Board now expect the results to be available toward the end of this year.

Mr. Ashley asked the Secretary of State for Defence how many awards have been made to service personnel because they served in areas where nuclear tests were carried out and suffered damage.

Mr. Archie Hamilton: None.

Mr. Ashley asked the Secretary of State for Defence whether any of the civilians who took part in nuclear tests in the 1950s have attempted to seek compensation for injury or death; and if he will make a statement.

Mr. Archie Hamilton: A small number of claims have been received but no compensation awards have been made.

Mr. Ashley asked the Secretary of State for Defence whether the Atomic Energy Authority or his Department took out insurance cover for any of the personnel who took part in the nuclear tests of the 1950s and 1960s; and if he will make a statement.

Mr. Archie Hamilton: No.

Mr. Ashley asked the Secretary of State for Defence what exposure to ionising radiations was considered to be the maximum consistent with safety at the time of the nuclear tests of the 1950s and 1960s; and what is the corresponding figure today.

Mr. Archie Hamilton: The exposure limits used for the United Kingdom Atmospheric Nuclear Weapon Tests were according to the appropriate Medical Research Council Sub-Committee recommendations and were not appreciably different from the current planned special exposure limits defined by the International Commission on Radiological Protection.

Mr. Ashley asked the Secretary of State for Defence how many of those who took part in the nuclear tests of the 1950s and 1960s were exposed to ionising radiation at a level higher than that considered at the time to be safe.

Mr. Archie Hamilton: No personnel serving at any of the tests were exposed to ionising radiation above a level that was considered to be harmful.

Mr. Ashley asked the Secretary of State for Defence what information he has about the number of children with congenital defects born to the children of service personnel who served in areas where nuclear tests were carried out; and how this number compares with the normal incidence of such congenital defects.

Mr. Archie Hamilton: I refer the hon. Member to the answer given on 21 April 1986, column 87.

Mr. Ashley asked the Secretary of State for Defence how many *(a)* civilians and *(b)* forces personnel took part in the nuclear test programme in the 1950s and 1960s; and how many in each category received doses of radiation that were (i) low, (ii) high and (iii) especially high.

Mr. Archie Hamilton: Approximately 1,500 civilians and 20,000 United Kingdom Servicemen participated in the test programme. Approximately 15,000 of the 20,000 participants were not exposed to additional radiation at all. Most of those who were exposed to ionising radiation other than natural background, received a radiation dose less than one tenth of the limit prescribed for radiation workers.

No personnel serving at any of the tests were exposed to ionising radiation above a level that was considered harmful.

Mr. Ashley asked the Secretary of State for Defence how many awards have been made to widows whose husbands served in areas where nuclear tests were carried out and who suffered damage.

Mr. Archie Hamilton: None.

Mr. Ashley asked the Secretary of State for Defence how many nuclear weapon tests took place during the 1950s and 1960s; and what were the sizes of the explosions.

Mr. Archie Hamilton: A list of the 21 United Kingdom Atmospheric Nuclear Weapon tests carried out between 1952 and 1958, together with the yields, is available in the Library of the House.

Accidental Deaths and Injuries

Mr. Ashley asked the Secretary of State for Defence if, following the completion of the review of section 10 of the Crown Proceedings Act 1947, he now has available figures for the number of accidental deaths and serious injuries requiring full and formal investigation that occurred in the services since 1957.

Mr. Freeman: No central records are held of the number of such investigations which have been undertaken since 1957.

Service Personnel

Mr. Ashley asked the Secretary of State for Defence how many service people have been invalided out of the forces following an accident during each of the last five years for which figures are available.

Mr. Freeman: During the last five years 1981 to 1985, the latest years for which complete data are available, the following numbers of service personnel were medically discharged principally because of injuries sustained during non-combatant duties:

	Number
1981	56
1982	43
1983	72
1984	95
1985	177

These figures cover injuries sustained on duty, but exclude self-inflicted injury, assaults and a small number of cases where details of the circumstances are not readily available.

Mr. Ashley asked the Secretary of State for Defence how many service people have died in each of the last five years for which figures are available as a result of an accident or misadventure.

Mr. Freeman: During the five years 1982 to 1986 the following numbers of service personnel have died in circumstances where the underlying cause of death was injuries received during non-combatant duties:

	Number
1982	74
1983	69
1984	58
1985	70
1986	[1]59

[1] Provisional figure.

These figures cover injuries sustained on duty, but exclude self-inflicted injury, assaults and a small number of cases where details of the circumstances are not readily available.

Accidents (Military Vehicles)

Mr. Hoyle asked the Secretary of State for Defence, pursuant to his reply of 24 February, *Official Report*, columns *210-11*, how many accidents involving military vehicles in the United Kingdom in 1986 required the hire of civilian equipment to recover the vehicles involved; what was the total cost; how many of those accidents involved dangerous cargoes; if civilian employees involved in military recovery operations are informed of all the possible hazards in undertaking such work; and if he will make a statement.

Mr. Stanley: I will answer shortly.

KMS Ltd.

Mr. Foulkes asked the Secretary of State for Defence if his Department at any time over the past five years has had contracts with KMS Ltd.

Mr. Archie Hamilton: I know of none.

Marconi Ltd.

Mr. Deakins asked the Secretary of State for Defence if he will make a statement on the progress of inquiries by the serious crime section of the Ministry's police into allegations of serious crime in Marconi Ltd. at Portsmouth.

Mr. Archie Hamilton: This is not a matter for Ministers.

Procurement Expenditure

Mr. Wilson asked the Secretary of State for Defence if he will state the estimated percentage share of

procurement expenditure on equipment purchased from England, Wales and Northern Ireland in the 1986-87 financial year.

Mr. Archie Hamilton [*pursuant to my answer*, 9 March 1987]: Estimates of regional equipment expenditure are only available for completed financial years. Of defence equipment expenditure in 1985-86, it is estimated that 82 per cent. was in England, 2 per cent. in Wales and 1 per cent. in Northern Ireland.

Airborne Early Warning System

Mr. Dalyell asked the Secretary of State for Defence if he will hold discussions with Plessey about the eventual control of the high technology development as a result of their £1,100 million agreement with Boeing; and whether it will pass to American control.

Mr. Archie Hamilton [*pursuant to his reply*, 13 January 1987, *Official Report*, c. 158]: I would refer the hon. Member to my reply to the hon. Member for Yeovil (Mr. Ashdown) on 27 February at columns 459-60.

Written Answers to Questions

Wednesday 11 March 1987

THE ARTS

Acceptances in Lieu

Mr. Buchan asked the Minister for the Arts if he will list those items, paintings and objects, obtained in lieu of tax and valued at over £250,000, in the last eight years along with the museum or gallery to which each was allocated.

Mr. Luce: The information is as follows:

Year	*Item*	*Amount of Tax satisfied (£s)*	*Recipient*
1979-80	No items valued at over £250,000 accepted		
1980-81	Hebrew manuscripts and tombstones	331,597	British Library; Brotherton Library, Leeds; John Rylands University Library of Manchester; Bodleian Library; Cambridge University Library; British Museum
1981-82	Six drawings by Michaelangelo and Breugel	628,887	Home House Society (at the Courtauld Institute)
	"The Betrayal of Christ" by Sir Anthony Van Dyck	702,635	Bristol City Council (at Corsham Court)
1982-83	Godman collection of Islamic pottery	1,750,000	British Museum
	Double-sided drawing of the "Virgin and Child" by Albrecht Dürer	259,492	British Museum
1983-84	Two paintings by Canaletto	312,098	Manchester City Art Gallery
1984-85	Calke Abbey (house, land and contents)	2,584,000	National Trust
	"La Pensée" by Renoir	646,350	Barber Institute
1985-86	Chattels at Mount Edgcumbe	327,132	Plymouth City and Cornwall City Council
	Archive from the Dukes of Portland and Newcastle	1,367,600	Not yet allocated
1986-87	Moorlands in Staffordshire	580,500	Peak Park Joint Planning Board
	"Portrait of a Man" by Van der Weyden	467,500	Home House Trustees (at the Courtauld Institute)
	"Madonna and Child" by Giovanni Bellini	725,000	Ashmolean Museum

ENVIRONMENT

Housing Investment Programme

Mr. John Fraser asked the Secretary of State for the Environment what is the value in real terms of the housing investment programme for 1987-88 after excluding capital receipts and expressed as a percentage of the housing investment programme for 1978-79.

Mr. Tracey: Because of the success of the right to buy, local authorities can now fund the greater part of their capital expenditure on housing from capital receipts, without needing borrowing approvals. The total planned net capital expenditure on housing in England in 1987-88, after deducting forecast receipts, is £1,959 million, 45 per cent. in real terms of net expenditure in 1978-79.

Local Government Finance (Waltham Forest)

Mr. Deakins asked the Secretary of State for the Environment what has been the housing investment programme and the total capital expenditure, respectively, for the London borough of Waltham Forest since 1979.

Mr. Tracey: Housing investment programme allocations and total capital expenditure on housing for the London borough of Waltham Forest since 1979 have been as follows:

£ million

	Allocations	*Expenditure*
1978-79	12·720	12·678
1979-80	17·046	17·240

	Allocations	*Expenditure*
1980-81	12·905	13·337
1981-82	9·225	10·307
1982-83	9·082	12·207
1983-84	8·627	13·279
1984-85	8·945	16·135
1985-86	8·270	12·739
1986-87	7·716	[1]21·030
1987-88	7·205	—

[1] the authority's estimate

Since 1981-82 local authorities have been able to increase their capital spending power by making use of their receipts from sales of assets, as well as their HIP allocations.

Radioactive Discharges

Mr. Frank Cook asked the Secretary of State for the Environment if he will list the quantity of liquid and gaseous radioactive discharges in gigabecquerels over the years 1970 to 1986 for the following nuclear installations: *(a)* Chapelcross, *(b)* Amersham International plc, and *(c)* Harwell.

Mr. Waldegrave: Quantities of liquid and gaseous radioactive discharges from 1976 to 1984 for Chapelcross, Amersham International plc, and Harwell are set out in the Department of the Environment *Digest of Environmental Pollution and Water Statistics*, and associated additional tables. Figures for liquid radioactive discharges are also given for 1970 to 1975. Copies have been placed in the Library of the House. There are no comprehensive tables for gaseous discharges prior to 1976. Figures for 1985 will be contained in the *Environmental Statistical Bulletin (87) 3 (Radioactivity)* to be published shortly. Figures for 1986 are being compiled.

County Hall, Wakefield

Mr. Harrison asked the Secretary of State for the Environment (1) if the West Yorkshire residuary body has consulted his Department about the bid made by the Wakefield metropolitan district council for the purchase of County hall, Wood street, Wakefield; what percentage of the proceeds will be returned to the ratepayers of the West Yorkshire metropolitan county council; and if he will make a statement;

(2) if the West Yorkshire residuary body has consulted his Department about the bid made by the West Yorkshire police authority for the purchase of County hall, Wood street, Wakefield; what percentage of the proceeds will be returned to the ratepayers of the West Yorkshire metropolitan county council; and if he will make a statement.

Mr. Chope: The proposed sale of County hall, Wakefield, is primarily a matter for the residuary body. My Department has not been consulted specifically about the bid made by Wakefield MDC. After deduction of the appropriate fees and costs all the proceeds of any sale will be distributed to the district councils in west Yorkshire on a per capita basis.

Council and Housing Association Tenants

Mr. John Fraser asked the Secretary of State for the Environment what is the average current weekly subsidy to council tenants and housing association tenants, respectively, per dwelling, both inclusive and exclusive of housing benefit; and how this compares with the average weekly benefit to owner-occupiers in the form of tax relief on mortgage interest.

Mr. Tracey: For 1986-87 the amount estimated to be paid as housing subsidy and rate fund contributions to local authority housing revenue accounts in England is equivalent on average to £4·20 per dwelling per week. The amount received by local authority and new town tenants as rent rebates is equivalent on average to £8, per dwelling per week. In total these forms of support are equivalent on average to £12·20 per week for each local authority dwelling.

Comparable information cannot be given for housing associations, because subsidy on their schemes is paid in the form of a capital grant, and because statistics are not available of housing benefit paid to housing association tenants.

The relief given on mortgages in 1986-87, including mortgage interest relief at source, is estimated to be equivalent to £6·20 per week for each owner-occupier.

Nuclear Waste Disposal

Mr. Speller asked the Secretary of State for the Environment if he will make it his policy to accept for nuclear waste only those sites that are acceptable to the local planning authority and local residents.

Mr. Waldegrave: It is my right hon. Friend's policy that there should be ample opportunity for all interested parties, including the local planning authority and local residents, to make their views known before planning permission is given for a disposal facility for nuclear waste. We have already announced that any planning application from UK Nirex Ltd. for a facility at any of the four sites currently under investigation as a possible site for a disposal facility for low level waste will be called in for my right hon. Friend's own determination, so that there will be a public inquiry under an independent inspector.

Nature Conservation

Mr. Hardy asked the Secretary of State for the Environment if he has any plans to revise his advice to local planning authorities on the subject of nature conservation and planning; and if he will make a statement.

Mr. Waldegrave: I shall answer this question shortly.

Home Owners

Sir David Price asked the Secretary of State for the Environment (1) how many British citizens were buying their own houses on mortgage in 1979; and how many in 1987;

(2) how many British citizens owned their own house in 1979; and how many in 1987.

Mr. Tracey: The proportion of households owning their own homes and buying their homes with a mortgage are estimated from information collected in the annual *General Household Survey*; the latest results available are for 1984. The figures below are derived from those proportions and from estimates of total households produced by this Department and the Scottish Development Department.

Owner-occupiers: Great Britain

million households

	Owning outright	*With mortgage*
Mid-1979	4·4	5·8
Mid-1984	4·9	7·1

Estimates of how many of those owner-occupiers were British citizens are not readily available. However, from the 1984 Labour Force Survey, it is estimated that at least 96 per cent. of all household heads had British nationality.

CIVIL SERVICE

Ethnic Monitoring

Mrs. Dunwoody asked the Minister for the Civil Service if he will publish the results of the Civil Service Commission scheme to monitor the departmental recruitment of ethnic minorities.

Mr. Luce: The ethnic monitoring being carried out by the Civil Service Commission is of its own recruitment schemes only. Monitoring of departmental recruitment is being carried out by Departments individually.

The results of the first year of the Commission's monitoring of executive officer recruitment will be made public within the next few months once the candidates covered by this monitoring have passed through the selection process and the analysis of their progress has been completed. The results of the first year's monitoring of other Commission recruitment schemes will be made public in the Civil Service Commissioners' annual report for 1987.

EDUCATION AND SCIENCE

Teachers' Pay and Conditions

Mr. Lofthouse asked the Secretary of State for Education and Science when he expects the consultation on the composition of the advisory committee on teachers' pay to be completed; and if he will make a statement.

Mr. Flannery asked the Secretary of State for Education and Science how soon he will appoint the chairman and deputy chairman of the advisory committee to advise him on teachers' pay and conditions.

Mrs. Rumbold: The interim advisory committee on school teachers' pay and conditions will be set up by the autumn and possibly earlier.

Primary School Closures

Mr. Freud asked the Secretary of State for Education and Science in respect of how many section 12 orders to close primary schools he has reversed the decision of the local education authority in each of the last four years; what percentage this represents; and if he will make a statement.

Mr. Dunn: The table shows the number of proposed primary school closures rejected by my right hon. Friend over the last four years, and the percentage this represents of the total number of primary school closures considered in each year.

Primary school closures

	1983	*1984*	*1985*	*1986*
Rejections	15	13	2	3
Rejections as a percentage of total primary closures considered	6·3	6	1·3	3·6

GCSE

Mr. Ashdown asked the Secretary of State for Education and Science what information is available to his Department from *(a)* reports and returns made by district inspectors of Her Majesty's inspectorate, *(b)* reports and returns made by local education authorities and *(c)* any other source, as to the adequacy of (i) facilities and resources for in-service training, (ii) training undertaken by teachers on the new syllabi, (iii) training undertaken by teachers and headteachers on techniques and management of in-course assessment and (iv) relevant books and equipment, in each local education authority for the introduction of the general certificate of secondary education; and if he will make a statement.

Mrs. Rumbold: Discussions are being held with GCSE examining groups, LEAs and teachers' associations as part of a monitoring exercise to assess GCSE resource needs and demands on teachers' time. In addition, details provided by LEAs about actual expenditure on books and equipment and on teacher training will be scrutinised to help determine future resource needs and policy developments.

Her Majesty's inspectorate is also monitoring the implementation of the GCSE through *(a)* its normal programme of school visits; *(b)* specialist subject visits; *(c)* termly discussions with LEA officers, inspectors and advisers; and *(d)* the annual analysis of LEA's expenditure policies.

Her Majesty's inspectorate is also evaluating GCSE in-service teacher training.

Mr. Ashdown asked the Secretary of State for Education and Science what information is available to his Department on the work load consequences for teachers in changing to the new general certificate of secondary education; what studies have been undertaken or commissioned on the work load relating to in-course assessment; if he will publish a table showing, for each existing examination board, the number of different general certificate of education O-level or certificate of secondary education syllabi *(a)* with in-course assessment and *(b)* without in-course assessment, and the number of children taking examinations under each heading in the last year; and if he will make a statement.

Mrs. Rumbold: The GCSE, and in particular its course work assessment, will make demands on teachers. Such assessment is not new—it had its place in many CSE and some O-level syllabuses—but it will now be more extensive: demands vary between subjects and between syllabuses. Her Majesty's inspectorate is monitoring the work load consequences for teachers as part of its wider GCSE monitoring exercise and discussions with the teachers' associations have also provided valuable information.

Under the previous system, some 20,000 O-level and CSE syllabuses in many hundreds of subject titles were offered by the 20 separate examination boards, and

schools were free to choose the ones which best met their needs. The number of GCSE syllabuses is far fewer, but information about individual syllabuses is not held centrally.

Mr. Ashdown asked the Secretary of State for Education and Science what information is available to his Department on the extent to which the change from general certificate of education or certificate of secondary education syllabi of different examination boards to the new general certificate of secondary education requires new books and equipment; if he will publish such information as is available to identify the examination boards and subjects for which *(a)* little replacement or *(b)* major replacement of books and equipment is considered to be necessary; and if he will make a statement.

Mrs. Rumbold: The introduction of the GCSE does not require the wholesale replacement of existing textbooks: the need is rather for these to be supplemented and updated over time, in the light of demands of particular subjects and individual syllabuses. These needs will vary from school to school subject to subject, and syllabus to syllabus. The Government have provided substantial resources to ensure that schools are able to purchase additional books and equipment for GCSE courses.

Examinations

Mr. Ashdown asked the Secretary of State for Education and Science if he will publish a table showing, for each local education authority, the numbers of children taking general certificate of education O-level or certificate of secondary education examinations of each different examination board in the last year; and if he will make a statement.

Mrs. Rumbold: The information requested is not available centrally.

Salaries

Mr. Favell asked the Secretary of State for Education and Science how much is spent per head of population of each of the metropolitan borough councils on the salaries of *(a)* teaching staff and *(b)* other staff, broken down into those categories which are available.

Mr. Rumbold: The amounts spent on salaries per head of the 5 to 24-year-old populations are given in the following table.

Expenditure per head of 5 to 24-year-old population—1984-85

	Teachers Salaries £ *(a)*	*Education Support Staff*[1] £ *(b)*	*Manual and Premises Related Staff*[2] £ *(c)*
Birmingham	464	37	33
Coventry	547	64	47
Dudley	451	21	14
Sandwell	497	42	37
Solihull	433	29	28
Walsall	506	31	51
Wolverhampton	610	65	54
Knowsley	418	23	39
Liverpool	574	54	67
St. Helens	486	27	36
Sefton	408	27	32
Wirral	431	18	33
Bolton	491	33	40
Bury	416	26	31
Manchester	608	63	55
Oldham	429	31	34
Rochdale	471	47	43
Salford	487	34	44
Stockport	421	24	29
Tameside	443	38	34
Trafford	389	17	31
Wigan	509	27	41
Barnsley	443	32	34
Doncaster	460	34	38
Rotherham	464	28	35
Sheffield	549	59	48
Bradford	484	45	34
Calderdale	463	28	33
Kirklees	504	47	45
Leeds	493	29	41
Wakefield	454	37	35
Gateshead	437	32	35
Newcastle-upon-Tyne	588	72	53
North Tyneside	490	34	33
South Tyneside	542	36	44
Sunderland	506	51	40

Notes

[1] Such staff as nursery assistants, nurses and medical staff, laboratory, workshop and technology assistants, technicians, education psychologists and advisory and inspection staff.

[2] Such staff as caretakers, cleaners, stokers, porters, messengers, security staff.

Expenditure per head of 5 to 24-year-old population—1984-85

	Administrative and clerical staff[1] £ *(d)*	*Kitchen and canteen staff*[2] £ *(e)*	*Other staff*[3] *and employee expenses* £ *(f)*
Birmingham	32	26	21
Coventry	60	25	29
Dudley	34	14	8
Sandwell	30	18	19
Solihull	25	17	12
Walsall	43	30	37
Wolverhampton	43	26	23
Knowsley	35	31	18
Liverpool	40	20	34
St. Helens	35	29	10
Sefton	27	21	16
Wirral	35	19	22
Bolton	31	27	15
Bury	28	22	19
Manchester	67	39	45
Oldham	25	22	18
Rochdale	17	32	11
Salford	34	27	14
Stockport	28	22	12
Tameside	29	32	27
Trafford	25	19	18
Wigan	33	24	17
Barnsley	32	32	13
Doncaster	33	37	23
Rotherham	30	30	16
Sheffield	46	32	31
Bradford	31	28	24
Calderdale	33	31	23
Kirklees	40	33	11

	Administrative and clerical staff[1] £ (d)	Kitchen and canteen staff[2] £ (e)	Other staff[3] and employee expenses £ (f)
Leeds	37	34	9
Wakefield	29	30	14
Gateshead	25	22	13
Newcastle-upon-Tyne	72	36	28
North Tyneside	31	29	12
South Tyneside	39	31	25
Sunderland	41	28	20

[1] Such staff as clerks, typists, receptionists telephonists, education welfare officers, school meals organisers and other staff who look after the administrative needs of the education service.

[2] Kitchen and dining room staff in all FE establishments and in school catering.

[3] Such staff as immigrant liaison officers, youth and community leaders, midday supervisory assistants and kitchen and residential staff in boarding schools.

Higher Education

Mr. Evans asked the Secretary of State for Education and Science if he has any plans to publish a White Paper on higher education.

Mr. Walden: I refer the hon. Member to my reply to the hon. Member for Caerphilly (Mr. Davies) on 17 February 1987, at column 584.

Mr. Roy Hughes asked the Secretary of State for Education and Science what rationalisation of higher education institutions there has been since 1979 to 1987 in Wales; and if he will make a statement.

Mr. Walden: None within the University of Wales. Responsibility for other higher education institutions rests with my right hon. Friend the Secretary of State for Wales.

OVERSEAS DEVELOPMENT

Aid-trade Provision

Mr. Kirkwood asked the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 26 February, *Official Report*, column 353, about aid-trade provision, if he will list in the *Official Report* similar figures for aid-trade provision for the period since 1970, broken down into four-year intervals.

Mr. Eggar: The earliest year for which comparative OECD information is available is 1981. The table, drawn up on the same basis as for my hon. Friend's reply of 26 February, shows figures for 1981, and also gives an annual average figure for the four-year period 1981 to 1984:

Aid used in mixed credits and less concessional tied aid loans as a percentage of gross bilateral aid commitments

	Per cent. (1981)	Per cent. (Average 1981-84)
United States	3	3
Canada	6	7
Germany	11	10
France	20	19
Italy	55	45
Japan	16	11·5
United Kingdom	12	20

Refugee Camps (Beirut)

Mr. Corbyn asked the Secretary of State for Foreign and Commonwealth Affairs what aid has been offered to the refugee camps in Beirut since 1 January.

Mr. Eggar: Most British aid goes through the European Community to which we contribute 20 per cent. Since January this has included a commitment of £650,000 for emergency medical assistance for the camps in Lebanon. The Community is considering a further allocation of some £2 million in response to appeals from various international agencies.

We are also urgently considering our own response to appeals from the United Nations Relief and Works Agency and the International Committee of the Red Cross for their 1987 programmes in Lebanon including emergency operations in the camps.

Developing Countries (Loans)

Dame Judith Hart asked the Secretary of State for Foreign and Commonwealth Affairs for which developing countries, for what amounts, and at which dates respectively, retrospective terms adjustment has converted loans into grants.

Mr. Eggar: The following 21 countries, plus the east African community, have benefited from the policy of retrospective terms adjustment in relation to past aid loans:

	Country	Amount £ million	Date
1	Afghanistan	0·98	13 November 1979
2	Bangladesh	15·67	14 August 1979
3	Botswana	20·69	14 August 1979
4	Egypt	17·80	11 April 1979
5	Ethiopia	2·57	23 July 1984
6	Gambia	5·22	15 June 1979
7	Ghana	50·88	25 June 1985
8	India[1]	564·16	21 March 1979
9	Indonesia	39·85	11 July 1979
10	Kenya	68·89	15 December 1978
11	Lesotho	0·40	7 June 1979
12	Malawi	30·70	15 June 1979
13	Mozambique	22·50	21 October 1983
14	Nepal	1·97	26 February 1979
15	Pakistan	76·42	26 June 1979
16	Sierra Leone	10·41	8 May 1979
17	Sri Lanka	25·21	24 April 1979
18	Sudan	9·91	2 March 1979
19	Tanzania	3·40	17 April 1979
20	Uganda	16·46	25 January 1982
21	Western Samoa	0·20	4 September 1979
22	East African Community	2.45	1 July 1984
	TOTAL	986·74	

[1] India has continued to make aid loan repayments, but receives an equivalent amount of grant aid to help meet the local cost of development projects.

Overseas Aid

Dame Judith Hart asked the Secretary of State for Foreign and Commonwealth Affairs what recent decisions have been made by the Council of Ministers of the European Economic Commission concerning aid to non-associates.

Mr. Eggar: The 1987 budget of the European Community includes 220 mecu in commitment appropriations and 284 mecu in payment appropriations for the programmes of aid to Asia and Latin America (including the former non-associates programme funded from chapter 93). This includes a new programme to provide compensation for shortfalls in exports earnings from specified agricultural products for the poorest countries in Asia and Latin America. The regulations governing this scheme (known as Compex) were adopted by the Council of Ministers on 27 January.

Dame Judith Hart asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the agricultural projects supported by the aid programme in each of the last three years, giving the amount committed, the period for implementation, the nature of the project, and the country concerned, excluding projects financed under the aid and trade provision.

Mr. Eggar: Information to the end of 1985 is given in the ODA document "Projects by Sector — Allocations and Expenditure 1981-85", copies of which are in the Library. Projects in the "Agriculture and Livestock" sector, none of which was financed by the aid and trade provision, are listed on pages 1 to 9; the top half of each page gives allocations (commitments to individual projects) and the bottom half expenditure.

New allocations in 1986 are listed in table 1; increases to existing allocations agreed in 1986 are listed in table 2.

Table 1
Agriculture and Livestock Projects
Commitments in 1986

Sector/Country and Project Title	*Commitment £*	*First Disbursement Date*	*Final Disbursement Date*
Crop Production—ODA—Tanzania			
Sunflower Research Phase II	235,000	May 1986	March 1987
Farm Equipment—ODA—Zimbabwe			
1986 Tractor Rehabilitation	1,200,000	August 1986	March 1989
Coffee/Cocoa/Tea—CDC—Indonesia, Malawi			
Cocoa Estate Development	100,000	September 1986	Unknown
Kavuzi Tea Estate	900,000	April 1986	October 1996
Oil Products—CDC—Ivory Coast, Malaysia			
Oil Palm and Coconut Plantations	11,200,000	June 1986	Unknown
Sarawak Oil Palms	14,000,000	September 1986	December 1993
Fibre Crops—CDC—Indonesia			
Cloth and Yarn Production	37·37 million Rupiah at 16 December 1986 exchange rate = £15,759.	December 1986	Unknown
Rubber—CDC—Thailand			
Rubber Production Expansion	10,000,000	June 1986	August 2003
Crops Development-Processing—CDC—Costa Rica			
Palm Oil Extraction Plant	88,000	April 1986	Unknown
Agricultural Research—ODA—Tanzania			
Zanzibar Clove Research Phase II	70,000	May 1986	March 1989

Table 2
Agriculture and Livestock Projects
Increases to Existing Commitments

Sector/Country and Project Title	*Additional Commitment £*	*First Disbursement Date*	*Final Disbursement Date*
Livestock—ODA—Tanzania			
Kilimanjaro Farms Dairy Project	35,000	May 1986	March 1987
Livestock Research—ODA—Kenya			
Goat and Sheep Project	88,600	March 1986	March 1989
Goat and Sheep Project	350,000	April 1986	March 1989

Dame Judith Hart asked the Secretary of State for Foreign and Commonwealth Affairs if he will list each project supported by the aid and trade provision since 1979, giving its amount, its nature, its date of approval and the country concerned.

Mr. Eggar: The aid and trade provision projects agreed with recipient countries since 1979 are listed in the following schedule. Details of such projects on which expenditure is still being incurred are now in the Supply Estimates: Table 2 to subhead B2 of the overseas aid vote.

Country and Project	*Export Value £ million*	*ATP Element £ million*	*Date of Aid Agreement*
Bangladesh			
Combined Cycle Gas Power Station	17·297	4·680	1 September 1981
Belize			
Electricity Feasibility Study	0·081	0·081	21 August 1985

Country and Project	Export Value £ million	ATP Element £ million	Date of Aid Agreement
Telecommunications	3·000	0·688	14 February 1979
Bolivia			
Mineral Concentrator Project	0·027	0·027	18 April 1985
Botswana			
Moruple Power Station Turbines	17·126	4·418	26 September 1983
Moruple, Power Station, Coal and Ash Plant	4·736	1·343	18 October 1984
Brazil			
Jacui Power Station	90·800	24·138	10 November 1982
Coal Mining Training	0·019	0·019	12 July 1984
Seinne Net Winch	0·019	0·019	1 January 1981
Burma			
Gas Turbines Project	15·625	3·201	3 April 1980
Gas Turbines Project	11·044	2·213	6 August 1982
Outboard Propulsion Units	5·000	1·202	30 September 1983
Jute Mill Expansion	10·592	2·154	10 February 1981
Pharmaceutical Plant Study	0·188	0·188	1981
Marine Diesel Engines	7·350	1·202	18 July 1980
Jute Carpet Backing Machinery	5·882	1·178	12 May 1980
Bridge Project	0·360	0·090	8 March 1983
Rangoon Electrical Distribution	20·000	6·400	27 August 1986
Cameroon			
4 Towns Water Project Design Study	0·910	0·910	13 June 1984
Ministry of Equipment/Agriculture Technical Assistance	0·075	0·075	12 April 1986
Bamenda Ring Road Survey	0·173	0·173	1986
Limbe Port Feasibility Study	0·250	0·250	1986
Caribbean			
HS 748 Aircraft (LIAT)	2·596	2·596	22 August 1980
BAE 748 Aircraft (LIAT)	10·336	3·838	1985
China			
Training in Coal Sector	0·150	0·150	1986
Colombia			
Bridges Project	1·070	0·301	18 December 1981
Coffee Bean Sorters	0·068	0·068	29 May 1985
Bridge Project Extension	0·540	0·152	30 July 1984
Coffee Rust Control Programme	0·201	0·201	11 October 1983
Mine Safety Training	0·018	0·018	12 August 1983
Cyprus			
Dhekelia B Power Station	2·500	0·366	30 August 1980
Ecowas[1]			
Telecommunications Project: Feasibility Study	0·065	0·065	24 September 1984
Telecommunications Project: Implementation Study	0·250	0·250	19 September 1985
Egypt			
Electricity Management Advice	0·166	0·166	9 December 1984
Maghara Coal Mine	50·035	12·578	1985
Electricial Switchgear	7·500	2·000	25 July 1979
Welding Equipment and Training	0·049	0·049	2 October 1985
Electricity Generation Project	28·000	10·020	29 October 1979
N. W. Electrification Study	0·825	0·825	1986
(Draglines) Irrigation Project	7·500	2·606	2 May 1979
W. Sebaeya Phosphate Mine	20·000	7·315	17 November 1982
Brake Block Foundry	2·749	0·884	1986
Draglines	0·463	0·463	31 December 1984
N. W. Electrification Project	4·345	1·308	1986
El Omoun Drain	3·195	0·804	1986
Honduras			
Aguan Valley Study	0·500	0·100	1983
India			
Amlori Coal Mine	80·030	15·030	27 September 1983
Super Thermal Power Plant	231·200	17·034	17 November 1982
Balco Power Station	130·000	33·066	20 September 1984
Ganga River Consultancy	0·200	0·200	10 March 1986

Country and Project	Export Value £ million	ATP Element £ million	Date of Aid Agreement
Indonesia			
AIS Submarine Cable	104·000	3·093	12 November 1984
S. Bengkulu Oil Palm Study	0·400	0·400	1985
Isolated Diesels Project	38·400	12·515	26 March 1985
Education Equipment Study	0·036	0·036	27 November 1984
Jabotabek Railway Study	1·000	1·000	1 June 1984
Bukit Asam Rail Bridges	0·750	0·152	15 July 1985
Jambu Aye Hydroelectric Dam Study	0·200	0·200	1983
Offshore Supply Vessels	2·156	0·571	14 August 1985
Mrica Hydro Project	44·646	12·075	22 October 1982
Ombelin Coal Mine Project	19·200	4·445	30 August 1983
Ombelin Coal Mine Training	0·655	0·655	1985
Jabotabek Feasibility Study	0·007	0·007	5 September 1986
Jordan			
Potash Plant	35·000	10·000	14 March 1979
HV Transmission Line	13·568	3·611	19 February 1984
Kenya			
Railway Coaches	23·700	5·030	9 July 1982
Sugar Milling Equipment	0·891	0·235	19 August 1985
Kipevu Power Station	7·618	1·959	29 August 1986
Tugs Mombasa Port	13·540	4·650	8 December 1982
Upland Bacon Factory Study	0·100	0·100	21 January 1986
Soda Ash Wagons	3·098	1·279	2 April 1979
Telecommunications	2·815	0·703	15 December 1981
Madagascar			
Maintenance for HS 748's	2·800	0·600	6 November 1980
Malawi			
Telecommunications Study	0·052	0·052	1986
Telecommunications	1·000	0·260	1 March 1984
Malaysia			
Airport Study	0·443	0·443	19 August 1980
Shungei Ahning Dam	9·000	2·344	28 December 1984
Ulu Jelai Hydro Feasibility Study	1·850	1·850	21 May 1984
Iocom Submarine Cable	23·000	9·018	30 July 1979
Cross Braced Bogies	7·083	1·850	12 February 1986
Rural Water Supply Scheme	194·000	59·460	29 August 1986
Viewdata Project	2·367	0·851	12 April 1983
Malta			
Luqa Airport Study	0·131	0·131	1986
Mauritius			
Plaisance Airport	18·960	6·311	10 February 1986
Mexico			
Maritime Training	0·030	0·006	24 March 1983
Scientific Instrument Training	0·029	0·029	25 February 1983
Sicartsa Steelworks	200·000	34·943	8 March 1982
Morocco			
Nador Roll Mill	51·500	13·505	14 April 1981
Mozambique			
Bus Maintenance	4·223	1·060	1 February 1982
Mineral Survey	4·230	1·030	15 April 1981
Pakistan			
3 SD 18 Ships	27·000	9·572	15 January 1980
Papua, New Guinea			
Port Moresby Airport Study	0·100	0·100	1985
Paraguay			
Power Transmission Scheme	5·290	1·350	7 July 1982
Ascuncion Sewerage Consultancy	1·020	1·020	28 December 1984
Power Transmission Scheme	11·303	2·870	3 December 1981
Peru			
Mini Hydro Project	25·625	4·852	5 August 1982

Country and Project	Export Value £ million	ATP Element £ million	Date of Aid Agreement
Philippines			
Wood Burning Power Station	8·592	1·967	3 September 1980
Déndro Power Station Adviser	0·080	0·040	21 February 1984
Senegal			
HS 748 Aircraft	3·000	1·000	6 April 1979
Sri Lanka			
Locomotives	7·952	2·867	12 November 1980
Columbo Airport	20·940	5·264	3 December 1986
Sudan			
Railways Consultancy	0·013	0·013	
Syria			
Telecommunications training	0·008	0·008	1984
Tanzania			
Bus Chassis	0·960	0·481	17 January 1980
Thailand			
Mini Hydros Pilot Plant	2·500	2·500	8 August 1984
Post-Harvest Groundnut Study: Phase I	0·081	0·081	30 May 1984
Post-Harvest Groundnut Study: Phase II	0·499	0·499	13 June 1985
Railbus Evaluation Study	0·082	0·082	3 May 1984
Turkey			
Ankara Natural Gas Project Study	0·350	0·350	1986
Vietnam			
Haipon Power Station	9·600	2·888	19 February 1979
SD 14 Ships	18·000	4·463	21 February 1979
Zimbabwe			
Railway Electrification	27·465	8·068	30 July 1980
Abattoir Feasibility Study	1·760	1·760	14 July 1983
Hwange Power Station	3·600	1·000	15 June 1982
Kariba South Power Consultancy	0·300	0·300	9 May 1985

[1] Economic Commission of West African States.

TRADE AND INDUSTRY

European Investment Bank (Loans)

Mr. Wrigglesworth asked the Secretary of State for Trade and Industry (1) when and why exchange rate cover was withdrawn from European Investment Bank loans;

(2) what has been the impact of the withdrawal of exchange rate cover from European Investment Bank loans; how many businesses benefited from European Investment Bank loans in each of the three years before the Government withdrew exchange rate cover; and how many since cover was withdrawn.

Mr. Giles Shaw: Exchange risk cover was withdrawn from loans provided by the European Investment Bank (EIB) to private sector businesses in the United Kingdom with effect from 18 July 1985, but subject to transitional arrangements for applications which were under consideration at that date. The reasons for doing so were given by my right hon. Friend the Member for Kingston upon Thames (Mr. Lamont) the then Minister of State, Department of Trade and Industry, on 18 July 1985, at column 205, in reply to my hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard). The number of separate loans provided by the EIB to United Kingdom private sector businesses in each year since 1982 (excluding loans made from new community instrument funds raised by the EC Commission) was as follows:

Year	Number[1]	Number[2]
1982	28	1
1983	36	3
1984	30	2
1985	75	2
1986	14	5

[1] Number of EIB loans made with exchange risk cover (including loans through intermediaries.

[2] Number of EIB loan commitments made without exchange risk cover.

Withdrawal of exchange risk cover has reduced very significantly the number of loans made to private sector business in the United Kingdom, and has meant that EIB loans are in practice no longer made to United Kingdom small businesses through intermediaries.

Business Loans

Mr. Cabom asked the Secretary of State for Trade and Industry (1) what was the number of allocations to United Kingdom businesses under global loans for 1983, 1984, 1985 and 1986 from EIB own resources and new Community instrument resources;

(2) what was the global amount of financial resources given to British businesses through the EIB own resources and new Community instrument resources for each of the years 1983 to 1986.

Mr. Giles Shaw: The information about loans to private sector businesses in the United Kingdom from European Investment Bank (EIB) and New Community Instrument (NCI) resources under the global loan arrangements operated by financial intermediaries is given in the following table:

	(EIB)		*(NCI)*	
	Number of loans	*Total amount lent £ million*	*Number of loans*	*Total amount lent £ million*
1983	33	8·1	131	10·8
1984	29	5·3	65	7·1
1985	73	31·6	37	4·4
1986	6	1·9	—	—

In addition, the EIB also made a larger volume of direct loans to such businesses from its own resources, but not from NCI resources.

Capital Expenditure

Mr. Deakins asked the Secretary of State for Trade and Industry what has been the change in the net capital expenditure expressed in 1984 prices, between 1979 and 1984 in the south, defined as the south-east, south-west, East Anglia, and east midlands regions, and in the rest of Great Britain.

Mr. Butcher: The requested information is shown in the following table. The figures relate to investment by manufacturing industry (excluding leased assets).

Net capital expenditure in the South of England and the rest of Great Britain in 1979 and 1984 at 1984 prices

	1979 £ million	*1984 £ million*	*Percentage change*
South of England	3,881	3,366	−13
Rest of Great Britain	5,829	4,039	−31

Sources: Annual Census of Production and United Kingdom National Accounts.

Arms Exports (End User Certificates)

Mr. Cartwright asked the Secretary of State for Trade and Industry if he will *(a)* detail the checks that are made to see that the end user certificates issued when arms export licences are granted are adhered to, and *(b)* list any countries that do not need end user certificates when an arms export licence is granted, explaining in each case why the certificate is not needed.

Mr. Alan Clark: *(a)* Export licences are not issued unless the Government are satisfied that the end use will be as stated on the application. It is not Government practice to disclose the nature of checks made.

(b) An international import certificate or an end user certificate is required for arms export licences for all destinations where the consignee is not a Government body.

Lonrho plc

Mr. Tim Smith asked the Secretary of State for Trade and Industry if he will refer the three opinions of counsel given to the inspectors appointed by the Department of Trade to inquire into the affairs of Lonrho plc to the Attorney-General for further consideration.

Mr. Howard: Opinions of counsel were sought by, and given to, the Director of Public Prosecutions in 1976 and not to the inspectors who conducted the Companies Act inquiries into Lonrho plc. Whether advice given in relation to these inquiries should now receive further consideration is a matter for my right hon. and learned Friend the Attorney-General.

Shareholders (Statistics)

Sir David Price asked the Secretary of State for Trade and Industry how many British citizens he estimates to have held stocks and shares in 1979; and how many in 1987.

Mr. Howard: Statistics on the number of individual shareholders are not kept by this Department. But it is generally accepted that the number of individual share owners has approximately trebled since 1979.

Life Insurance

Sir David Price asked the Secretary of State for Trade and Industry how many British citizens he estimates held a life insurance policy in 1979; and how many in 1987.

Mr. Howard: I shall reply to my hon. Friend as soon as possible.

Schools (Information Technology)

Mr. Lawrence asked the Secretary of State for Trade and Industry if he will take steps to ensure an increased supply of information technology equipment in schools; and if he will make a statement.

Mr. Butcher: Yes. My Department has made excellent progress towards the introduction and use of information technology equipment in schools and continues to do all it can to support this continuing commitment.

Following the success of the "Micros in Schools" and "Modems in Schools" schemes, which supported the additional purchases of equipment by schools, my Department launched a three-year scheme — "Support for Educational Software"—in October 1985 which aims to ensure that existing hardware in schools is supported by an adequate supply of educational software.

Notwithstanding the success of these schemes it has been found that the provision of IT hardware, including peripheral equipment in schools, is uneven and in certain respects still less extensive than schools need. In order to help counter this shortfall my Department launched a "IT Equipment for Schools" initiative on Monday 9 March. This will make available a further £3·5 million to be spent on IT equipment in schools in the remainder of the current financial year to enable local education authorities to give a modest boost to their existing provision of equipment. This offer of additional funding is available throughout the United Kingdom both to the state and to independent sectors and I hope it will go some way towards enabling the education system to maximise the potential of existing hardware by purchasing printers and disc drives to complement their micro computers, modems and software. Where schools within local education authorities

are adequately provided with this equipment, the remaining sums may be devoted to purchase micro computers.

ATTORNEY-GENERAL

Ethnic Monitoring

Mrs. Dunwoody asked the Attorney-General if he will list the numbers of entrants to his Department from the ethnic minorities in the years 1985-86 and 1986-87; if he will also list the monitoring procedures used to ascertain the percentage of the work force represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into the Department.

The Attorney-General: The ethnic origins of new entrants to the Lord Chancellor's Department have been surveyed since October 1985. The latest available information for the period up to September 1986 is as follows:

Total new entrants to the Lord Chancellor's Department in the period 1 October 1985 to September 1986 is 1010:

Ethnic origins	*Number*
White	680
Black/Asian	50
Not stated	280

A phased programme of departmental surveys of the ethnic origin of non-industrial civil servants by means of voluntary self-classification is being conducted. By the end of 1986 all non-industrial staff in the county of Avon, the north-west, the east and west midlands, London, the south-east and East Anglia had been surveyed. All remaining staff will be surveyed by 1987. Consideration is being given to ways of using the data on the ethnic origin of staff-in-post to monitor promotion.

All departmental recruitment is conducted on the basis of fair and open competition and selection is on merit. I refer the hon. Member to the answer given by my right hon. Friend the Minister of State, Privy Council Office on 20 February 1987, at columns 880-81, reporting the arrangements being made to encourage people from the ethnic minorities to apply to the Civil Service.

As regards my own Department, the Law Officers' Department, staff come on secondment from other Departments and there are therefore no new entrants to the Civil Service.

Crown Prosecution Units

Mr. Peter Bruinvels asked the Attorney-General if he will detail the 31 Crown prosecution areas in the United Kingdom, giving the number of solicitors working in each unit, the original number of solicitors planned for each unit and any estimated increase in these numbers planned within twelve months.

The Attorney-General: The 31 areas of the Crown prosecution service are as listed, together with the details for each area of the present complement of lawyers; the number of lawyers actually in post; and the planned increase in complement during the next 12 months. For these purposes, the term "lawyers" refers both to barristers and to solicitors.

Area	*Existing complement of laywers*	*Lawyers in post*	*Planned increase in complements of lawyers*
Avon and Somerset	36	36	6
Bedfordshire/ Hertfordshire	42	23	5
Cambridgeshire/ Lincolnshire	28	25	6
Cheshire	27	26	4
Cleveland/North Yorkshire	36	34	10
Cumbria/Lancashire	56	54	10
Derbyshire	25	18	3
Devon and Cornwall	30	30	7
Dorset/Hampshire	57	50	9
Durham/Northumbria	56	50	14
Dyfed Powys/North Wales	33	29	7
Essex	31	26	1
Gloucestershire/ Wiltshire	24	20	3
Greater Manchester	93	85	29
Gwent/South Wales	68	59	8
Humberside	23	16	2
Inner London	152	75	—
Kent	40	34	4
Leicestershire/ Northamptonshire	33	21	5
Merseyside	71	52	2
Norfolk/Suffolk	26	26	8
Nottinghamshire	33	37	6
Outer London (North)	88	52	12
Outer London (South) and Surrey	76	40	11
South Yorkshire	39	37	4
Staffordshire/ Warwickshire	36	23	5
Sussex	35	31	6
Thames Valley	46	[1]36	7
West Mercia	25	16	7
West Midlands	84	61	7
West Yorkshire	70	58	4

[1] Plus ½ part time.

Mr. Peter Bruinvels asked the Attorney-General if he is satisfied with the manpower operations of the Leicester/ Northampton Crown prosecution unit and the London South/Surrey Crown prosecution unit; and whether there are to be specific increases in the number of Crown prosecution solicitors.

The Attorney-General: I am satisfied with the excellent work being done by all the staff, both legal and non-legal, in the two Crown prosecution areas to which my hon. Friend refers. However, there is a significant shortfall of lawyers in both areas, as indicated in my answer to the previous question, and the Director of Public Prosecutions is urgently considering what further steps should be taken to improve the position there and throughout the Crown prosecution service.

SOLICITOR-GENERAL FOR SCOTLAND

Ethnic Monitoring

Mrs. Dunwoody asked the Solicitor-General for Scotland if he will list the numbers of entrants to his Department from the ethnic minorities in the years 1985-86 and 1986-87; if he will also list the monitoring procedures used to ascertain the percentage of the work

force represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into his Department.

The Solicitor-General for Scotland: The ethnic origins of new entrants have been surveyed since October 1985. The latest available information for the period up to 31 December 1986 is as follows:

	Number
Total new entrants to Crown Office and the Procurator Fiscal Service in period 1 October 1985 to 31 December 1986	98
Ethnic Origins	
White	89
Black Asian	1
Not stated (non respondents)	8

A phased programme of departmental surveys of the ethnic origin of non-industrial civil servants by means of voluntary self-classification is being conducted. By the end of 1986 all non-industrial staff in the county of Avon, the north-west, the east and west midlands, London, the south-east and East Anglia had been surveyed. All remaining staff will be surveyed by 1988. Consideration is being given to ways of using the data on the ethnic origin of staff-in-post to monitor promotion.

All departmental recruitment is conducted on the basis of fair and open competition and selection is on merit. I refer the hon. Member to the answer given by my right hon. Friend the Minister of State, Privy Council Office on 20 February 1987 at columns 880-81 reporting the arrangements being made to encourage people from the ethnic minorities to apply to the Civil Service.

Fraud

Mr. Bill Walker asked the Solicitor-General for Scotland what advice the Crown Office has given to procurators fiscal in connection with cases of fraud involving company directors.

The Solicitor-General for Scotland: Procurators fiscal have been advised of the power available to courts under the Companies Acts to make disqualification orders on company directors and others on conviction of an indictable offence which would include a conviction for fraud. This power is now contained in the Company Directors Disqualification Act 1986, which came into force on 29 December 1986. No other specific advice has been given in connection with cases of fraud involving company directors.

Legal Aid

Sir Hector Monro asked the Solicitor-General for Scotland what assistance procurators fiscal will provide to claimants in relation to criminal legal aid in Scotland after 1 April.

The Solicitor-General for Scotland: Providing assistance to claimants in relation to criminal legal aid is, in general, not part of the procurator fiscal's function; however, documents issued to accused persons to draw attention to the possibility of legal aid are presently being revised to stress the importance of seeking advice on the matter without delay.

Fox Hunting

42. **Mr. Canavan** asked the Solicitor-General for Scotland how many prosecutions have taken place over the past year for alleged offences arising from fox hunting.

The Solicitor-General for Scotland: So far as I can ascertain, proceedings have been taken against 28 persons for such offences during the past year.

Child Abduction

43. **Mr. Robert Hughes** asked the Solicitor-General for Scotland if he will make a statement on the Scottish Law Commission report, "Child Abduction" (Cm. 64).

The Solicitor-General for Scotland: The Scottish Law Commission's report on child abduction was recently received by my right hon. and learned Friend the Secretary of State for Scotland and was published on 12 February. The report makes a number of recommendations for change in both common law and statute relating to the abduction of children, and these are now being considered. The report also points to jurisdictional problems which the Commission considers arise from the provisions of the Child Abduction Act 1984 and which it does not regard as capable of solution by changes confined to Scotland. Full consultation before any conclusions are reached would therefore seem appropriate.

Irresponsible Drivers

44. **Mr. Pollock** asked the Solicitor-General for Scotland when he met representatives of Scotland's campaign against irresponsible drivers; what subjects were discussed; and if he will make a statement.

The Solicitor-General for Scotland: I met Mrs. Brydie of Scotland's campaign against irresponsible drivers on 2 March 1987. Amongst the issues discussed were the charges brought against accused drivers, the sentences open to the courts, the holding of fatal accident inquiries and the provision of informaton to victims' families. I share the concern that any death should occur as a result of reckless driving, and those who cause death by driving recklessly can fully expect to be prosecuted in the courts when sufficient evidence exists.

Small Claims Procedure

Mr. Hirst asked the Solicitor-General for Scotland what progress he is making towards the introduction of a small claims procedure in Scotland.

The Solicitor-General for Scotland: A consultation paper was issued on 9 March on behalf of my noble and learned Friend the Lord Advocate and on behalf of the Sheriff Court Rules Council. The paper invites views on the Lord Advocate's proposals for the definition of a small claim and on expenses awardable in a small claim. Views are also invited on whether the existing summary cause limit of £1,000 should now be increased. The paper contains the Sheriff Court Rules Council's draft procedural rules, together with a commentary on them, and invites views for consideration by that council.

TRANSPORT

Ports

Mr. Stern asked the Secretary of State for Transport if he will publish figures covering the last five years in respect of major British ports showing (i) numbers of ships movements in the categories of container, bulk, cereal and general cargoes, and (ii) values of cargoes imported and exported.

Mr. Michael Spicer: I regret that the information requested is not all readily available. Table 4.19 in "Ports Statistics 1985", a copy of which is in the Library, shows the numbers of tankers, ro-ro vessels, container vessels and other dry cargo vessels entering each port in 1985. Table 4.16 in the same publication gives the value of imports and exports at each major port. The shipping movement data are not available in my Department for earlier years and I refer my hon. Friend to Lloyd's maritime information service, which supplied the 1985 data. Earlier import and export value data were published by the British Ports Association in its "Quarterly Statistical Abstract of the UK Ports Industry".

Boeing 737 Fire (Manchester)

Mr. Alfred Morris asked the Secretary of State for Transport what representations he has received from the Greater Manchester fire and civil defence authority concerning steps to implement the recommendations of the coroner's inquest into the Boeing 737 fire at Manchester airport on 22 August 1985; what reply he is sending; and if he will make a statement.

Mr. Michael Spicer: Greater Manchester fire and civil defence authority wrote to me on 26 February 1987 asking what action was considered necessary to ensure that positive steps are being taken to implement the recommendations of the coroner's inquest into the Boeing 737 fire at Manchester airport. Any action to improve aviation safety that arises from this tragic accident is the statutory responsibility of the Civil Aviation Authority. I have therefore asked the chairman of the authority to respond to the Manchester fire and civil defence authority's inquiry.

Motorways (Lighting)

Mr. Peter Bruinvels asked the Secretary of State for Transport if he will give the most recent available night-time accident figures for the unlit sections of the M25; how these compare with those on the M1 and M6; and what is the average night-time accident rate per mile of unlit motorway.

Mr. Peter Bottomley: The information is as follows:

	Number of accidents at night on unlit sections: 1985	*Number of night-time accidents per unlit kilometre: 1985*
M25	34	0·54
M1	108	0·60
M6	130	0·47

Mr. Peter Bruinvels asked the Secretary of State for Transport if he will now consider lighting any junctions on the M25 which were subject to local undertakings that they would not be lit for a period following the commencement of motorway amalgamation; and if he will make a statement.

Mr. Peter Bottomley: The need for lighting at these junctions on the M25 is kept continually under review to reflect any changing circumstances. If, at a future date, lighting is proposed at any junction where undertakings have previously been given, then the need for further consultations will be considered.

ENERGY

AGRs (Control Rods)

Mr. Frank Cook asked the Secretary of State for Energy (1) how many control rod sections in how many control rods will need to be replaced or refurbished at Heysham and Torness advanced gas-cooled reactors, following the discovery of *(a)* external damage, *(b)* internal damage to bearing surfaces and *(c)* faulty workmanship; and what is the estimated cost;

(2) whether destructive tests have been performed, and whether any are proposed, on articulated joint bearings of control rods at the advanced gas-cooled reactor stations at Hinkley Point and Hunterston, in order to confirm that they do not suffer wear of the kind discovered at Torness and Heysham;

(3) what steps have been taken to discover whether wear has occurred in the control rod joint at the advanced gas-cooled reactor stations at Hinkley and Hunterston;

(4) what evidence was available to the Central Electricity Generating Board that potential instability in control rods due to gas flows existed in the advanced gas-cooled reactor design at Hunterston and Hinkley, before construction of similar designs began at Heysham and Torness;

(5) what is the cost and estimated delay as a result of the design failures of the control rod assemblies at Torness and Heysham; and if a proven design has yet been found;

(6) if any steps were taken to rig-test control rod assemblies at Heysham and Torness advanced gas-cooled reactors after minor redesign of the gas inlet nozzles from the original Hunterston/Hinkley design; and if he will make a statement;

(7) on how many previous occasions control rods have failed to insert fully on demand into the reactors at Hunterston and Hinkley advanced gas-cooled reactors; and for what reasons.

Mr. Goodlad: I have asked the chairman of the Central Electricity Generating Board to write to the hon. Member on behalf of both South of Scotland Electricity Board and CEGB.

Labour Statistics

Mr. Frank Cook asked the secretary of State for Energy what is the number of Central Electricity Generating Board employees at the following power stations *(a)* Hinkley Point A, *(b)* Hinkley Point B, *(c)* Oldbury, *(d)* Sizewell A, *(e)* Trawsfynydd, *(f)* Drax A, *(g)* Drax B, *(h)* Cottam, *(i)* West Burton and *(j)* Didcot.

Mr. Goodlad: The number of Central Electricity Generating Board employees at the following stations are as follows:

	Number
Hinkley Point A and Hinkley Point B	[1]1,412
Oldbury	632
Sizewell A	532
Trawsfynydd	604
Drax A and Drax B	[1]1,257
Cottam	728
West Burton	769
Didcot	774

[1] Figures for each station are not compiled separately.

Mr. Frank Cook asked the Secretary of State for Energy what is the average number of power station workers employed at *(a)* a large advanced gas cooled nuclear station and *(b)* a large coal-fired station.

Mr. Goodlad: I understand from the Central Electricity Generating Board that the average number of power station workers employed at a large advanced gas-cooled nuclear station and a large coal-fired station is 675 and 750 respectively.

Mr. Frank Cook asked the Secretary of State for Energy if he will list the number of people employed by *(a)* the United Kingdom Atomic Energy Authority, *(b)* British Nuclear Fuels Limited and *(c)* the National Nuclear Corporation.

Mr. Goodlad: The number of people employed in the United Kingdom Atomic Energy Authority, British Nuclear Fuels and the National Nuclear Corporaion at 31 March 1986 were as follows:

	Number
United Kingdom Atomic Energy Authority	13,916
British Nuclear Fuels	[1]16,285
National Nuclear Corporation	3,843

[1] Average number of persons employed in 1985-86.

Mr. Frank Cook asked the Secretary of State for Energy if he will list the number of United Kingdom Atomic Energy Authority employees currently engaged in work in *(a)* the fast breeder programme, *(b)* pressurised water reactor research *(c)* Magnox and advanced gas cooled reactor research, *(d)* nuclear waste, *(e)* decommissioning nuclear power plants, *(f)* energy conservation, *(g)* renewable energy and *(h)* nuclear fusion.

Mr. Goodlad: A full breakdown of the number of persons employed by the United Kingdom Atomic Energy Authority is not available in the form requested. However the numbers of scientific engineering man-years expected to be deployed directly to particular business areas during 1986-87 are as follows:

	Number
(a) Fast Reactor	890
(b) Pressurised Water Reactor Safety	230
(c) Advanced Gas Cooled Reactor	270
(d) Nuclear Materials and Radioactive Waste Management R and D	314
(e) Decommissioning and Radioactive Waste Management operations	60
(f) and *(g)* Energy Efficiency and Renewable Energy	100
(h) Nuclear Fusion	400

Mr. Frank Cook asked the Secretary of State for Energy what is the number of people currently employed by the Central Electricity Generating Board whose work is directly related to the generation of electricity from nuclear power.

Mr. Goodlad: About 9,500 people are currently employed by the Central Electricity Generating Board on nuclear specific work.

Mr. Frank Cook asked the Secretary of State for Energy what was the number of Central Electricity Generating Board employees in 1960, 1965, 1970, 1975, 1980, 1982, 1984 and 1986.

Mr. Goodlad: These figures are available in the Central Electricity Generating Board's annual reports and accounts. For convenience, however, the figures are given below.

At 31 March	*CEGB Employees*
1960	53,027
1965	68,580
1970	72,895
1975	66,099
1980	61,726
1982	[1]55,487
1984	[1]50,250
1986	[1]47,998

[1] Excludes employees who left the Board's service on that date and staff on secondment to British Electricity International.

Mr. Frank Cook asked the Secretary of State for Energy what was the number of people employed in 1970, 1975, 1980 and 1986 in *(a)* the South of Scotland Electricity Board, *(b)* the Central Electricity Generating Board, *(c)* British Coal and *(d)* British Gas.

Mr. Peter Walker: These figures are available in the industries' annual reports and accounts. Electricity in Scotland is the responsibility of my right hon. Friend the Secretary of State for Scotland. For convenience, the data are given below.

At 31 March	*[1]SSEB*	*[1]CEGB*	*[2]British Coal*	*[1]British Gas*
1970	14,541	72,895	287,200	116,300
1975	13,839	66,099	246,100	103,000
1980	13,658	61,726	232,500	104,400
1986	12,172	[3]47,998	154,600	89,700

[1] All employees
[2] Average men on colliery books in financial year
[3] Excludes employees who left the Board's service on that date and staff on secondment to British Electricity International.

Mr. Frank Cook asked the Secretary of State for Energy if he will estimate the number of jobs directly and indirectly related to the energy conservation industry in the United Kingdom.

Mr. David Hunt: It is not possible to calculate the total number of jobs related to the energy efficiency industry in the United Kingdom, as companies involved in the provision of energy efficiency products or services fall into a wide range of industrial categories, and are often also involved in the provision of other products or services.

Mr. Frank Cook asked the Secretary of State for Energy (1) what is his Department's current estimate in man-years of the employment likely to be generated by the decommissioning of a nuclear power plant;

(2) what is the current estimate at 1986 prices of the cost of fully decommissioning a Magnox, advanced gas-cooled reactor and pressurised water reactor power station, respectively;

(3) what is his Department's current estimate, at 1986 prices, of the waste disposal costs arising from the decommissioning of a nuclear power station, indicating the assumptions made for the type and location of the disposal sites.

Mr. Goodlad: The CEGB has estimated that the number of persons likely to be employed on-site during the active stages of decommissioning a nuclear power station will be about one quarter of the number of persons employed during the operation of that station.

The CEGB has estimated that full decommissioning of a Magnox power station would cost between £180 million and £330 million, at 1986 prices, depending on assumptions made about the timing of the various stages of decommissioning. Costs for an AGR power station are expected to be of the same order of magnitude.

International studies have indicated that the decommissioning of a commercial PWR power station might cost between £33 million and £170 million at 1986 prices. The figures make no specific assumptions about the type or location of waste disposal sites.

Capital Investment (Employment)

Mr. Frank Cook asked the Secretary of State for Energy (1) if he will list the publicly available studies on the employment impact and potential of capital investment on energy production and energy conservation carried out by his Department or by other Government Departments;

(2) if he will list the publicly available studies on the employment impact of energy production and capital investment in the energy field in the United Kingdom carried out by his Department or by other Government Departments.

Mr. Peter Walker: There are no such publicly available studies carried out since 1979 by my Department nor, as far as I am aware, by other Government Departments.

Mr. Frank Cook asked the Secretary of State for Energy to what extent the employment impact of investment in power station construction is a factor taken into consideration when decisions are made over such capital expenditure; and if he will make a statement.

Mr. Goodlad: Decisions on construction of new power stations are based on how best to meet the needs of electricity consumers.

Nuclear Power Stations (Inquiry Reports)

Mr. Frank Cook asked the Secretary of State for Energy if he will make available in the Library the official inspector's reports on the public inquiries into Bradwell nuclear power station, Hinkley Point A, Hinkley Point B, Hunterston A, Hunterston B, Dungeness A, Torness, Sizewell A, Connah's Quay, Trawsfynydd, Heysham 1, Wylfa, Portskewett, and Oldbury.

Mr. Goodlad: I have placed in the Library the inspectors' reports in respect of Bradwell, Hinkley Point A, Dungeness A, Connah's Quay, Trawsfynydd, Wylfa, Portskewett and Oldbury. No public inquiries were held in the case of Hinkley Point B, Sizewell A and Heysham 1. The remaining stations, Hunterston A and B and Torness, are a matter for my right hon. Friend the Secretary of State for Scotland.

Sandia

Mr. Ashley asked the Secretary of State for Energy if, pursuant to his answer 11 February, *Official Report*, columns *213-4*, he will place in the Library the report of the representatives of Her Majesty's nuclear installations inspectorate of the Health and Safety Executive who visited the Sandia site; if he will indicate the main finding of the report; and if he will make a statement.

Mr. Goodlad: A steel containment model was deliberately tested to destruction at roughly four times the pressure it was designed to withstand. The United States Nuclear Regulatory Commission has issued a report—NUREG/CR-4209. Her Majesty's nuclear installations inspectorate is sending me a copy of it which I shall place in the Library of the House.

Electricity and Gas (Disconnections)

Mr. Frank Field asked the Secretary of State for Energy what are the numbers of domestic consumers disconnected from *(a)* their electricity and *(b)* their gas supply in (i) the quarter and (ii) the 12 months to December 1986 in each electricity and each gas region in England, Wales and Scotland.

Mr. Peter Walker: This is a matter for the industries themselves. I have asked the chairman of the Electricity Council and British Gas plc to write to the hon. Member with the information requested. The question of electricity disconnections in Scotland should be pursued through my right hon. Friend the Secretary of State for Scotland.

British Coal (Objectives)

Mr. Hannam asked the Secretary of State for Energy if he has set objectives for the chairman of the British Coal corporation.

Mr. Peter Walker: I have settled objectives with the British Coal corporation chairman, Sir Robert Haslam in the following terms:

1. Coal production, like any other business, must earn a satisfactory return on capital while competing in the market place. The basic objective of British Coal must be to earn a satisfactory rate of return on its net assets and achieve full financial viability without Government support. British Coal should accordingly aim to improve its profitability so as to achieve, after payment of interest and accrual of social grants, breakeven for the year 1988-89 as a whole (though it is hoped that a breakeven position might be attained during the latter part of 1987-88) and thereafter generate an increasing surplus on revenue account and to contribute increasingly to self-financing.

2. British Coal should aim to maximise its long-term profitability by concentrating on low-cost production and on those sales which maximise profit on a continuing basis in competition with other fuels. It should plan its marketing, production, capital investment and research and development accordingly, bring productive capacity into line with its continuing share of the market, and ensure an adequate return on new capital investment in accordance with the principles set out in the White Paper "The Nationalised Industries" (Cmnd. 7131).

3. British Coal's objective should be to ensure that over the period to 1989-90 the operating costs of its mining activities per gigajoule of coal produced are reduced in real terms by at least 20 per cent., compared with the level recorded in 1985-86.

4. Either British Coal or the Government may propose additional objectives from time to time: any consequent adjustment to existing objectives would need to be discussed.

NATIONAL FINANCE

EEC (Budget)

Mr. Deakins asked the Chancellor of the Exchequer if, pursuant to his answer to the hon. Member for Walthamstow of 27 February, the European Economic Council and the Assembly are under an obligation to accept transfers from the negative reserve as to substantive budget lines; and if such negative reserves are to be used only in the event of there being equivalent amounts of unused expenditure.

Mr. Brooke: As in the 1986 precedent, the Council and the European Parliament have agreed to enter negative reserves in the 1987 budget. These are to be cancelled on the basis of transfer proposals which the Commission has undertaken to bring forward by the end of October of this year.

By their nature transfer proposals require the existence of unused expenditure in the budget.

Taxation

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing the estimated gain to the Exchequer from (i) an increase of 1p in the standard rate of income tax and (ii) a reduction of £100 in, respectively, the married and single allowances.

Mr. Norman Lamont: Estimates — consistent with information provided in the Autumn Statement 1986 (Cm 14)—are as follows:

£ million

	1987-88	*1988-89*
Increase of 1p in basic rate[1]	1,100	1,450
Reduction of £100 in:		
married man's allowance[2]	235	300
single[2] and wife's earned income allowance	290	380

[1] Including the consequential effect of an increase in the rate of advance corporation tax.
[2] Excluding age allowance

Personal Income and Expenditure Statistics

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* his estimate of the percentage of real disposable incomes taken by *(a)* mortgage payments and *(b)* rent in each of the years 1957, 1967, 1977 and 1979 to date.

Mr. Norman Lamont: All the information required is not available but some can be derived from published data held in the House of Commons Library.

Available information can be found in the following publications:

United Kingdom National Accounts.
Economic Trends Annual Supplement.
Financial Statistics.

Research and Development (Tax Incentives)

Mr. McCrindle asked the Chancellor of the Exchequer if he will state what tax incentives exist to support civil research and development programmes; what representations he has received in favour of more such incentives; and if he will make a statement.

Mr. Norman Lamont: Most private sector R and D expenditure qualifies for immediate tax relief either by deduction in full as a normal trading expense or by way of capital allowances. Capital expenditure on trade-related scientific research qualifies for the special 100 per cent. scientific research allowance. Capital expenditure which a trader incurs on other plant and on industrial buildings will qualify for relief under the normal capital allowances system. My right hon. Friend has received a small number of representations in favour of further incentives. It would be inappropriate for me to comment further at this point.

Official Debt

Dame Judith Hart asked the Chancellor of the Exchequer what information he has about the total official debt, and its category, of Brazil, Argentina, Columbia, Mexico and Peru, respectively.

Mr. Lawson: A breakdown of the total official external debt (owed to Governments and international financial institutions) of Brazil, Argentina, Colombia, Mexico and Peru is shown in table 2 of the OECD *External Debt Statistics*, a copy of which is available in the Library.

Interest Rates

Mr. Tony Blair asked the Chancellor of the Exchequer what instructions he has given in the past two weeks to the Bank of England regarding the level of interest rates.

Mr. Ian Stewart: Discussions between the Chancellor and the Governor of the Bank of England are confidential.

Gilt-edged Stock

Mr. Tony Blair asked the Chancellor of the Exchequer why the Bank of England issued £1 billion of gilt-edged stock on Wednesday 4 March; and if he will make a statement.

Mr. Ian Stewart: No Government stock was issued on 4 March.

Discount Houses

Mr. Tony Blair asked the Chancellor of the Exchequer why the Bank of England conducted a spot check into the books of the discount houses on the night of Thursday 5 March.

Mr. Ian Stewart: The Bank of England undertakes spot checks to satisfy itself that the prudential framework for the activities of the discount houses is being continuously observed.

Mr. Tony Blair asked the Chancellor of the Exchequer why discount houses were asked by the Bank of England to accept £640 million eight-day loans on Thursday 5 March.

Mr. Ian Stewart: The object of the Bank of England's operations on 5 March was to offset the anticipated money market shortage.

Council of Finance Ministers

Mr. Teddy Taylor asked the Chancellor of the Exchequer if he will make a statement on the outcome of

the Council of Finance Ministers meeting on 9 March; and if, in particular, he will state whether the Council discussed the opinion of the Court of Auditors that the Commission scheme for spending 3·2 billion European currency units on the emergency disposal of the European Economic Community butter mountain was unlawful.

Mr. Brooke: The EC Economic and Finance Council met in Brussels on 9 March. I represented the United Kingdom.

Following the conclusion of conciliation procedures with the European Parliament, the Council adopted the new Community instrument (NCI IV) to facilitate global loans to small and medium-sized enterprises in non-assisted areas.

The Council reviewed the economic situation in the Community, and agreed that there was no need to change the policy guidelines set out in the 1986-87 annual economic report adopted last December.

The Council discussed again the question of delayed reimbursement to member states of losses incurred on the disposal of butter stocks. The main focus of the discussion was the financial impact of the proposal on Spain and Portugal. The Council asked the Commission to examine the problems raised by these two countries.

The Court of Auditors' opinion on the proposal was on the table for the discussion. I had already made clear at the February meeting of the Council the view that the proposal, while justified by agricultural savings resulting from accompanying measures, should be regarded as exceptional. A similar view was expressed on this occasion by the Commission and other member states.

The Council discussed other issues arising from the European Court of Auditors' report on the 1985 Community budget. The Presidency concluded that further measures to improve the control of expenditure were still needed. The Council approved the resolution on the discharge of the 1985 budget.

Subject to United Kingdom and German parliamentary reserves, the Council agreed on a regulation to strengthen Community measures aided at detecting and combating fraud in Community trade with third countries.

Gold Bullion Coin

Mr. Patrick Thompson asked the Chancellor of the Exchequer whether the Government have any plans to issue a new United Kingdom gold bullion coin.

Mr. Lawson: Her Majesty the Queen has been graciously pleased to approve my recommendation, as Master of the Mint, that a new bullion coin containing 1 oz of fine gold be issued, to be called the "Britannia", together with bullion coins of smaller denominations.

Cash Limits

Mr. Hargreaves asked the Chancellor of the Exchequer if he will give revised cash limits for 1986-87 which take account of the decision by some Departments not to seek supplementary provision to cover the carry-forward allowed under the end-year flexibility scheme.

Mr. MacGregor: Under the end-year flexibility schemes announced in 1983, some 32 1986-87 cash limits were increased to allow for the carry forward of capital underspend in 1985-86. (*Official Report*, 22 July 1986, c. 143-46). In the case of four voted cash limits, the relevant Departments have not sought parliamentary approval for the extra provision in a Supplementary Estimate. To keep the control figures in line with provision the cash limits are accordingly being reduced; a list is shown in the following table:

Revision to 1986-87 cash limits resulting from the carryforward of capital underspend in 1985-86 not being required

Voted cash limits

Class	*Vote*	*Accounting Department*	*Description of expenditure*	*Current cash limit £000*	*Decrease £000*	*Revised cash limit £000*
V	5[1]	Department of Trade and Industry	International trade: export credit services, insurance of investment overseas (central services)	43,469	315	43,154
XI	3	Home Office	Central, administrative, miscellaneous and community services and civil defence —England and Wales	365,238	2,000	363,238
XVII	5	Welsh Office	Civil defence, tourism, roads and transport, housing, other environmental services, education and science, arts and libraries, and centrally funded health services and personal social services, Wales	187,047	787	186,260
XIX	11	Department for National Savings	Economic and financial administration	156,977	58	156,919

[1] Capital expenditure on this vote is not classified as public expenditure.

Income Tax

Mr. Ralph Howell asked the Chancellor of the Exchequer if he will state the cost to the Exchequer if income tax thresholds were raised to £65 per week for a single person and £130 per week for a couple, married or otherwise.

Mr. Norman Lamont [*pursuant to his reply*, 2 March 1987; c. *521*]: The direct revenue cost at 1987-88 forecast levels of income would be at least £8 billion in a full year compared with an indexed income tax regime. The precise cost would depend on the rules for unmarried couples and whether a separate wife's earned income allowance was retained.

FOREIGN AND COMMONWEALTH AFFAIRS

Irish Republic

Mr. Dubs asked the Secretary of State for Foreign and Commonwealth Affairs when he plans to meet the Foreign Minister of the Irish Republic.

Sir Geoffrey Howe: I have no plans at present, but am likely to see the Foreign Minister of the Republic of Ireland at the Foreign Affairs Council on 16 March.

Saudi Arabia

Mr. Lord asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the United Kingdom's diplomatic relations with Saudi Arabia.

Mr. Renton: Relations with Saudi Arabia are better than at any time in the past. The Prince and Princess of Wales paid a highly successful visit to the Kingdom last November and already this year my right hon. Friends the Secretary of State for Defence and the Secretary of State for Trade and Industry and I myself have visited Saudi Arabia. We are all looking forward to the state visit of King Fahd later this month.

Soviet Union

Mr. Canavan asked the Secretary of State for Foreign and Commonwealth Affairs what subjects he expects to discuss on his forthcoming visit to the Soviet Union.

Sir Geoffrey Howe: I expect to discuss a wide range of subjects including arms control, human rights, regional and bilateral issues.

Argentina

Sir John Biggs-Davison asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about Anglo-Argentine relations.

Mr. Eggar: We continue to seek more normal relations with Argentina, while honouring our commitment to the Falkland islanders. We look to the Argentine Government to respond positively to our efforts.

Lebanon

Mr. Beith asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his recent talks with President Gemayel of Lebanon.

Sir Geoffrey Howe: We had a full discussion of all aspects of Lebanon's current difficulties. I stressed Britain's commitment to Lebanon's sovereignty, unity, independence and territorial integrity.

Official Secrets Act

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs if he is satisfied with the means available to Her Majesty's Government of assessing the public interest, under Scottish law, in cases where the Foreign Office is the victim of alleged infringement of the Official Secrets Act.

Mr. Renton: The Lord Advocate is responsible for assessing the public interest in such cases in Scotland.

Foreign Affairs Council

Mr. Thurnham asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about the matters to be discussed at the Council of Ministers meetings on 16 and 17 March.

Mrs. Chalker: I refer my hon. Friend to the reply that I gave to my hon. Friend the Member for Richmond and Barnes (Mr. Hanley) on 27 February. The agenda for the 16-17 March Foreign Affairs Council has not yet been decided. A statement to the House on the outcome of the Council will be made in the usual way.

Tibet

Mr. Favell asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Chinese Government on alleged abuses of the human rights of Tibetans.

Mr. Renton: We have regularly made clear at the United Nations and other international bodies our concern about human rights abuses wherever they occur. The Chinese Government are well aware of our views.

South America

Mr. Dubs asked the Secretary of State for Foreign and Commonwealth Affairs how many Foreign Office staff deal with *(a)* the Falkland Islands and *(b)* all South American countries.

Mr. Eggar: In the Diplomatic wing five officials deal with the Falkland Islands and ten deal with South American countries. Three officials divide their time between these areas. These officials are supported by 13 clerical and secretarial staff.

In the Overseas Development wing three officials deal with the Falkland Islands and five deal with South American countries. Other staff, including heads of Department and support staff, spend part of their time on these responsibilities. There are also a number of professional advisers in both wings who are concerned with the Falkland Islands and South America.

Foreign Compensation (USSR)

Mr. Nicholls asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the response to the advertisement about the Foreign Compensation (USSR) (Registration and Determination of Claims) Order 1986.

Mr. Eggar: As envisaged in my answer of 13 January 1987 to my hon. Friend the Member for Richmond and Barnes (Mr. Hanley), these advertisements were carried in the national press at the end of January and early in February. Up to the end of February some 10,000 requests for application forms were received and dealt with in response to the advertisements. Approximately 70 per cent. of these requests were related to claims by holders of Russian bonds. However, the number of completed application forms which had been returned to the Foreign Compensation Commission by the end of February was low—slightly over 600. It is therefore important that potential claimants should bear in mind the strict closing dates for the receipt of completed forms. The closing date

for claims in respect of bonds is 31 March 1987; while the closing date for applications in respect of other claims is 30 June 1987.

NORTHERN IRELAND

Cervical Cancer

Mr. Parry asked the Secretary of State for Northern Ireland how many women have died from cervical cancer in the Province in each of the past five years.

Mr. Needham: The information for the last five years for which figures are available, is as follows:

Year	*Deaths from cervical cancer*
1981	43
1982	48
1983	39
1984	30
1985	27

Breast Cancer

Mr. Parry asked the Secretary of State for Northern Ireland how many women have died from cancer of the breast in the Province in each of the past five years.

Mr. Needham: The information for the last five years for which figures are available, is as follows:

Year	*Deaths from cancer of the breast*
1981	294
1982	267
1983	282
1984	302
1985	308

AIDS

Mr. Parry asked the Secretary of State for Northern Ireland if he will list in the *Official Report* the age and sex of persons who have died from AIDS in the Province at the latest available date.

Mr. Needham: The information is as follows:

Age	*Sex*
23	Male
50	Male

Gaelic Athletic Association

Mr. Parry asked the Secretary of State for Northern Ireland if he has had any recent discussions with the Gaelic Athletic Association concerning its funding; and if he will make a statement.

Dr. Mawhinney: I have not discussed funding arrangements with the GAA nor am I currently planning to do so.

Mr. Parry asked the Secretary of State for Northern Ireland what grants have been made to the Gaelic Athletic Association in each of the past three years.

Dr. Mawhinney: The information for the latest available years, (which includes grants to affiliated clubs) is as follows:

	£000
1983-84	120·9
1984-85	223·2
1985-86	198·2

EMPLOYMENT

Training Grant Payment

Mr. Freud asked the Paymaster General what percentage of training costs he expects to repay employers via the training grant payment mechanism in the next year.

Mr. Trippier: I shall reply to the hon. Member as soon as possible.

Mr. Freud asked the Paymaster General what is the total sum annually available for training grant payments from the Road Transport Industry Training Board.

Mr. Trippier: The Road Transport Industry Training Board's annual report for the year ended 31 March 1986 (the last year for which figures are available) shows that training grants amounting to £11,821,000 were paid out during the year.

Mr. Freud asked the Paymaster General what is the average delay between an employer's claim for a training grant payment and receipt of that payment from the Road Transport Industry Training Board.

Mr. Trippier: I am advised by the Road Transport Industry Training Board that grant claims have to be submitted by the end of September of each year. These are then offset against levy and either a payment is made to the company or alternatively a net levy requirement is invoiced to the company in December.

HOUSE OF COMMONS

Taxis

Mr. Parry asked the Lord Privy Seal what representations he has received from representatives of hon. Members' secretaries concerning the recent decision of the House of Commons (Services) Committee on the use of taxis at the Members' entrance; and if he will make a statement.

Mr. Biffen: I have received one letter from a Member's secretary on this point. In addition, I understand that the branch secretary of the TGWU 1/427 parliamentary branch has written to the chairman of the Accommodation and Administration Sub-Committee on behalf of those secretaries and research assistants who are members of that branch. Both letters urge reconsideration of the Services Committee's decision.

These and other representations on this matter have now been considered by the Accommodation and Administration Sub-Committee. In view of the complaints made by Members about the taxi queue over a number of years, the Sub-Committee was unwilling to recommend the rescission of the Services Committee's resolution. But it has been agreed that no steps will be taken to implement the resolution before 1 July this year, and that the

Committee should review the matter before that date. The Committee's final decision on this issue is likely to depend on the willingness of other users of the Members' Entrance to observe the rule that Members are to have priority at all times when taxis draw up for hire.

HOME DEPARTMENT

Metropolitan Police Vehicles (Accident Statistics)

Mr. Chris Smith asked the Secretary of State for the Home Department, further to his reply to the hon. Member for Islington, South and Finsbury of 17 February, *Official Report*, column *557*, what is the ratio of the number of fatal accidents, the number of persons killed and the number of persons injured in Metropolitan police vehicle accidents to the total mileage travelled by Metropolitan police vehicles in each of the years 1984, 1985 and 1986; and how this compares in each case to the equivalent ratio of vehicle accidents, fatalities and injuries to total vehicle mileage for all vehicles in the Greater London area.

Mr. Douglas Hogg: The Commissioner of Police of the Metropolis has provided the following information on the ratio between accidents involving police vehicles and the distances travelled by all police vehicles in the Metropolitan police district. Distance is given in vehicle kilometres for ease of comparison with the available accident figures for all vehicles.

	Fatal accidents	*Persons killed*	*Persons injured*
1984	1: 8,684,985	1: 7,237,487	Not available
1985	1:13,749,486	1:11,785,274	[1]1:56,350
1986	1:18,832,504	1:15,066,003	1:88,208

[1] Period 1 October to 31 December 1985 only.

The information collected on accidents involving all vehicles is not directly comparable because it relates to Greater London rather than the Metropolitan police district and includes accidents and mileage only on motorways and class A(M) and A roads. The available information is given in the following table. Figures for 1986 are not yet available.

Number of kilometres travelled per incident

	Fatal accident	*Persons killed*	*Persons injured*
1984	1:40,650,400	1:39,379,652	1:476,347
1985	1:45,662,100	1:44,383,954	1:485,169

Fire Safety

Mr. Merlyn Rees asked the Secretary of State for the Home Department what proportion of the houses in multiple occupation in Leeds are inspected for fire precautions.

Mr. Douglas Hogg: I understand from the west Yorkshire fire service that it has inspected about 10 per cent. of the estimated number of houses in multiple occupation in Leeds, and that most of these inspections have been carried out in response to requests from the city council as housing authority.

Police Consultative Committee (Hackney)

Mr. Sedgemore asked the Secretary of State for the Home Department if he will issue guidance to the Commissioner of Police of the Metropolis under section 106(3) of the Police and Criminal Evidence Act 1984 proposing the postponement of the inaugural meeting of the police consultative committee in Hackney, scheduled for 11 March, to extend the time for consultations between himself, the commissioner, local Members of Parliament and the council; and if he will make a statement.

Mr. Douglas Hogg: I understand that the meeting to be held in Hackney on 11 March, to which representatives of the borough council and other interested parties have been invited, will give further consideration to the constitution and membership of a police/consultative committee for the borough, but that it will not be regarded as the first meeting of such a committee. My right hon. Friend does not think that it would be right to seek to intervene in any way with the 11 March meeting. He continues to hope that a consultative committee can be established in the borough with the agreement of all interested parties.

Tamils

Mr. Deakins asked the Secretary of State for the Home Department how many Tamils have arrived in Britain from India seeking political asylum in the latest six months for which figures are available; how many have been returned to India; and how many of these have not been accepted by the Indian authorities.

Mr. Waddington [*pursuant to his reply*, 9 March 1987, c. 29-30]: Although statistics are not maintained in such a way as to give a precise answer to the question and are not maintained on an ethnic basis, it is estimated that at Heathrow terminals 3 and 4, which handle the majority of direct flights from India, a total of 350 Sri Lankan nationals have applied for asylum on arrival from India in the six months September 1986 to February 1987, inclusive. Of these, 36 have so far been removed to India, a number of whom have not been accepted by the Indian authorities.

WALES

Dairy Farms (Inspector)

Mr. Best asked the Secretary of State for Wales how many dairy farmers in Wales *(a)* numerically and *(b)* as a percentage of the whole will be eligible to pay for the costs of dairy inspection at the reduced rate of £80 per visit.

Mr. Nicholas Edwards: As at June 1986, 1,533 main holdings were eligible for the reduced rate of costs of dairy inspection. This represents 20·3 per cent. of all holdings with dairy cows in Wales. However, not all these holdings are registered for milk production under the Milk and Dairies Regulations.

Sheep

Mr. Geraint Howells asked the Secretary of State for Wales how many sheep farmers in each of the Welsh counties have 1,000 ewes or over; and what were the corresponding figures for each of the last 10 years.

Mr. Nicholas Edwards: The information is given in the following table:

Number of Holdings in Wales with 1,000 or more breeding ewes

	Clwyd	Dyfed	Mid Glamorgan	South and West Glamorgan	Gwent	Gwynedd	Powys	Wales
1977	51	60	27	8	10	101	181	438
1978	56	68	25	9	13	102	188	461
1979	56	68	25	9	10	99	196	463
1980	61	70	30	10	13	104	211	499
1981	64	76	28	11	13	116	226	534
1982	71	79	38	9	16	130	242	585
1983	79	87	35	10	16	142	260	629
1984	81	93	34	11	18	162	275	674
1985	80	93	33	13	17	162	281	679
1986	87	93	32	13	17	168	289	699

Source: June Agricultural Census for main holdings only.

Mr. Geraint Howells asked the Secretary of State for Wales how many lowland sheep farmers in each of the Welsh counties have 500 breeding ewes or over; and what were the corresponding figures for each of the last 10 years.

Mr. Nicholas Edwards: The information requested is given in the following table:

Number of lowland holdings in Wales with 500 or more breeding ewes

	Clwyd	Dyfed	Mid Glamorgan	South and West Glamorgan	Gwent	Gwynedd	Powys	Wales
1977	26	18	5	5	8	48	5	115
1978	27	27	4	6	6	54	9	133
1979	25	25	6	7	9	58	10	140
1980	33	28	8	8	11	64	12	164
1981	34	28	9	8	12	66	11	168
1982	31	31	11	6	11	70	12	172
1983	38	37	16	8	14	78	11	202
1984	42	47	15	10	12	89	12	227
1985	45	46	15	13	12	98	16	245
1986	51	48	16	13	16	113	14	271

Source: June Agricultural Census of main holdings.
Note: Lowland holdings are those defined as being outside the less-favoured area.

Dairy Quotas

Mr. Wigley asked the Secretary of State for Wales what further representations he has received from the farming unions in Wales concerning the danger of the knock-on effects from the dairy quotas having a detrimental impact on the beef and sheep sectors; and what response he has been able to give to such representations.

Mr. Nicholas Edwards: The farming unions in Wales have made a number of such representations to me. The knock-on effects of the cuts agreed for the dairy sector will depend upon individual management and husbandry decisions.

Dairy Inspection Charges

Mr. Best asked the Secretary of State for Wales if he will set out the cost per cow in a year of the charges for dairy inspection in respect of (i) those farmers who will pay £90 per visit and (ii) those farmers who will pay £80 per visit.

Mr. Nicholas Edwards: As my right hon. Friend the Minister of Agriculture, Fisheries and Food indicated in the debate in the House on 2 March 1987, for an average herd size of 60 cows the charge for a visit once every three years is 50p per cow set against current annual public support of £90 per cow.

PRIME MINISTER

Achievements

Lord James Douglas-Hamilton asked the Prime Minister if she will update her answer of Monday 24 February, *Official Report*, column *402-6*, listing the attainments of Her Majesty's Government from 1979 to date, to take account the achievements for 1986-87, giving a breakdown of those achievements within Scotland, England, Wales and Northern Ireland.

The Prime Minister: I would refer the hon. Gentleman to my reply to him of 24 February 1986 *(Official Report* c. 404-8) and my reply to the hon. Member for Crawley (Mr. Soames) of 20 February *(Official Report* c. 801-9) which taken together list the achievements of the Government since 1979 in respect of the whole of the United Kingdom.

More detailed information in respect of Scotland, Wales and Northern Ireland is as follows:

Wales, in common with the rest of the United Kingdom, has benefited from the Government's economic policies. These have helped to tackle the problems arising out of the fundamental changes which are taking place in the structure of industry. The historical dependence of Wales on coal and steel has now ended but both sectors continue to make a substantial contribution. The steel industry currently operates profitably and major improvements in performance have been achieved by British Coal with output per manshift increasing by 70 per cent. since 1983-84. Substantial investment is being made in both industries.

The promotion of industrial change has been actively supported. Unemployment has been falling steadily in Wales since the early part of 1986 and has fallen faster in Wales than most other parts of Britain. Since 1979, £235 million has been contributed under regional selective assistance for projects forecasting 61,000 new jobs and safeguarding a further 33,000 jobs. Since the new regional development grant was introduced in November 1984, £74 million of grant has been offered for projects forecasting over 20,000 new jobs in addition to the above.

Following the establishment of WINvest in 1983, 213 inward investment projects have been secured creating 25,000 jobs. The Welsh Development Agency has played an important part in the regeneration of communities through the provision of factories, investment packages, land reclamation and other services. Factory allocations by the Government agencies have reached record levels — 2·5 million sq ft in 1986, more than double the highest recorded figures prior to 1979. A large number of new industrial projects by companies throughout Wales has been announced in the past year.

The youth training scheme has given vocational training to nearly 74,000 young people since it was launched in 1983. Of these over 16,500 have entered two-year YTS. About 18,500 adults are expected to receive MSC training in 1986-87. Through the expanded enterprise allowance scheme nearly 14,000 unemployed people in Wales have been helped to start up in business.

It is estimated that the number of self-employed had risen to over 154,000 by 1986, an increase of 39,000 over June 1981; more than a quarter of the manufacturing plants have opened since 1979. Enterprise agencies are actively helping to create jobs and further measures to support the small firm sector are being developed. The three enterprise zones contain over 440 companies and nearly 4,000 jobs in these zones have been created since designation. EC funds have contributed £1,311 million since 1979 to assist the development of new industries in areas most affected by structural change.

A major programme of investment has been undertaken to tackle the problems associated with urban decay. £144 million has been spent on urban programme schemes which have made a substantial contribution to social and economic development. In addition the urban development grant scheme has helped bring forward fifty private sector investment projects totalling £144 million "triggered" by a public contribution of £25 million. A valleys initiative was launched in 1986 which is helping to improve substantially the environment of urban centres in the South Wales valleys. A major redevelopment of south Cardiff has been launched and a Cardiff bay Development Corporation established which is expected to encourage investment on a very large scale around Cardiff bay.

The Development Board for Rural Wales continues to assist with the provision of factories, investment advice and a range of community developments within its area. A new grant, the development of rural initiative, venture and enterprise has been introduced to stimulate private sector investment of benefit to rural areas. In 1984 the less favoured area was extended to include about 80 per cent. of the country and this enabled additional support to be given to farmers. Substantial support continues to be given to the farming industry; proposals have been made to help farming and the rural economy to adapt to the need to reduce agricultural surpluses. Increased weight is being given under the planning procedures to the protection of the environment and job creation.

A substantial trunk road programme of £700 million has been undertaken since 1979 providing 22 miles of new or improved motorway and 93 miles of trunk road. Twenty-six miles of trunk road are now under construction. A major scheme to upgrade the A55 dual carriageway across North Wales is currently underway and this includes the very large civil engineering contract for the tunnel crossing on the Conway estuary. Significant progress has been made in improving rail services. The de-regulation of local bus services has been completed with the level of provision remaining the same but with a saving in the level of revenue support. The Government are committed to safeguarding the existing Severn crossing and to be in a position to provide a second crossing by the mid-1990s.

A substantial programme of housing renovation has been achieved and the promotion of home ownership has been an important consideration. Owner occupation has increased from 59 per cent. of stock in 1979 to 67 per cent. currently. Some 57,000 public sector dwellings have been sold to their tenants and over 50,000 new homes have been built for sale.

Between April 1980 and December 1986 some £383 million was paid on 120,000 renovation grants to the private sector. Over the same period local authority capital expenditure on the renovations of their own stock totalled £294 million. Over the last two years allocations to the housing authorities and to the Housing Corporation have increased by 40 per cent.

Current expenditure on education in 1984-85 was 2·5 per cent. more in real terms than in 1978-79. Pupil numbers in that period have dropped by 10 per cent. so that expenditure per pupil is at a record level. 69 per cent. of the under-fives are in nursery classes, an increase of 40 per cent. since 1979. The number of enrolments in local authority colleges of higher education has increased by 50 per cent. since 1979 and taking all higher education sectors in Wales together, student numbers have increased by 20 per cent. in that same period.

The promotion of improved standards of education has continued in line with developments in England. The Government have also pursued a policy of active support for the Welsh language and direct Government expenditure of over £13·5 million has been made since 1979-80.

Spending on the Health Service in Wales is up by 28 per cent. in real terms since 1979; the number of staff directly concerned with patient care has increased by 13·5 per cent. between 1979 and 1985. Five major new hospital

developments have been completed as well as two innovative new community hospitals in that time. Between April 1979 and March 1988, £490 million will have been spent, at 1986-87 prices, on the hospital building and development programmes. The number of patients being treated in hospitals has increased—in-patient cases are up by 76,000 per annum (22 per cent.) and the numbers of new out-patients by 64,000 or 15 per cent. New services have been introduced, including three renal dialysis units and a computerised kidney donor register, a bone marrow transplant unit and a genetics centre. In addition, whole-body scanners have been installed at strategic locations throughout the Principality. The general management function has now been established in all Welsh health authorities and a corporate management programme for the service has been issued for consultation. Two significant initiatives have been introduced relating to the care of mentally handicapped people and the elderly.

In Scotland, since 1979 over 89,000 public sector tenants have bought their homes and owner occupation has risen from around 35 per cent. to over 42 per cent. 140,000 new homes have also been built since 1979.

Over 200,000 private sector grant applications have been approved and the number of houses below tolerable standards reduced from 114,000 in March 1980 to 57,000 in 1986. The annual capital allocations to local authorities for expenditure on their own housing stock have risen by 60 per cent. over the last three years. The numbers of sheltered dwellings and of amenity dwellings have both more than trebled since 1979. The housing association movement's investment programme has exceeded £100 million in each of the last six years.

Expenditure per pupil is higher than ever before, an extra £60 million is being allocated to local authorities in 1987-88 to resource the deal on teachers pay and conditions of service; more students are in full-time higher education than ever before (79,000 against 69,000 in 1979); the number of students in non-advanced vocational further education has increased by 27 per cent. (1979-80 —140,500 to 1985-86—178,400).

A recently agreed package of EC structural proposals will cover a range of measures designed to encourage new construction and modernisation of fishing vessels, to constrain excess capacity and to expand fishing opportunities outside EC waters. In particular the package extended the list of preference areas to include the "West of Scotland" and this will enable applicants from this area to qualify for a higher rate of community aid. The value of fish landings in Scotland reached a new record in 1986 at £234 million, more than double the 1980 value of £114 million. White fish value increased by 11 per cent. and shellfish by 18 per cent. offsetting the decline in the mackeral catch due to the poor weather.

Fish farming recorded continued success with increasing value and employment both direct and in processing. Continuing confidence in the future is reflected on the investment side. In 1986 the sea fish industry authority paid out Government grants amounting to £7,902,408 for the construction of new fishing boats and the modernisation of existing vessels in Scotland. As part of our commitment to practical conservation fishery protection and control have been strengthened.

In 1986-87 Government support to Scottish agriculture will amount to over £330 million. The Government successfully secured the Agricultural Development Programme to improve the structure of agriculture in the islands. We plan to put some £38·7 million into the programme over five years. The details of the ADP are now being worked up in consultation with local interests. The ADP should be in operation towards the end of this year.

Manufacturing productivity in Scotland has increased by nearly 6 per cent. a year between 1979 and 1985. Scottish manufacturing exports in 1985 showed an increase of over 4 per cent. on 1984. Service sector employment in Scotland showed an increase of over 40,000 between June 1983 and June 1986 and over the same period the number of self-employed increased by 24,000. Over 85,000 people are now covered by the Government's employment and training measures in Scotland. Estimated expenditure on the YTS in Scotland is £85 million in the current year.

In 1985 there was a net growth of 1,400 in company registrations in Scotland. Between 1979 and 1985 the output of the Scottish electronics industry rose by around 150 per cent., in real terms, and electrical and instrument engineering output in Scotland nearly doubled. Under the new regional development grant scheme introduced in 1984, offers amounting to over £100 million have been made to industry in Scotland, associated with the creation of some 30,000 jobs. Since its establishment in 1981 the "Locate in Scotland" organisation has helped to attract to Scotland projects expected to result in planned investment by 300 overseas companies of over £1·8 billion, and to create or safeguard some 40,000 jobs. The Scottish Development Agency is currently spending some £130 million a year, and the Highlands and Islands Development Board some £35 million a year, on economic development in Scotland. The budgets of both agencies have been substantially increased since 1979, and their roles enlarged.

Between 1979 and 1986, the Scottish Development Agency offered almost 1,300 loans to small firms valued at £20·4 million. The SDA's small firms information centre received almost 106,700 inquiries between 1979 and 1986, from which more than 38,700 counselling sessions were arranged.

Since the inception of the extended enterprise allowance scheme in 1983, 18,600 unemployed people have been helped to start up in business in Scotland.

Over £600 million has been invested in the motorway and trunk road network, and 221 miles of motorway and major trunk road improvements have been completed. The 127 mile reconstruction of the A9 from Perth to Easter Ross has been completed; substantial progress has been made on other routes, including the Perth to Aberdeen route (which has been largely upgraded to dual carriageway standard) and the A75 Gretna to Stranraer route; and 25 bypasses have been opened, relieving communities of through traffic. A further 30 miles of motorway and major trunk road improvements, including four bypasses, are under construction. Over the same period, annual expenditure on structural maintenance of existing trunk roads has increased by about 50 per cent. in real terms.

The Government have continued to develop and improve the sea transport services in the Highlands and Islands, recognising the importance of good transport systems to the economic and social well being of the island communities. Government support for ferries and coastal shippers has increased from £5·1 million in 1979 to £13·6

million in 1986-87, an increase of 55 per cent. in real terms. Capital expenditure on piers and ships, completed or in progress, is £40 million.

The Countryside (Scotland) Act 1981 gave regional councils power to designate areas as regional parks to make provision for and maintain informal recreation facilities in selected areas of countryside without interfering with other established land uses such as farming, forestry or commercial sporting management. So far two regional parks have been designated (Fife regional park and the Pentland Hills regional park) and two others (Loch Lomond and Clyde/Muirshiel) are proposed.

A new grant scheme to ssist the care costs of voluntary bodies in the environmental field has been introduced in Scotland, with an allocation of £150,000 in 1987-88. Arrangements are also being made to extend UK 2000 to Scotland.

On law and order, the chief constables have been encouraged to increase the visible police presence on the beat and in public places. The rate of police grant has been increased to 51 per cent. in 1986-87, providing an additional £3 million for policing, and a major programme is in hand to replace police and fire service radio communications. New powers for the regulation of public processions and demonstrations have been enacted and increased attention has been devoted to crime prevention with local authorities being encouraged to play their part.

We are intensifying the campaign against drug misuse. The 21-man drugs wing of the Scottish crime squad has been established and all eight Scottish forces now have a specialist drug squad or unit. Further legislative changes are being made to improve the criminal law including providing powers which will enable the courts to confiscate the proceeds of drug trafficking and will provide customs officers with enhanced powers of detention for suspected drug smugglers. Aside from enforcement and prosecution we are providing central funding amounting to over £1 million annually to support local facilities for the rehabilitation of drug misusers, some of whom have now become infected with the AIDS virus; and we are continuing to promote major public health education campaigns to counter drug misuse and curtail the spread of AIDS.

We have established the Scottish Legal Aid Board which will take over responsibility for most aspects of legal aid administration on 1 April 1987.

Between 1970 and 1986 the number of doctors has increased by nearly 7 per cent., the number of qualified nurses by over 26 per cent. and those working in the professions allied to medicine by 25 per cent.

A further five major new hospital developments bringing the total since 1979 to 47, have provided a total of over 5,400 beds and over 450 day places. Management of the NHS in Scotland has been strengthened by the appointment of a general manager for each health board and of unit general managers within boards. This will make for more effective planning and decision-taking and better use of resources. We are already seeing the fruits of these initiatives in the form of improved efficiency within boards, thus ensuring that the optimum amount of resources are devoted to patient care.

In Northern Ireland, the dedication and professionalism of the security forces have continued to bring successes against terrorists. Considerable numbers have been arrested, and successful prosecutions mounted for terrorist offences, while large numbers of weapons and explosives have been seized. The Royal Ulster Constabulary has, by its conduct over the period, further enhanced its reputation for even handed and disinterested enforcement of the law.

The Government remain committed to the Anglo-Irish Agreement, signed in 1985, which seeks to develop further our unique relationship with the Republic of Ireland. In particular, it offers a framework for co-operation with the Republic, including improving co-operation on security matters between the Royal Ulster Constabulary and the Garda Siochana. The agreement also offers reassurance to both sides of the community that their identities and interests will be respected, and that any change in the status of Northern Ireland would come about only with the consent of a majority of the people of the Province. Good progress has been made in implementing the agreement.

Substantial resources have been made available to finance the job creation efforts of the Industrial Development Board (IDB), the Local Enterprise Development Unit (LEDU) and the various training and retraining schemes. IDB and LEDU promoted 6,685 jobs and renewed or maintained a further 8,178 in 1986. Since the inception of the IDB in September 1982 over two thirds of new inward investment has been attracted to the areas of greater need in Northern Ireland.

At the end of December 1986, 25,600 people were benefiting from the special employment and training measures run by DED, including 6,450 on action for community employment schemes, 1,950 on the enterprise allowance scheme and 9,000 on the youth training programme.

Gross expenditure on the housing programme has increased by 64 per cent. since 1980-81. The level of unfitness in old housing has reduced from 14 per cent. in 1980-81 to around 10 per cent.; the proportion of dwellings lacking basic amenities has been halved. Grant aid for the improvement and repair of private dwellings in 1986-87 is twice the 1980-81 level; expenditure by housing associations has tripled in the same period. Over 32,000 houses have been sold by the Housing Executive, and an estimated 60 per cent. of householders in Northern Ireland now own their properties.

Expenditure on the health and personal social services increased by 13·9 per cent. (after adjustment for inflation) between 1979 and the last financial year. Staff numbers increased by over 9 per cent.; in patient cases by 10 per cent.; and the number of out-patient attendances by 23 per cent. A new tower block at Belfast city hospital was completed in 1984 at a cost of £70 million and is now fully commissioned. Work began last year on a new block at the Mater hospital, Belfast at a cost of £10 million, and forward plans include a new hospital in Antrim at a cost of £35 million.

In education there is a higher participation rate amongst the under-fives and for those over compulsory school age. Spending per student in secondary schools is 16 per cent. above the 1979 level in real terms.

There is a continuing successful programme for the revitalisation of the city centres of Belfast and Londonderry. A total of £28 million was recently allocated towards urban regeneration in Belfast over the next three years, in addition to existing budgets for comprehensive development, environmental improvement and urban

development grant. Since 1981 an additional 2,325 jobs have been created in the Belfast enterprise zone; 1,600 of these were new to Northern Ireland.

Total investment to date amounts to £28 million of which £20 million is from the private sector. Urban development grant of £14 million through pump priming attracted £44 million of private investment. These grants have assisted a wide range of commercial and industrial projects including the provision of 300 units of speculative accommodation for small businesses and 400 units of private sector housing. Private sector investment in major retail and office developments either completed in the past three years, underway or committed, is in excess of £150 million and this is a further indication of the growth of confidence in Belfast.

Afghanistan

Mr. Parry asked the Prime Minister if she will discuss the Afghanistan peace proposals in her meeting with Mr. Gorbachev.

The Prime Minister: I shall raise with Mr. Gorbachev the continuing Soviet occupation of Afghanistan and will press again for the complete and rapid withdrawal of all Soviet troops.

Mr. Parry asked the Prime Minister if she has any plans to meet the President of Afghanistan; and if she will make a statement.

The Prime Minister: No.

AGRICULTURE, FISHERIES AND FOOD

Surplus Butter

Mr. Tom Cox asked the Minister of Agriculture, Fisheries and Food if he will list the distribution points in the London borough of Wandsworth where EEC surplus butter is made available for pensioners living in the borough to collect; and if he will give the quantity of butter so far distributed in the London borough of Wandsworth.

Mr. Gummer: My Department does not maintain records of distribution points or of quantities distributed in particular geographical areas.

Milk

Mr. Deakins asked the Minister of Agriculture, Fisheries and Food what information he has about the prices paid to farmers in national currencies for milk in each European Economic Community country in the last marketing year and in the current marketing year.

Mr. Gummer: All the available information about prices paid to farmers for milk in each member state of the European Community of 10 is given in Eurostat (agricultural prices) No. 3 1986, pages 40 and 41, and in the Cronos Data Bank (PRAG domain), both of which are accessible in the Library of the House. Information for Spain and Portugal is not available.

Intervention Stocks

Mr. Deakins asked the Minister of Agriculture, Fisheries and Food what is the current annual cost of storing and financing European Economic Community intervention stocks in the United Kingdom; how much of this cost is borne directly by the United Kingdom taxpayer; and what percentage change will take place in these costs over the next three years.

Mr. Gummer: Intervention storage costs in 1986-87 are expected to be about £134 million, towards which the Community will contribute about £60 million. The final cost of financing stocks will not be available until the intervention buying accounts for the calendar year 1986 are completed but the Community's contribution, at standard rates, for 1986-87 is expected to be about £75 million.

It is not possible to predict the percentage change which will take place in these figures over the next three years because expenditure will depend on market conditions including levels of production, trade and world prices for individual commodities. Costs of maintaining intervention stocks have been on a rising trend in recent years as stocks of most commodities have built up. But the major reforms of the beef and milk regimes agreed at the December Council and decisions still to be taken on cereals should lead to reductions in surpluses and to lower intervention costs.

Wheat

Mr. Ralph Howell asked the Minister of Agriculture, Fisheries and Food if he will show the average ex-farm price of wheat in the United Kingdom for 1979 and each subsequent year in actual and at constant prices, showing 1979 prices and also showing 1979 as 100 per cent.

Mr. Gummer: The information is as follows and includes the figures supplied in my written reply to my hon. Friend on 26 February 1987 at column *368*.

	Ex-farm price of home-grown wheat[1] *(£ per tonne)*		*Price index (1979 = 100)*	
	At current prices	*In real terms,*[2] *at constant 1979 prices*	*At current prices*	*In real terms*[2]
1979	95·92	95·92	100·0	100·0
1980	99·30	82·89	103·5	86·4
1981	108·92	81·53	113·6	85·0
1982	113·74	78·93	118·6	82·3
1983	124·80	82·54	130·1	86·1
1984	114·58	72·80	119·5	75·9
1985	112·23	67·40	117·0	70·3
1986	[3]112·18	64·84	117·0	[4]67·6

[1] Weighted average price at first point of sale. (*Source:* "Annual Review of Agriculture").
[2] Deflated by price deflator of GDP at market prices. (*Source:* "European Economy").
[3] Forecast.
[4] Corrected from 67·4. Given in the reply of 26 February.

Lakes (Radioactivity)

Mr. Wigley asked the Minister of Agriculture, Fisheries and Food whether his Department has carried out any analysis of lake water of flora and fauna in lakes, and of land surrounding lakes, to ascertain changes in the level of radioactivity following the Chernobyl disaster.

Mr. Gummer: Yes. The relevant data were published last October in a report from my Ministry entitled "Radioactivity in Surface and Coastal Waters of the British Isles — Monitoring of Fallout from the

Chernobyl Reactor Accident". A copy of this report was placed in the Library of the House. A further report on radioactivity in the aquatic environment will be made this year as part of the Ministry's annual series and a copy of it will be placed in the Library.

In addition, my Department carried out a comprehensive sampling programme for food and agricultural products, the results of which were published last month in a report entitled "Radionuclide Levels in Food, Animals and Agricultural Products — Post Chernobyl Monitoring in England and Wales". A copy may be found in the Library.

Sheep Compensation Scheme

Mr. Wigley asked the Minister of Agriculture, Fisheries and Food if he will estimate the proportion of expenditure incurred to date under the second leg of the sheep compensation scheme 1986 paid in respect of lost sheep *(a)* in England, *(b)* in Wales and *(c)* Scotland.

Mr. Gummer: Expenditure authorised to 27 February 1987 under the second leg of the sheep compensation scheme 1986 (which compensates for market price losses under the mark and release scheme) was:

	£	*per cent.*
England	50,959	3·1
Wales	805,119	48·9
Scotland	789,065	48·0
Total	1,645,143	100

Caesium (Cumbria)

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food whether his Department was testing for caesium contamination in the potential human food chain in Cumbria prior to the Chernobyl accident.

Mr. Donald Thompson: I shall reply to the hon. Member as soon as possible.

EC (Food Distribution)

Mr. Frank Field asked the Minister of Agriculture, Fisheries and Food if, pursuant to his answer of 25 February, *Official Report*, column *260*, he *(a)* has now or *(b)* plans to have available in the future any breakdown of the distribution of European Community butter and beef; and if he will make a statement.

Mr. Deakins asked the Minister of Agriculture, Fisheries and Food pursuant to his reply to the hon. Member for Ryedale (Mrs. Shields) *Official Report*, 25 February, column *260*, why he does not have figures of the geographical distribution of free EEC butter and beef; and if he will take steps to obtain this information.

Mr. Gummer [*pursuant to his reply*, 5 March 1987, c. *682*]: Figures are available to me showing, for each intervention storage location and charitable organisation, tonnages authorised for release and physically removed during particular periods. There are no central figures of actual distributions by geographical area, nor are there plans to compile this information because the costs to charitable organisations and to my Department would be disproportionate to the benefits.

Cereals

Mr. Maclennan asked the Minister of Agriculture, Fisheries and Food what account he takes, in seeking to secure export licences for cereals, of the likely effects upon other sectors of production in the industry.

Mr. Gummer: The quantities of cereals for which export licences are issued is determined weekly by the Commission in consultation with the cereals management committee. In deciding upon the quantities to be exported, full account is taken of the possible implications for the cereals and other sectors of the industry.

Mr. Ralph Howell asked the Minister of Agriculture, Fisheries and Food what it the total quantity of grain produced in each of the European Economic Community countries in 1986 and also the total amount of co-responsibility levy paid by each member state in pounds sterling.

Mr. Gummer [*pursuant to his reply*, 5 March 1987, c. *683*]: The cereals co-responsibility levy is payable when grain from the 1986 harvest is processed, exported or taken into intervention. Grain from the 1985 crop year entering such outlets in 1986 was not subject to levy.

	1986 cereals production (provisional) million tonnes	*Cereals co-responsibility levy paid by each Member State to end November 1986*[1] *£ million*
Belgium	2·3	1·6
Denmark	7·9	0·5
Germany	25·6	5·4
Greece	4·9	0·3
France	49·2	2·8
Ireland	1·8	0·2
Italy	17·9	3·7
Luxembourg	0·1	—
Netherlands	1·2	0·2
United Kingdom	24·4	3·5
Portugal	1·6	[2]
Spain	15·6	—
Total	152·5	18·2

Source: EC Commission.

[1] Latest breakdown available.

[2] Not subject to levy.

Mr. Ralph Howell asked the Minister of Agriculture, Fisheries and Food what is the definition of a small farmer which will be used in establishing who will receive part of the 120 million ECU/£75 million in cereal co-responsibility refunds; how much of this total will be received by British small farmers and when; and if he will make a statement.

Mr. Gummer [*pursuant to his reply*, 5 March 1987 c. *683*]: According to EC regulations, small producers of cereals who have borne the cereals co-responsibility levy are eligible for the aid. In defining the recipients of the aid within its own boundaries a member state is required to take into account the area of a holding under cereals and/or the utilised agricultural area of a holding and/or the proportion of a holding's incomes which is derived from cereals. The definition of the recipients of this aid in the United Kingdom is currently under consideration and we hope to be able to make an announcement shortly. The United Kingdom has been allocated 5·35 million ecus (£3·35 million) of the aid, which is to be paid out before 31 December 1987.

Mr. Ralph Howell asked the Minister of Agriculture, Fisheries and Food what was the average ex-farm price of wheat received by *(a)* British farmers, *(b)* French farmers, *(c)* German farmers and *(d)* the EEC generally in 1979, 1984, 1985 and 1986, in pounds sterling.

Mr. Gummer [*pursuant to his reply*, 5 March c. 683]: The information requested by my hon. Friend is not yet available for the 1985-86 marketing years. I set out below the information for the 1979-80, 1983-84 and 1984-85 marketing years. Ex-farm prices for the European Community as a whole are not available.

Producer Prices for Wheat

£/tonne[1]

	1979-80	1983-84	1984-85
United Kingdom	93·83	127·10	122·00
West Germany	122·18	125·75	118·83
France	88·03	101·04	99·05
EC[2]	91·44	120·16	119·01

[1] Exchange rates based on average spot rate for marketing years except for EC prices which have been converted at the average green rate for the marketing years.
[2] Average intervention price for common wheat.
Source: "Agricultural Situation in the Community 1981" and 1986 reports.

SOCIAL SERVICES

Benefits

Sir Brandon Rhys Williams asked the Secretary of State for Social Services what is his latest estimate of the numbers of *(a)* claimants and *(b)* all beneficiaries of means-tested benefits other than housing benefits.

Mr. Lyell: The latest readily available estimates are given in the table:

Claimants and beneficiaries of income-related benefits[1] Great Britain[2]—Thousands

	[3] Claims	Recipients
Supplementary Benefit[4]	[5 6 7]5,880	[6]4,910
Family Income Supplement	[7]390	[8]200
Free Welfare Foods	[7 9]210	[11]980
Free School Meals	n.a.	[12]1,380
NHS Exemptions		
Prescription Charges	n.a.	[7 13 14]39,000
Dental Charges	[8 10 15]440	[13 17 19]3,000
Optical Charges		[14 18 19]1,380

Notes to Table:
"n.a." not available.
[1] Excluding certificated and standard housing benefit.
[2] Unless otherwise stated.
[3] Including unsuccessful claims.
[4] Including housing benefit supplement.
[5] Year ending March 1986.
[6] Provisional.
[7] Strictly these represent decisions reached rather than claims received.
[8] February 1986.
[9] May 1986.
[10] Low income grounds only (excluding supplementary benefit and FIS). Also see Note 6.
[11] December 1984.
[12] October 1984.
[13] Excludes cases exempt from charges on grounds other than low income (eg children under 16, women aged 60 and over, men aged 65 and over).
[14] Estimate of the number of such prescriptions in the year not the number of recipients.
[15] Includes claims for exemptions from NHS charges for wigs and appliances and refunds of charges already paid.
[16] England and Wales only.
[17] March 1986.
[18] Year ending June 1986.
[19] Includes cases where a partial charge was paid.

Mr. Alfred Morris asked the Secretary of State for Social Services what was the level of spending on social security benefits for sick and disabled people in each of the years 1978-79 and 1986-87; how this expenditure breaks down between the different social security benefits for sick and disabled people; what was the average annual increase in expenditure for the period 1979-80 to 1986-87 inclusive in real terms; how much of that increase in real terms was attributable to *(a)* increases in the real value of the social security benefits concerned and *(b)* increases in the number of people claiming each of the benefits; and what was the average annual increase in such expenditure in real terms for the period 1974-75 to 1978-79 inclusive.

Mr. Major: Over the period 1979-80 to 1986-87, real expenditure on social security benefits for sick and disabled people increased by an average of £230 million a year (at 1986-87 prices): roughly 70 per cent. of the increase was due to increases in the number of recipients and the remainder to increases in the average amount paid. The average annual real increase over the period 1974-75 to 1978-79 was £195 million (at 1986-87 prices). A breakdown of total expenditure among individual benefits is given in the table.

Expenditure on social security benefits paid to sick and disabled people in 1978-79 and 1986-87, by benefit—Great Britain

£ million (cash)

	1978-79	1986-87[1]
Sickness benefit	700	160
Invalidity benefit	640	2,610
Industrial disablement benefit	220	430
Attendance allowance	170	780
Invalid care allowance	5	190
NCIP/Severe disablement allowance[2]	70	260
Mobility allowance	50	510
War disablement pension	220	380
Supplementary benefit	170	460
Housing benefit	50	470
Christmas Bonus	10	20
Other industrial injuries benefits	5	5
Total	2,500	6,290

[1] Estimated outturn.
[2] Non-contributory invalidity pension was replaced by severe disablement allowance in November 1984.

Bacteria MRSA

Sir Richard Body asked the Secretary of State for Social Services how many hospitals have been affected by the bacteria Methicillin-resistant staphylocollus aureus (MRSA); and whether he will make a statement about its control.

Mrs. Currie: Methicillin-resistant staphylococcus aureus (MRSA) has spread widely throughout hospitals in London and to a lesser extent elsewhere. In 1986, MRSA was reported by 170 hospitals participating in a national survey.

High standards of hygiene for both patients and staff are important for control. All staff and patients moving between hospitals known to have a current outbreak of MRSA should be checked to see if they are carriers.

Patients who succumb to MRSA infections are isolated. Thorough cleaning of infected wards is an important preventive measure. Infection control nurses have an increasingly vital role to play in the maintenance of hygiene standards and avoidance of cross infection through effective liaison with all levels of hospital staff, including the organisation of training programmes for health care workers.

A national survey of MRSA is in continual progress. This survey, conducted jointly by the division of hospital infection of the public health laboratory service and the communicable disease surveillance centre, makes its results available to microbiologists allowing them to know whether patients and staff transferred to their hospitals come from areas where MRSA is prevalent.

Guidance on the control of multi-resistant staphylococcus aureus is available. The joint public health laboratory service/DHSS hospital infection working group has produced draft guidance on hospital infection in general. This document is presently out for consultation.

Ethnic Monitoring

Mrs. Dunwoody asked the Secretary of State for Social Services if he will list the numbers of entrants to his Department from the ethnic minorities in the years 1985-86 and 1986-87; if he will also list the monitoring procedures used to ascertain the percentage of the work force represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into the Department.

Mr. Lyell: The ethnic origins of new entrants have been surveyed since October 1985. The surveying is conducted initially during the induction period with a follow-up some time later. The available information for the period up to 31 May 1986 for which both procedures are complete is

Total New Entrants to DHSS in period 1 October 1985 to 31 May 1986 = 6,803

Ethnic Origins	*Number*
White	4,386
Black/Asian	378
Not stated	2,039

The latest information available for the period up to 31 December 1986 for which only the initial issue is completed is

Total New Entrants to DHSS in period 1 June 1986 to 31 December 1986 = 6,281

Ethnic Origins	*Number*
White	1,493
Black/Asian	131
Not stated[1]	4,657

[1] This figure will substantially reduce following the reminder stage.

A phased programme of departmental surveys of the ethnic origin of non-industrial civil servants by means of voluntary self-classification is being conducted. By the end of 1986 the majority of non-industrial staff in the county of Avon, the north-west, the east and west midlands, London, the south-east and East Anglia had been surveyed. All remaining staff will be surveyed by 1988. Consideration is being given to ways of using the data on the ethnic origin of staff-in-post to monitor promotion.

All Departmental recruitment is conducted on the basis of fair and open competition, and selection is on merit. I refer the hon. Member to the reply given by my hon. Friend the Minister of State, Privy Council Office to her on 20 February at columns *880-81* reporting the arrangements being made to encourage people from the ethnic minorities to apply to the Civil Service.

Residential Homes

Mr. Arnold asked the Secretary of State for Social Services if he has plans to seek to include local authority residential and nursing homes within the statutory inspection procedures relating to the private sector; and if he will make a statement.

Mrs. Currie: No. Local authorities have no responsibility for the provision of nursing homes: only for residential homes. The standards and proper conduct of local authority residential homes are primarily matters for the authority itself. My right hon. Friend also has certain powers under the National Assistance Act 1948 to carry out inspections of local authority provision.

The registration and inspection arrangements in the Registered Homes Act 1984 were designed specifically for the regulation and control of standards in the independent sector of residential care. It is not appropriate to apply these arrangements to local authority homes.

Maternity Payments

Mr. Michie asked the Secretary of State for Social Services whether any of the items previously considered essential under the Department of Health and Social Security single payment regulations will not be included in the new maternity payment.

Mr. Major: I refer the hon. Member to my reply to the hon. Member for Sheffield, Hillsborough (Mr. Flannery) on 25 February at column *322*.

Mr. Michie asked the Secretary of State for Social Services how many single payments for maternity items were made to women in Sheffield, Heeley; in the last year for which figures are available.

Mr. Lyell: The information requested is not collected by individual local offices and could be obtained only at disproportionate cost.

Dr. Bray asked the Secretary of State for Social Services how many women in Motherwell, South claimed the maternity grant in the last year for which figures are available.

Mr. Major: Information is not available in the precise form requested.

The Motherwell, South constituency is covered by the Department's local offices at Motherwell, Hamilton and Wishaw, although their boundaries are not conterminous with the constituency. The numbers of claims for maternity grant received at those local offices during the 1986 calendar year were as follows:

	Number
Motherwell	944
Hamilton	1,968
Wishaw	792

Mr. Stuart Holland asked the Secretary of State for Social Services how many women in Lambeth claimed the maternity grant in the last year for which figures are available.

Mr. Major: I refer the hon. Member to my reply to the hon. Member for Norwood (Mr. Fraser) on 23 February at columns *119-20*.

Mr Stuart Holland asked the Secretary of State for Social Services how many women in Lambeth received maternity allowance in the last year for which figures are available.

Mr. Major: I refer the hon. Member to my reply to the hon. Member for Norwood (Mr. Fraser) on 23 February at column *120*.

Invalid Care Allowance

Mr. George Robertson asked the Secretary of State for Social Services (1) following his statement of 23 June 1986 on invalid care allowance, *Official Report*, column 21, if he will state *(a)* the number of successful invalid care allowance claims to date and *(b)* the number of unsuccessful invalid care allowance claims to date;

(2) following his statement of 23 June 1986 on invalid care allowance, *Official Report*, column *21*, if he will state the number of invalid care allowance claims received to date.

Mr. Major: The latest available information is set out in the table:

Invalid Care Allowance: Claims by Married Women at 27 February 1987

Claims	Number
Received	106,000
Decided	53,000
Successful	40,000
Unsuccessful	13,000

Severe Weather Payments

Mr. Deakins asked the Secretary of State for Social Services how many single payments for additional heating expenditure incurred this winter have been made in Walthamstow; what was the total cost; and what was the average cost of each payment.

Mr. Major: Up to 24 February 1987, the Walthamstow local office had made some 4,000 cold weather payments at £5 each. The total amount paid out was about £20,000.

Children

Mrs. Gwyneth Dunwoody asked the Secretary of State for Social Services how many voluntary organisations receive grants from his Department for dealing with child homelessness and child prostitution; and if he will list the organisations by name as well as the amount of funding they receive.

Mrs. Currie: Local authorities have certain responsibilities and a range of statutory powers to meet the needs of children who may be homeless or otherwise in need of care and protection. In addition a number of voluntary organisations provide facilities and guidance. The Department made grants in 1986-87 as listed to organisations providing services to homeless people, some of whom would be children and young people:

	£
Campaign for Single Homeless	32,000
Homes for Homeless People	44,000
National Association of Voluntary Hostels	5,000
North Lambeth Project	13,000
Children's Society, Central London Teenage Project	20,000

The Department made no grants to voluntary organisations specifically to deal with child prostitution. The criminal law relevant to child prostitution is a matter for my right hon. Friend, the Home Secretary.

Registered Homes Act 1984

Mr. Parry asked the Secretary of State for Social Services what reply he sent to the Director of the Catholic Social Services concerning the letter to him of 9 December 1986 regarding the Registered Homes Act 1984; and if he will make a statement.

Mrs. Currie: I wrote to the hon. Member for Liverpool, Mossley Hill (Mr. Alton) on 19 February in reply to the letter dated 9 December from the director of Catholic Social Services.

Pensions

Mr. Higgins asked the Secretary of State for Social Services if he will estimate the extra cost to public funds of increasing the national insurance pension to pensioners who have no other source of income by £1 per week.

Mr. Major: No estimates are available of the number of pensioners with no income other than the basic pension. Most pensioners without income from other sources would qualify for supplementary benefit in addition to their basic pension, and for housing benefit if they were householders. The cost of increasing the basic pension by £1 for all single pensioners and by £1·60 for a married couple in 1987-88 would be about £450 million. This estimate does not take account of any savings on supplementary benefit or housing benefit.

Birth Statistics

Mr. Cohen asked the Secretary of State for Social Services how many births there were in Sheffield in the last year for which figures are available.

Mrs. Currie: I refer the hon. Member to my reply to the hon. Member for Sheffield, Hillsborough (Mr. Flannery) on 24 February at column *230*.

Mr. Tom Cox asked the Secretary of State for Social Services how many births there were in Tooting in the last year for which figures are available.

Mrs. Currie: During 1985 there were 1,337 live births to women living in the parliamentary constituency of Tooting.

Hospital Waiting Lists

Mr. McCrindle asked the Secretary of State for Social Services what instructions have been issued to regional health authorities concerning waiting lists and times for treatment in the National Health Service; if he is satisfied that an early fall in waiting lists and times can be achieved; and if he will make a statement.

Mr. Newton: I shall let my hon. Friend have a reply as soon as possible.

Food Additives

Mr. Eadie asked the Secretary of State for Social Services if he will set up an urgent inquiry into the effect on the health and well-being of children arising from additives contained in food manufactured for children; and if he will make a statement.

Mrs. Currie: I shall let the hon. Member have a reply as soon as possible.

AIDS

Mr. Parry asked the Secretary of State for Social Services if he will list in the *Official Report* the age and sex of persons who have died from AIDS at the latest available date.

Mr. Newton: AIDS cases and deaths are reported in confidence by doctors to the voluntary monitoring system operated by the communicable disease surveillance centre. The operation of the system is currently being computerised and it is hoped that an age and sex distribution of AIDS cases and deaths will be available very shortly. I will then let the hon. Member have a further reply.

Mr. Parry asked the Secretary of State for Social Services if he will make a statement on the facilities for the screening for AIDS in *(a)* Liverpool and *(b)* Merseyside; and if he will make a statement.

Mr. Newton: This information is not kept centrally. The hon. Member may wish to approach the Mersey regional health authority directly for the information.

Occupational Pensions

Sir David Price asked the Secretary of State for Social Services how many people at work in 1979 were contributing to an occupational pension, or were covered by a non-contributory occupational pension scheme; how many in 1987; and in both cases what percentage of the working population it represented.

Mr. Major: The Government Actuary's surveys of occupational pension schemes indicate that in 1979, 11·6 million employees were covered by an occupational pension scheme, whether contributory or non-contributory, representing some 50 per cent. of employees in employment. In 1983, the latest survey available, 11·1 million employees were covered, representing some 52 per cent. of those in employment. In addition, about 1·8 million people were either in employment without occupational pension scheme coverage, but had preserved rights from earlier employments, or had preserved rights but were not in employment at the time.

Sir David Price asked the Secretary of State for Social Services how many retirement pensioners received an occupational pension in 1979, additional to their basic state retirement pension; how many in 1987; and in both cases what percentage of all retirement pensioners it represented.

Mr. Major: The best information available is derived from the "Family Expenditure Survey" and relates to tax units with heads over minimum state pension age. These units may represent single pensioners or married couples. It shows that in 1979, 41 per cent. of pensioner tax units —2·6 million — received at least one occupational pension, whereas by 1985, the latest figures available, some 51 per cent. (3·4 million) did so. In 1985, some 70 per cent. of recently retired married couples had an occupational pension. The Government Actuary's surveys of occupational pension schemes show that in 1979 there were 3·7 million occupational pensions in payment, and 5 million in 1983. However, these figures include pensions to widows and to persons below state pension age.

It is not possible to say precisely how many pensioners received an occupational pension in addition to their basic state retirement pension. The great majority of pensioners with entitlement to an occupational pension would also have entitlement to a state basic pension where they had reached minimum state pension age and had retired.

Draught-proofing Grants

Mr. Patrick Thompson asked the Secretary of State for Social Services what plans he has to ensure local authority tenants are fully aware of the single payments for draught-proofing currently provided by his Department.

Mr. Major: Publicity for these payments is not specifically targeted on local authority tenants. Single payments for draught-proofing materials are referred to in two leaflets produced by the Department, and callers to the Department's freephone service are informed of their availability where appropriate. The Monergy hotline and freepost services, through which callers are referred to "Neighbourhood Energy Action", have also been widely advertised by the Department of Energy.

Patients' Records (Bolton)

Mr. David Young asked the Secretary of State for Social Services if he will investigate the mislaying of patients' records at Bolton general hospital; and if he will make a statement.

Mrs. Currie: The Bolton Health Authority which has responsibility for patient care services in this hospital has already investigated the situation. Approximately 300 patients were affected. Immediate action has been taken to admit patients for in-patient treatment where urgent treatment is required and General Practitioners have been notified of patients classified as non urgent so that they can review the urgency of their classification.

Heart Transplant Centre (Wythenshawe)

Mr. Alfred Morris asked the Secretary of State for Social Services, pursuant to the answer of 26 January, *Official Report*, column *95*, when he expects to receive the advice of the supra regional services advisory group about the recognition of Wythenshawe hospital as a heart transplant centre; how long he expects his consideration of that advice to take; and if he will make a statement.

Mrs. Currie: We expect to receive the advice of the supra regional services advisory group during the autumn. A statement about the fourth designated heart transplant centre will be included in my right hon. Friend's announcement at the end of the year.

Wessex RHA

Mr. Hancock asked the Secretary of State for Social Services (1) how many people are currently on hospital waiting lists for day surgery in the Wessex regional health authority;

(2) how many people have been on hospital waiting lists in the Wessex regional health authority for more than one and two years from the latest available date.

Mr. Newton: I am sorry I cannot give the hon. Member all the information he seeks. At 31 March 1986, the latest date for which information is available centrally, the number of cases on the waiting list for more than one year for admission to NHS hospitals in Wessex was 10,164. Statistical information on cases awaiting day surgery will be collected centrally from 1 April 1987 when the recommendations of the steering group on health services information are implemented. The hon. Member may wish to write to the Chairman of the Wessex regional health authority for the rest of the information he requires.

Mr. Hancock asked the Secretary of State for Social Services if he will list the number of full-time ancilliary workers working for the Wessex regional health authority for each of the last four years.

Mr. Newton: The table shows all ancillary staff directly employed by Wessex regional health authority during the last four years:

Ancillary staff in post in Wessex regional health authority[1]

At 30 September	*Whole time equivalent*[2]
1983	8,590
1984	8,050
1985	7,580
1986[3]	6,620

Source: DHSS Annual Census of NHS non-Medical Manpower.
Notes:
[1] On 1 April 1984 some 150 (wte) Operating Department Assistants were re-classified from Ancillary to Professional and Technical staff group. These figures have not been adjusted for this re-classification.
[2] Figures are rounded to the nearest 10 whole time equivalents.
[3] Provisional.

Mr. Hancock asked the Secretary of State for Social Services how many people have been added to the out-patients appointment list of hospitals in the Wessex regional health authority over the last six months for which figures are available.

Mr. Newton: I am sorry I cannot give the hon. member the information he seeks. It is not held centrally. The hon. Member may wish to write to the chairman of the Wessex regional health authority for the information requested.

Housing Benefit

Mr. Radice asked the Secretary of State for Social Services what are the weekly amounts of standard housing benefit currently payable (assuming a grant-aided period of 38 weeks) to a single grant-aided student without dependents or disability, aged under 25, studying on an advanced course at a London college and living in privately rented accommodation by way of (i) rent allowance for eligible rents of £18, £20, £22, £24, £26, £28 and £30 per week; and (ii) rate rebate (assuming the student's eligible rent to exceed £17·70 per week) for eligible rates of £2·50, £3, £4 and £5 per week; and what will be the weekly amounts of benefit payable to the same student in the same circumstances under the housing benefit scheme to be introduced under the Social Security Act 1986 on the basis that the tapers for rent allowance and rate rebate will be 60 per cent. and 20 per cent., respectively, that 20 per cent. of rates will be ineligible for benefit and upon the assumption that the basic level of income support for a claimant aged under 25 will be £25 per week; and if he will present the above information in tabulated form so as to show losses or gains as between comparable claims under the present and intended new systems.

Mr. Lyell: I shall let the hon. Member have a reply as soon as possible.

Abortions

Mr. Nicholas Winterton asked the Secretary of State for Social Services, pursuant to his reply of 23 February, *Official Report*, column *113*, if he will indicate the owner and registered company address of each of those private clinics licensed to perform abortions; and if he will indicate in the case of each such clinic whether agency arrangements exist for the carrying out in the clinic of National Health Service-funded abortions.

Mr. Newton: Information on ownership is provided by applicants for approval under the Abortion Act to my right hon. Friend for his own use and is not intended for publication. My hon. Friend should approach approved places direct for this information.

Information is not routinely collected about the existence of agency arrangements.

Medicines

Mr. McLoughlin asked the Secretary of State for Social Services what action he proposes to take to deal with the increased work in connection with human medicines arising under the Medicines Act 1968.

Mr. Newton: Applications for licences of various sorts have been rising by about 10 per cent. a year. It is encouraging to see this evidence of success in an industry that is responsible for an important part of health care provision in this country, and one of the objectives of the new pharmaceutical price regulation scheme that we introduced last October is to provide further encouragement to research and development in this field. But this increase in activity—and increases in applications for export certificates and in work on adverse reactions, enforcement and other aspects of medicines control—has necessarily given rise to a substantial increase in the work undertaken by the Department's division concerned with the administration of the Medicines Act.

We have added a number of posts to the staff of medicines division, and are reviewing the use of information technology for all aspects of the Division's work. But licence applications and other work on the control of medicines are expected to increase year by year, and it is important to ensure that our arrangements are fully capable of meeting future needs. I have therefore decided to commission an independent study of the matter. It will be carried out by Dr. John Evans, previously a Deputy Chief Medical Officer in DHSS, and by Mr.

Peter Cunliffe, who will retire from the Chairmanship of the pharmaceuticals division of ICI at the end of this month. Their terms of reference will be:

"To examine the issues for DHSS arising from the continued increases in licence applications and other work under the Medicines Act and to recommend ways of dealing expeditiously with this work, while maintaining adequate standards for the safety, efficacy and quality of human medicines in the United Kingdom".

Disabled People

Mr. Alfred Morris asked the Secretary of State for Social Services, pursuant to the reply to the right hon. Member for Manchester, Wythenshawe, on 16 January, *Official Report*, column 348, if a severe disability premium will be payable to a person who has someone living with him to care for him who is ineligible for invalid care allowance on account of *(a)* receipt of an overlapping benefit such as retirement pension or *(b)* earnings of more than £12 a week; and if he will make a statement.

Mr. Major: [*pursuant to his reply*, 9 February 1987, c. *130*]: I refer the right hon. Member to the reply I gave him on 2 March at columns *505-506*.

Cervical and Breast Cancer

Mr. Parry asked the Secretary of State for Social Services how many tests for cervical cancer have been made on women in *(a)* Liverpool and *(b)* Merseyside in each year since 1979.

Mrs. Currie [*pursuant to her reply*, 10 March 1987, c. *163-64*]: The information requested is as follows:

Number of cervical cancer tests

District Health Authority	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
Southport and Formby	1,305	1,440	1,782	1,978	3,339	3,419	4,193
South Sefton	7,850	9,324	9,752	10,623	11,466	13,849	16,452
St. Helens and Knowsley	4,245	3,960	4,045	3,899	4,363	4,480	5,331
Wirral	16,073	17,563	16,021	14,978	18,055	19,744	23,466
Liverpool	26,019	25,243	25,872	25,877	26,262	29,831	31,908
TOTAL FOR MERSEYSIDE	55,492	57,530	57,472	57,355	63,485	71,323	81,350
MERSEY REGIONAL HEALTH AUTHORITY	83,712	89,661	92,696	91,380	103,864	118,221	138,392

Information for 1986 is not yet available centrally.

Mr. Parry asked the Secretary of State for Social Services (1) if he will make a statement on the facilities provided for the screening of cancer of the breast at *(a)* Liverpool and *(b)* Merseyside; and if he will make a statement;

(2) if he will make a statement on the facilities provided for the screening of cervical cancer in *(a)* Liverpool and *(b)* Merseyside; and if he will make a statement;

(3) if he will make a statement on the facilities provided for the detection of cancer of the breast at *(a)* Liverpool and *(b)* Merseyside; and if he will make a statement;

(4) how much has been spent by the National Health Service on cervical cancer in *(a)* Liverpool and *(b)* Merseyside in each of the past five years;

(5) how much has been spent by the National Health Service on screening of cancer of the breast in *(a)* Liverpool and *(b)* Merseyside in each of the past five years;

(6) what is the average waiting time of women in Liverpool who have had tests for cervical cancer to receive details of the test; and if he will make a statement.

Mrs. Currie [*pursuant to her reply*, 10 March 1987, c. *163-64*]: I am sorry that I cannot give the hon. Member the information he seeks. It is not available centrally. The provision of cancer screening services in Liverpool and other health districts in Merseyside is the responsibility of Mersey Regional Health Authority. The hon. Members may therefore wish to contact the regional chairman.

SCOTLAND

Manufacturing Output

Mr. Hirst asked the Secretary of State for Scotland how his projection of manufacturing output in Scotland in 1987-88 compares with that of 1979-80; and if he will make a statement.

Mr. Lang: Formal projections are not available, but I expect manufacturing output in Scotland to rise in 1987-88.

Scottish New Towns

13. **Mr. Lambie** asked the Secretary of State for Scotland if he will make a statement on the employment prospects in the five Scottish new towns.

Mr. Lang: Recent decisions by a number of companies suggest that over 4,000 permanent jobs will be created in the new towns in the next few years. The most notable recent example is the decision by Kymmene-Stromberg to set up a paper mill in Irvine new town.

Railways (Punctuality)

14. **Mr. Henderson** asked the Secretary of State for Scotland what is his assessment of the impact on the Scottish economy which would result from all railway trains running on time; and if he will make a statement.

Mr. Ancram: It is not possible accurately to quantify in economic terms the effect of late-running trains. However, I understand from British Rail that 89 per cent. of trains in Scotland now arrive within five minutes of schedule and

that ScotRail is making continuing efforts to improve this record, for example by a programme of rolling stock replacement.

Construction Industry

15. **Mr. McQuarrie** asked the Secretary of State for Scotland if he will take steps to meet the representatives of employers and employees in the construction industry to discuss the unemployment position in that industry; and what steps can be taken to reduce the unemployment figures particularly in the Banff and Buchan constituency.

Mr. Ancram: The Government hold regular meetings with the Scottish construction industry group, on which employers and employees are represented, in order to discuss many aspects of the industry including employment issues. I shall be meeting the group again in the near future and expect to hear soon about the issues which the industry's representatives wish to discuss on that occasion. Employment prospects depend on the continuation of this Government's policies of promoting economic recovery and creating the right environment for growth.

Women (Health Care)

16. **Mrs. McCurley** asked the Secretary of State for Scotland if he will make a statement on the level of resources being channelled towards preventive and primary health care for women in Scotland.

Mr. John MacKay: My noble Friend the Minister of State announced on 25 February that £1 million would be made available in 1987-88 to enable a start to be made in Scotland on the implementation of the Forrest report on breast cancer screening. We are considering at present a report about the cervical cancer screening service in Scotland.

The Scottish Health Education Group has a number of programmes directed towards the needs of women. Its "Well Women" booklets are distributed to individuals, self-help and community groups and its "Book of the Child" is distributed to expectant and nursing mothers. The family practitioner and community health services provide, inter alia, advice and treatment on maternal and child health and family planning: in neither case, however, is it possible to identify the level of resources devoted specifically to women.

Prisons (Overcrowding)

17. **Mr. Hugh Brown** asked the Secretary of State for Scotland if he will set up a inquiry to establish the extent of overcrowding in Scottish prisons; and if he will make a statement.

Mr. Lang: The measures which my Department will be taking to achieve a better balance between adult and young offender accommodation, together with the additional 468 places which will become available following the opening of phase II of Shotts prison this summer, should largely eliminate overcrowding, provided that there is no significant increase in the inmate population or loss of accommodation.

My right hon. and learned Friend therefore sees no need to set up an inquiry.

GEAR Project

18. **Mr. David Marshall** asked the Secretary of State for Scotland if he will reconsider his decision to bring the Glasgow eastern area renewal project in the east end of Glasgow to an end on 31 March 1987; and if he will make a statement as to his estimate of the effect this will have on employment in the area.

Mr. Ancram: The decision to end the GEAR project as such in March 1987 was taken in 1983 by all the sponsoring bodies collectively and not by my right hon. and learned Friend. The sponsoring bodies have, however, jointly prepared plans for their continuing commitment to the GEAR area from 1 April. There is no reason to expect that employment in the area will be adversely affected by the changed arrangements.

Forestry Operations

19. **Mr. Ron Davies** asked the Secretary of State for Scotland if he will seek to give the Forestry Commission wider powers to restrict forestry operations in Scotland where grant approval has not been given.

Mr. John MacKay: My right hon. and learned Friend sees no justification at present for seeking to give such wider powers to the Commission.

Prison Conditions

20. **Mr. Tom Clarke** asked the Secretary of State for Scotland when he next proposes to meet the Association of Scottish Prison Governors for discussions on conditions in Scottish prisons.

Mr. Lang: My right hon. and learned Friend has received no request for such a meeting. I met the trade union side of the Scottish prison service, which included the Society of Civil and Public servants (Governors' Committee), on 23 January to discuss a number of matters, including overcrowding, affecting the Scottish prison service.

Muir Construction Ltd.

21. **Mr. Gourlay** asked the Secretary of State for Scotland when he was notified by the Fife regional council of Muir Construction Ltd.'s application in respect of a retail and industrial development at Mitchelston industrial estate, Kirkcaldy; when he expects to announce his decision; how long the extended period of consideration has taken; and if he will make a statement.

Mr. Rifkind: Fife regional council notified me of this planning application in a letter of 6 November last. On 20 November, following the receipt of further necessary information from the council, we started the 28-day period within which I normally decide whether to call in an application of this kind. The issues arising from this application, however, are not straightforward. We have, therefore, extended the time for consideration at intervals since 20 November, latterly until 12 March—an overall period of just under four months. I require more time to reach my decision and the period is being further extended until 9 April, although I hope to reach a conclusion before then.

Caterpillar Tractor Co.

22. **Mr. Steel** asked the Secretary of State for Scotland what action he intends to take to recover any of the £7½ million given to Caterpillar in grants and assistance since 1975.

Mr. Rifkind: This figure relates to grants to all Caterpillar United Kingdom plants. There are well-established rules regarding repayment of grants and I shall act in accordance with them when the need arises.

29. **Mr. Strang** asked the Secretary of State for Scotland whether he will arrange a further meeting with senior Caterpillar management representatives about the future of the factory at Uddingston; and if he will make a statement.

Mr. Lang: I have no plans at present for a further meeting with senior Caterpillar management.

Ayr Road Route

23. **Mr. Allan Stewart** asked the Secretary of State for Scotland what is his proposed timetable for any public inquiries concerning the line of the Ayr road route.

Mr. Rifkind: I am not yet in a position to say whether, or when, a public inquiry into the proposed line of the Ayr road route will be necessary. This will depend on the nature and substance of objections received and whether or not they can be resolved by negotiation.

Scottish Development Agency

24. **Mr. Pollock** asked the Secretary of State for Scotland whether he has any plans to extend the role of the Scottish Development Agency in areas of high unemployment which do not enjoy assisted area status.

Mr. Rifkind: There is no need to do so since the Scottish Development Agency already provides services throughout Scotland. In the area covered by the Highlands and Islands Development Board the agency complements the services of the board.

Mentally Handicapped People

25. **Mr. Michael Forsyth** asked the Secretary of State for Scotland whether he intends to issue guidelines to health boards for carrying out their policy of care in the community for the mentally handicapped along the lines of those recently issued in Wales; and if he will make a statement.

Mr. John MacKay: My right hon. and learned Friend does not intend to issue such guidelines since he believes that it is for health boards themselves to determine how mentally handicapped persons are transferred from hospital to the community in the light of local needs and circumstances.

Police Surgeons (Strathclyde)

26. **Dr. Godman** asked the Secretary of State for Scotland how many police surgeons there are in the Strathclyde region; and of these how many are male.

Mr. Lang: At present 97 police surgeons (of whom I understand 91 are male) are employed or retained by Strathclyde regional council. In addition, in the light of the circular on the investigation of complaints of sexual assault which the Scottish Home and Health Department issued to chief constables in November 1985, Strathclyde police have engaged the services of seven female doctors, who, although not police surgeons, are willing, where necessary to examine women complaining of sexual assault.

Aberdeen and North-East Scotland

27. Mr. Robert Hughes asked the Secretary of State for Scotland if he will initiate a study into the economy of Aberdeen and north-east Scotland.

Mr. Lang: I have no plans to initiate such a study.

Beef Producers

28. **Mr. Kirkwood** asked the Secretary of State for Scotland when he next plans to meet the Scottish National Farmers Union to discuss the problems confronting beef producers in Scotland.

Mr. John MacKay: I discussed the present state of the beef sector with the president of the National Farmers Union of Scotland when we met on 13 February. The union will have a further opportunity for a discussion with my right hon. and learned Friend and me when we attend its AGM this week.

Newspaper Industry

30. **Sir Alex Fletcher** asked the Secretary of State for Scotland what is his assessment of the effect of the current state of the Scottish economy on the newspaper industry in Scotland.

Mr. Rifkind: The prospects for the Scottish economy are seen to be substantially better for 1987 than for 1986 and Scotland should benefit from the current improvement in the United Kingdom and world economies. In general, the newspaper industry in Scotland is performing soundly, its profitability is not a cause for concern, and it is experiencing major technological changes.

Moray House College of Education

31. **Mr. Eadie** asked the Secretary of State for Scotland what plans there are for developing nursery school training and qualifications at Moray house college of education; and what specific funding is being provided.

Mr. John MacKay: In common with other colleges of education Moray house offers a range of pre-service and in-service courses which include training for work in nursery schools. The development of such traning is in the first instance a matter for the governing body. At present, the college receives specific funding to meet the running costs of its own nursery school. That funding will be withdrawn from the end of June this year, bringing Moray house into line with other colleges of education.

Oil-Related Activity

32. **Mr. Douglas** asked the Secretary of State for Scotland if he will make a statement on the impact of the diminution of oil-related activity on Scottish employment and output.

Mr. Lang: The decline in oil-related activity resulting from the fall in the price of oil is estimated to have resulted

in the loss of 20,000 jobs in Scotland in 1986, broadly equivalent to 1 per cent. of total Scottish employment. The downturn in oil-related activity is likely to continue to have an adverse effect on the Scottish economy in the short term and this is a source of concern. However, Scottish industry should be well placed to capitalise on the opportunities provided by the anticipated recovery in the United Kingdom and world economies in 1987.

Boat Building

33. **Mr. Wallace** asked the Secretary of State for Scotland what discussions he has had with representatives of the Scottish fishing industry regarding grants for boat building.

Mr. John MacKay: I met representatives of the Scottish Fishermen's Federation and of the Fishing Boatbuilders Association during December 1986, and grants for boatbuilding were amongst the subjects discussed.

Labour Statistics

34. **Mr. Bruce** asked the Secretary of State for Scotland if he will make a statement about current levels of unemployment in Scotland.

Mr. Lang: The continuing problem of unemployment, particularly in Scotland, remains one of the Government's principal concerns. The impact over the last year of lower oil-related employment, notably in Grampian region, has been a key factor. Scotland might well otherwise have experienced a fall in unemployment in line with the rest of the United Kingdom.

The primary objective of the Government's policy is to create the conditions in which unemployment will fall. The rate of inflation has been brought down, providing a more stable environment for industry, and a wide range of measures to assist employment, improve incentives and increase flexibility has been introduced. Our current action for jobs campaign aims to ensure that everyone knows about the range of practical help on offer to tackle the problems of unemployment.

Dr. Godman asked the Secretary of State for Scotland how many young people under 25 years of age are unemployed in the Greenock travel-to-work area and Strathclyde region; and of these how many have been unemployed for more than one, two, three and four years.

Mr. Lang: On 8 January 1987 (the latest date for which information is available) the numbers of unemployed claimants under 25 years of age in the Greenock travel-to-work area and Strathclyde regional authority by duration were as shown in the table.

Duration Unemployed	*Greenock travel-to-work area Number of Unemployed Claimants*	*Strathclyde Regional Authority Number of Unemployed Claimants*
Up to 1 year	2,447	54,786
1 to 2 years	668	12,009
2 to 3 years	260	4,915
3 to 4 years	113	2,755
over 4 years	155	3,583
Total	3,643	78,048

This information is available in the Library.

Local Income Tax

35. **Sir Russell Johnston** asked the Secretary of State for Scotland what representations he has received from the Institute of Fiscal Studies regarding administrative options for a local income tax; and if he will make a statement.

Mr. Ancram: My right hon. and learned Friend has received no such representations.

Community Charges

36. **Mr. Maclennan** asked the Secretary of State for Scotland what recent representations he has received concerning the introduction of community charges.

Mr. Ancram: Over 200 representations have been received from individuals and a wide range of organisations since the publication of the Abolition of Domestic Rates Etc. (Scotland) Bill.

Rheumatism

Mr. Ernie Ross asked the Secretary of State for Scotland what is his estimate of the number of people suffering from rheumatism; and if he can provide a breakdown by age group.

Mr. John MacKay: This information is not centrally available.

Senile Dementia

Mr. Ernie Ross asked the Secretary of State for Scotland what is his estimate of the number of people suffering from senile dementia; and what is his estimate of the percentage of the *(a)* post-70, *(b)* post-75 and *(c)* post-80 years age groups suffering from it.

Mr. John MacKay: This information is not available since it is not possible to estimate accurately the national prevalence of a disease the less severe cases of which may not be recorded. However, the number of residents in mental hospitals and psychiatric units who are suffering from senile dementia provides some measure of the prevalence of the more severe forms of this disease. At the beginning of 1985 the number of such patients in Scotland was 727 aged 65 to 74 years; and 3,588 aged 75 years and over. These figures correspond to rates for Scotland of 0·6 per thousand population for those aged 65 and over and 1·2 per thousand for those aged 75 and over.

Commissioner for Local Administration

Mr. Maclennan asked the Secretary of State for Scotland what consideration he has given to the recommendations that have been made in reports of the Commissioner for Local Administration in Scotland that remedies therein proposed should be statutorily enforceable.

Mr. Ancram: This matter was recently considered by the Widdicombe committee, which endorsed the view that there should be a statutory mechanism for the enforcement of a remedy recommended in a report by any of the local ombudsmen for Scotland, England or Wales. We have encouraged widespread debate on the many important issues raised in the Widdicombe committee's report (Cmnd. 9797) and have received a large number of

comments and representations on the report. We shall want to consider all these very carefully before coming to any conclusions.

Crown Estate Commissioners

Mr. Wallace asked the Secretary of State for Scotland whether in the last two years he has given any directions to the Crown Estate Commissioners as to the discharge of their functions under the Crown Estate Act 1961; and if he will make a statement.

Mr. Rifkind: Neither I nor any predecessor have given any such direction to the Commissioners in the last two years.

Distillers and Bells (Takeovers)

Mr. Bill Walker asked the Secretary of State for Scotland what recent representations he has received concerning the Guinness takeovers of Distillers and Bells.

Mr. Lang: In addition to correspondence from my hon. Friend since the beginning of December 1986 my right hon. and learned Friend has received representations from six hon. Members, the STUC, Cumbernauld and Kilsyth district council, the Amalgamated Engineering Union and from two people employed in the industry.

Renfrew Economic Initiative

Mr. Buchan asked the Secretary of State for Scotland if he will make a statement on the Renfrew economic initiative.

Mr. Lang: I have done so in the light of recent representations. I have concluded that the proposals discussed between the Scottish Development Agency and its potential partners in Renfrew form an excellent basis for an effective economic initiative. I hope that all the participants will now proceed to agreement to implement the proposals as soon as practicable.

Elderly People

Mr. MacKenzie asked the Secretary of State for Scotland what plans he has for increasing the number of sheltered houses, residential home places and hospital beds for elderly people in Scotland.

Mr. John MacKay: The stock of sheltered housing has increased more than threefold since 1979 and we shall continue to give strong encouragement to further expansion wherever it is required. The stock of residential home places is increasing more slowly consistent with the relative priorities of local authorities. We have made it clear that we back strongly the priorities given to health provision for the elderly in the report "Scottish Health Authorities Priorities for the Eighties".

Trunk Roads (Dumfries and Galloway)

Sir Hector Monro asked the Secretary of State for Scotland how much money was spent on trunk road improvements in Dumfries and Galloway in the years 1974 to 1979 and 1979 to 1987; and what expenditure is projected for 1987 to 1992.

Mr. Rifkind: Details of expenditure by region are available only from 1975 onwards. In the four financial years up to 1979, £7·5 million was spent on trunk road improvements in Dumfries and Galloway. Expenditure in the eight financial years from 1979 to date has amounted to over £50 million.

As to the future, 11 major schemes in Dumfries and Galloway, with a total value of £41 million, are possible starts in the period up to 1992.

Sheriffs

Dr. Godman asked the Secretary of State for Scotland how many sheriffs are currently in post in Scotland; and of these how many are female.

Mr. Lang: Eighty-nine and four, respectively.

AIDS

Mr. Parry asked the Secretary of State for Scotland if he will list in the *Official Report* the age and sex of persons who have died from AIDS at the latest available date.

Mr. John MacKay: Ten men and one woman had died from AIDS in Scotland by the end of February 1987. Their ages when they were registered with the Communicable Diseases (Scotland) Unit as suffering from AIDS were as follows:

Male 1 aged 23 years.
3 aged 34 years.
1 aged 35 years.
1 aged 37 years.
1 aged 41 years.
1 aged 47 years.
1 aged 48 years.
1 aged 63 years.

Female 1 aged 34 years.

Retraining Centres (Strathclyde)

Dr. Godman asked the Secretary of State for Scotland if he will list the retraining centres for unemployed people in Strathclyde.

Mr. Lang: The Manpower Services Commission funds adult training courses at the following establishments in Strathclyde. Each of these centres offers training and retraining for both unemployed and employed people.

Skillcentres
Bellshill
Hillington
Irvine

Colleges of further or higher education
Anniesland College
Ayr College
Barmullock College
Cambuslang College
Cardonald College
Clydebank College
Coatbridge College
Cumbernauld College
Glasgow College of Building and Printing
Glasgow College of Commerce
Glasgow College of Food Technology
Glasgow Nautical College
Glasgow College of Technology
Glasgow University
Kilmarnock College
Langside College
Motherwell College
Paisley College of Technology
Queens College
Stow College
Strathclyde College

James Watt College
West of Scotland Agricultural College
Whiteleys College

In addition, the following private training providers in Strathclyde are used for similar purposes by the MSC.

ADM Ltd.
Agricultural Training Board
Arthur Young Management Consultants
Ayrshire Road Transport Group Training Association
BSC Training Centre
Clothing and Allied Products Industry Training Board
Clydebank ITeC
Control Data Institute
Cramers Graduation College
Cumbernauld College
Cumbernauld ITeC
Cumbernauld and Kilsyth Enterprise Trust
Dalziel Training Services
Dumbarton District Enterprise Trust
East Kilbride Business Centre
East Kilbride District Engineering Training
East Kilbride ITeC
Empact
ENDS Training
Enterprise Executive Services
Financial Technical Training
Govan ITeC
Hotel and Catering Industry Training Board
Pauline Hyde Associates
Intec Inverclyde Ltd.
Inverclyde Enterprise Trust
Inverclyde Training Trust
JBMFL Ltd.
JCS Training Services
LAGTA Ltd.
John Lamont Association Ltd.
Life
Lloyds British
McDermott Manpower
Mapline Ltd.
MDS Ltd.
Microcom (Scotland) Ltd.
Microcomputer Training Centre
Microtech Business Consultants
Midscot Training Services Ltd.
Monklands Enterprise Trust
National Engineering Laboratory
Northfield Training
Nova Education Ltd.
Paisley and Johnstone Group Training Association
Paisley and Renfrew Enterprise Trust
Robson Associates
Scottish Development Agency
Scottish National Council of YMCA
Scotwest Training Ltd.
Sight and Sound
Strathkelvin Enterprise Trust
Torch Technical Services
The Training Partnership
Workwise

Health Boards (Financial Allocations)

Mr. Hirst asked the Secretary of State for Scotland what financial allocations he has made to health boards for 1987-88.

Mr. John MacKay: My right hon. and learned Friend has allocated £1,535 million to health boards to meet their gross recurrent expenditure commitments on hospitals and community health services in 1987-88. After expected income is taken into account, the net cash limited allocations to individual health boards are as follows:

Health Board	*Recurrent expenditure (net) £ million*
Argyll and Clyde	110·064
Ayrshire and Arran	80·586
Borders	23·516
Dumfries and Galloway	39·350
Fife	75·635
Forth Valley	72·214
Grampian	139·509
Greater Glasgow	399·889
Highland	57·364
Lanarkshire	125·387
Lothian	246·805
Orkney	4·295
Shetland	5·063
Tayside	142·349
Western Isles	7·856
	[1]1,529·876

[1] Includes £14·06 million allocated for specific commitments.

Health Boards (Capital Allocations)

Mrs. McCurley asked the Secretary of State for Scotland what capital allocations he has made to health boards for 1987-88.

Mr. John MacKay: My right hon. and learned Friend has allocated £107·82 million to health boards to meet their gross capital expenditure commitments on hospital and community health services in 1987-88. This includes £21 million specifically for the improvement and upgrading of the NHS estate. In addition, a further £5 million will be made available for projects not specifically allocated to individual health boards.

The allocations to individual health boards are as follows:

Health boards	*Capital allocation (£ million)*
Argyll and Clyde	8·599
Ayrshire and Arran	9·157
Borders	7·577
Dumfries and Galloway	1·785
Fife	3·670
Forth Valley	9·078
Grampian	7·126
Greater Glasgow	19·572
Highland	5·913
Lanarkshire	7·852
Lothian	18·529
Orkney	1·092
Shetland	0·891
Tayside	6·360
Western Isles	0·619
Total	107·820

Public Health (Scotland) Act 1897

Mr. Michael Forsyth asked the Secretary of State for Scotland what responses he has received to the consultation paper issued by him in April 1986 on the future of part II of the Public Health (Scotland) Act 1897; and if he will make a statement.

Mr. Ancram: My right hon. and learned Friend is grateful to the Convention of Scottish Local Authorities and other bodies and individuals who responded to the consultation paper. While there was general support in

principle for reassessing and modernising the present legislation, the general tenor of the responses did not indicate that this was seen as an immediate priority. We shall now make a detailed study of the comments received, and will announce in due course the action which it is proposed to take.

DEFENCE

Expenditure

Mr. Neale asked the Secretary of State for Defence what was the total expenditure on defence for the financial years 1969-70 to 1986-87, all figures at constant 1986-87 prices.

Mr. Stanley: The information is as follows:

£ million 1986-87 prices

Financial year	*Expenditure*
1968-69	13,530
1969-70	12,686
1970-71	13,236
1971-72	13,729
1972-73	13,833
1973-74	14,573
1974-75	14,593
1975-76	14,934
1976-77	15,183
1977-78	14,719
1978-79	14,613
1979-80	15,359
1980-81	15,701
1981-82	16,128
1982-83	17,197
1983-84	17,827
1984-85	18,471
1985-86	18,521
1986-87	18,480

The figures have been calculated using GDP deflators and have been adjusted to reflect a uniform definition of the defence budget throughout the period.

Nuclear Weapons (Transportation)

Dame Judith Hart asked the Secretary of State for Defence (1) what advance information is given to fire and police authorities about movements of vehicles carrying nuclear warheads;

(2) what advance information is given to area health boards about movements of vehicles carrying nuclear warheads;

(3) what advance information is given to district councils in Scotland about movements of vehicles carrying nuclear warheads.

Mr. Stanley: I refer the hon. Member to the reply I gave to the hon. and learned Member for Leicester, West (Mr. Janner) on 22 October 1984 at column *437*. Information about nuclear weapon movements is not given to health authorities or to local authorities.

COBRA

Mr. Wilkinson asked the Secretary of State for Defence whether he will make a statement on the progress of discussions made on his behalf within the independent European programme group about the proposed collaborative COBRA counter artillery radar tracking system; and what proportion of the cost of this programme is expected to be funded by Her Majesty's Government.

Mr. Archie Hamilton: In conjunction with our French and German partners we are currently evaluating project definition study reports submitted by three industrial consortia in December last. We expect that a decision on whether to proceed to full development and, if so, under what arrangements, will be taken by about the middle of this year.

Written Answers to Questions

Thursday 12 March 1987

ATTORNEY-GENERAL

News International Publications

Mr. Greenway asked the Attorney-General what information he has as to the total costs of public funds of the court cases involving the ban by three London boroughs on News International publications in public libraries; and if he will make a statement.

The Attorney-General: The total cost to central Government of these cases is estimated at £4,600. This includes the cost of court accommodation and the salaries of the judiciary and court staff involved. As regards fees to the legal profession, these are for the parties concerned. News International obtained an order for costs.

HOME DEPARTMENT

Seat Belts

Mr. Colin Shepherd asked the Secretary of State for the Home Department how many prosecutions have been brought under the legislation relating to the compulsory wearing of seat belts in vehicles for each of the years since its enactment; in which constabulary areas these took place; and how many resulted in convictions.

Mr. Mellor: Information on the total number of proceedings and findings of guilt for seat belt offences is published annually in "Offences relating to Motor Vehicles, England and Wales, Supplementary Tables", (table 5 of the issue for 1985). The information for individual police force areas which can be provided without disproportionate cost is shown in the following table.

Proceedings at Magistrates' Courts for Seat Belt Offences[1], by Police Force Area: 1984 and 1985

England and Wales	*Number of Offences*			
	1984		*1985*	
Police Force Area	*Proceedings*	*Findings of guilt*	*Proceedings*	*Findings of guilt*
Avon and Somerset	486	421	884	726
Bedfordshire	140	128	126	107
Cambridgeshire	176	175	93	91
Cheshire	147	138	483	463
Cleveland	208	198	216	196
Cumbria	367	355	539	506
Derbyshire	223	187	491	446
Devon and Cornwall	547	525	658	621
Dorset	299	280	326	309
Durham	138	130	261	231
Essex	201	168	512	485
Gloucestershire	100	96	79	75
Greater Manchester	547	524	1,074	1,020
Hampshire	176	163	251	230
Hertfordshire	596	549	468	450
Humberside	233	217	234	216
Kent	229	208	236	215
Lancashire	267	235	432	389
Leicestershire	335	312	330	305
Lincolnshire	138	125	146	137
City of London	12	10	21	19
Merseyside	67	50	60	54
Metropolitan Police	298	270	537	508
Norfolk	300	287	513	501
Northamptonshire	114	103	64	58
Northumberland	298	249	235	193
North Yorkshire	272	239	208	182
Nottinghamshire	60	51	137	125
South Yorkshire	657	610	559	506
Staffordshire	240	217	331	305
Suffolk	37	36	75	67
Surrey	159	151	346	316
Sussex	101	96	117	114
Thames Valley	631	580	854	799
Warwickshire	102	94	234	222
West Mercia	210	193	339	315
West Midlands	944	855	1,009	903
West Yorkshire	275	200	371	297
Wiltshire	151	146	120	115
Dyfed-Powys	65	60	14	12
Gwent	126	112	228	217
North Wales	886	862	710	691
South Wales	357	330	417	378
Total	11,915	10,935	15,338	14,115

[1] Driving or riding in a motor vehicle not wearing a seat belt, or driving with child in the front not wearing seat belt.

Prisoners (Escort)

Mr. Mates asked the Secretary of State for the Home Department what was the cost to the prison service of escorting prisoners to court in each of the last three financial years.

Mr. Mellor: The cost to the prison service of escorting prisoners to court, including the costs of manning the Crown court, is estimated at £32·9 million in each of the financial years 1984-85 and 1985-86. Comparable information for 1983-84 is not available.

Remand

Mr. Mates asked the Secretary of State for the Home Department what steps his Department is taking to reduce time spent on remand by unconvicted prisoners.

Mr. Mellor: The steps which we are taking were outlined in my reply to a question from the hon. Member for St. Helens, South (Mr. Bermingham) on 17 February, at column 559. On 6 March we laid regulations which will introduce statutory time limits on periods in custody in criminal proceedings from 1 April in the three police areas of Avon and Somerset, Kent and the west midlands.

S4C

Mr. Wigley asked the Secretary of State for the Home Department if he will specify the funds allocated to Sianel 4 Cymru during each year since its inception, differentiating between the contributions from the Independent Broadcasting Authority, operating charges and cost of programmes supplied by the British Broadcasting Corporation, Harlec Television and independent producers.

Mr. Mellor: Programmes provided by the BBC are supplied at nil cost to S4C. The other information requested, which has been taken from S4C's annual reports, is as follows:

	Receipts from IBA	*Operating charges*	*Cost of programmes transmitted, supplied by*	
			Harlech TV	*Independent producers*
	£000	*£000*	*£000*	*£000*
1981-82[1]	2,009·0	386·0	[2]—	[2]—
1982-83	18,107·0	2,070·0	5,525·4	6,198·5
1983-84	25,119·0	2,199·1	14,567·0	7,829·7
1984-85	28,000·0	2,571·3	17,087·5	7,315·5
1985-86	31,900·0	3,213·0	20,012·7	9,152·6

[1] 15 months period.
[2] S4C came on the air in November 1982.

Electoral Registration Forms

Sir Geoffrey Finsberg asked the Secretary of State for the Home Department what consultation took place with the representatives of political parties and English electoral registration officers over the design and wording of the new forms 7, 7B and 9; and how this differed from consultation on previous occasions when the design and wording for the electoral registration forms was revised.

Mr. Hurd: There was full consultation with the political parties, local authority associations and bodies representing electoral registration officers in England and Wales on the content of the Representation of the People Regulations 1986, which largely govern the wording of these forms. The need to have the forms available by 1 January this year did not allow time for consultation on the design, although there was some informal consultation on the size of the forms. If my hon. Friend has any suggestion to make about the forms, we would be glad to consider it.

There was extensive consultation when the electoral registration form A was changed, but on that occasion there had been no previous discussions on regulations prescribing the content of the form.

Citizenship

Mr. Corbett asked the Secretary of State for the Home Department what estimate he has made of the number of Commonwealth citizens, resident in the United Kingdom prior to January 1973 with right of abode, who qualify for the registration of citizenship under the Nationality Act 1981 before 31 December.

Mr. Waddington: The number with such an entitlement cannot be accurately calculated. However, we have received 170,000 applications for registration between 1 January 1983 and 28 February 1987, the great majority for which related to an entitlement, and we have budgeted for a further 55,000 such applications for the rest of this calendar year.

Mr. Corbett asked the Secretary of State for the Home Department what publicity campaign he plans to remind Commonwealth citizens, resident in the United Kingdom prior to January 1973 with right of abode, to register their citizenship under the Nationality Act 1981 before 31 December.

Mr. Waddington: The Home Office published last July an information leaflet on registration rights entitled "Your Right to British Citizenship", together with a poster drawing attention to the leaflet. Copies of the leaflet were placed in the Library. The leaflet is now available in seven languages. In recent weeks advertisements have been placed in selected local newspapers and in newspapers serving ethnic minority communities drawing attention to the registration provisions and the leaflet. We will consider whether a further reminder is required later in the year.

Drug Addicts

Mr. Iain Mills asked the Secretary of State for the Home Department what representations he has received seeking allocation of resources forfeited by drug offenders towards assistance to rehabilitation schemes for drug addicts.

Mr. Mellor: We have received two letters on this subject recently. The Drug Trafficking Offences Act 1986 empowers the Crown court to order the confiscation of the proceeds of drug trafficking and, in accordance with established Government accounting arrangements, provides for the money thus realised to be paid into the Consolidated Fund, which is used to finance Government expenditure generally. The Government are providing substantial funding for measures to tackle all aspects of the drugs problem, including the development of services for drug misusers.

EMPLOYMENT

Community Programme

Mr. Merlyn Rees asked the Paymaster General what alterations have been made in rates of payment to voluntary organisations sponsoring community programme schemes in respect of agency fees and operating costs since 1982.

Mr. Lee: The community programme agency fee and the maximum level of operating costs that can be reimbursed, are £100 and £440 per place, per annum, respectively. There have been no changes to these rates since 1982.

However, we keep under review the levels of approved costs which can be reimbursed and make changes whenever this would improve the cost-effective use of taxpayers' money.

Mr. Merlyn Rees asked the Paymaster General what percentage reduction in authorised and filled places is planned in community programme schemes run by voluntary organisations in 1987-88; what are the planned percentage reductions in schemes run by local authorities and by the private sector respectively; and if he will make a statement.

Mr. Lee: Information in the form requested is not available centrally and could only be obtained at disproportionate cost. Places are allocated to regions and areas in the light of both national priorities set out in the planning guidance for 1987-88, and priorities determined locally in consultation with area manpower boards.

Collective Bargaining

Mr. Geraint Howells asked the Paymaster General what assessment he has made of the effect of levels of unemployment upon the pattern of collective bargaining over the past seven years; and if he will make a statement.

Mr. Kenneth Clarke: I shall reply to the hon. Member as soon as possible.

Training Schemes (Leicester)

Mr. Peter Bruinvels asked the Paymaster General what plans the Manpower Services Commission has for the two adult preparation training schemes in Leicester; how many adults are currently in training; and if he will make a statement.

Mr. Kenneth Clarke: I shall reply to my hon. Friend as soon as possible.

Crosville Bus Company

Mr. Parry asked the Paymaster General if he will meet the hon. Member for Liverpool, Riverside, to discuss the sacking of 270 transport workers by the Crosville Bus Company at Liverpool; and if he will make a statement.

Mr. Lee: The resolution of disputes is a matter for the parties concerned. The assistance of the independent Advisory, Conciliation and Arbitration Service is available to them and I understand that ACAS officials have been in touch with the parties. I do not think, therefore, that a meeting with the hon. Member would be appropriate at this stage.

Job Training

Mr. Wareing asked the Paymaster General how many young people in each of the five Merseyside districts have been recruited into the job training scheme; what is the average length of time of the training/work placements in the area; what has been the nature of the jobs provided; and if he will make a statement.

Mr. Kenneth Clarke: The new job training scheme will begin in Merseyside in April.

FOREIGN AND COMMONWEALTH AFFAIRS

Arms Control (Geneva)

Mr. Meadowcroft asked the Secretary of State for Foreign and Commonwealth Affairs what recent information he has received on the state of the arms control talks in Geneva.

Sir Geoffrey Howe: The seventh round of the Geneva nuclear and space talks was due to end on 4 March. The element of the talks dealing with INF has been extended to enable further discussions to take place. The United States tabled a full draft Treaty on INF on 4 March.

We have also welcomed the statement by Mr. Gorbachev of 28 February in which there were three positive aspects. First, he accepted the concept of an INF agreement based on the zero option which the Alliance put forward some six years ago. Second, he removed the Soviet-imposed linkage between an INF agreement and SDI. Third, he made no reference to United Kingdom and French deterrents being included.

Our aim remains an agreement eliminating LRINF missiles from Europe and incorporating constraints on shorter-range systems. Thereafter we envisage subsequent negotiations on remaining INF systems. Effective verification will be an essential part of all these negotiations.

The chemical weapons negotiations resumed on 3 February. We hope it will be possible to build on the encouraging progress last year.

Blowpipe Missiles

Mr. Beith asked the Secretary of State for Foreign and Commonwealth Affairs what steps he has taken to ensure

that Blowpipe missiles made in the United Kingdom are not being supplied to any Government or organisation which might supply them to Contra forces in Nicaragua.

Mr. Eggar: Allegations in the media that we have given approval to the supply of Blowpipe to the Contras are totally unfounded. Following the publication of the Tower commission report the US Government have assured us that there are no Blowpipes in Contra hands and that there is no US intention to supply Blowpipe to the Contras. We have made it clear that the problems of this region cannot be solved by armed force and support the Contadora objectives which call for a reduction in arms levels. The system of licensing exports of military equipment enables us to control the supply of arms from the United Kingdom in accordance with this policy.

Nuclear Tests (Monitoring)

Mr. Beith asked the Secretary of State for Foreign and Commonwealth Affairs what steps he has taken to respond to the offer to place a British seismic monitor in the Soviet Union to share in the monitoring of future Soviet nuclear tests.

Mr. Renton: No such offer has been made to us. In the case of the monitors installed in the Soviet Union by a non-official US body, we understand that they were in fact not operating at the time of the Soviet test on 26 February.

Military Equipment (Export Licences)

Mr. Foulkes asked the Secretary of State for Foreign and Commonwealth Affairs (1) on how many occasions in 1985 and 1986 his Department was consulted over the granting of export licences for Blowpipe missiles;

(2) on how many occasions in 1985 and 1986 his Department was consulted over the granting of export licences for military walkie-talkie radios.

Mr. Renton: This Department is consulted over all export licence applications for military or paramilitary equipment. This consultation takes place at different levels and in different forms and we do not maintain a record of the number of occasions on which we are consulted over particular applications.

Mr. Foulkes asked the Secretary of State for Foreign and Commonwealth Affairs on how many occasions in 1985 and 1986 his Department was consulted over the granting of export licences for military uniforms.

Mr. Renton: Military uniforms are not covered by the Export of Goods (Control) Order. The question of this Department being consulted over the granting of export licences does not therefore arise.

Nicaragua (Arms)

Mr. Beith asked the Secretary of State for Foreign and Commonwealth Affairs when he expects to complete his inquiries into allegations of the supply of British arms to the Contra forces in Nicaragua; and if he will make a statement.

Mr. Eggar: Recent allegations of British arms supplies to the Contras have already been denied as unfounded. All British arms exports are subject to control through the export licensing procedure. There are thus no grounds for holding an investigation, nor has evidence been produced to support the allegations.

EDUCATION AND SCIENCE

City Technology Colleges

Mr. Wrigglesworth asked the Secretary of State for Education and Science how many individuals and how many organisations have contacted the city technology college unit since his Department's publication of "A New Choice of School"; how many of these expressed an interest in starting a college; and how much money has been offered.

Mrs. Rumbold: Several hundred individuals and organisations have contacted the city technology college unit since the publication of "A New Choice of School". Many of these have expressed interest in assisting with the establishment of colleges, whether financially or in other ways. In addition to the £1 million in sponsorship offered by Hanson Trust, several other individuals and organisations have expressed a willingness to provide funding. Some of these offers are conditional or subject to discussion, and I am not prepared to confirm offers until sponsors are ready to make their decision public.

Capital Expenditure

Mr. Ron Davies asked the Secretary of State for Education and Science if he will provide the figures for capital expenditure financed by central Government for the universities and public sector higher education for each of the last five years, together with the projections for 1987-88, broken down on a per capita basis, as expenditure per full-time equivalent student, after making allowance for medical capital expenditure in the universities.

Mr. Walden: The following table shows capital expenditure per full-time equivalent student, financed by central Government on universities in Great Britain and direct grant institutions of higher education in England for each of the last five years, and projections for 1987-88, excluding medical capital expenditure in the universities. Capital expenditure in the local authority sector of higher education is not financed directly by central Government.

'Capital Expenditure' on Universities and Grant-Aided Institutions per Full-Time Equivalent Student

Financial Years (£)

	[1]*Universities*	[2]*Grant-Aided Institutions*
1982-83	136	171
1983-84	145	168
1984-85	155	197
1985-86	161	167
1986-87[3]	168	185
1987-88[4]	173	251

[1] Capital expenditure financed by the DES: excludes any expenditure financed by other Government Departments or by the Research Councils.

[2] Includes expenditure on minor projects estimated for financial years.

[3] Capital expenditure by these institutions is defined for the purpose as projects costing over £6,500. The per capita amounts are based on projects expenditure figures which includes a contribution (usually 15 per cent.) from the providing body.

[4] Based on estimated figures.

Mr. Ron Davies asked the Secretary of State for Education and Science if he will provide the figures of universities' total spending on minor building works,

defined as projects under £1 million in value, which are funded out of revenue block grant, in the last five years for which figures are available.

Mr. Walden: The available information on minor works met specifically from the University Grants Committee's recurrent grant is given in the table. Only the figures for the last two years relate to outturn. This information was not collected centrally for previous years for which figures for intended provision are given.

Academic year	*£000*
1981-82	19,305
1982-83	35,022
1983-84	35,951
1984-85	39,266
1985-86	[1]38,461

[1] Provisional.

Workers Educational Association

Sir John Biggs-Davison asked the Secretary of State for Education and Science if he will make a statement about Government support of the Workers Educational Association.

Mr. Walden: It is the policy of my right hon. Friend to maintain existing educational opportunities for adults, and to extend provision for groups with special needs such as the unemployed and those lacking basic literacy and numeracy skills, within the constraints of available resources. While tackling new priorities inevitably involves changes in existing funding structures, my right hon. Friend remains committed to the support of liberal adult education through courses provided by the Workers Educational Association. About £2,545,000 in grant-aid has been made available to the Association for this purpose in the current financial year.

My right hon. Friend is aware that some WEA districts are currently facing particularly acute financial difficulties, and he is considering a request for additional grant. He expects to announce his decision soon.

Conductive Education

Mr. Nellist asked the Secretary of State for Education and Science if he will make a statement on the latest progress towards Her Majesty's Government's evaluation of conductive education.

Mr. Dunn: The University of Birmingham submitted a formal research grant application on 25 February, towards the cost of evaluating the conductive education project being established by the National Foundation for Conductive Education in Birmingham. The application is receiving urgent consideration.

Mature Students

Mr. Randall asked the Secretary of State for Education and Science what has been the percentage change in the number of mature students entering full-time grant aided education since *(a)* 1979 and *(b)* 1983.

Mr. Walden: Grant aided education has been taken to mean universities and public sector higher education. The number of students aged 21 or more entering full-time and sandwich Higher Education courses are given in the following table:

Higher Education in Great Britain

Academic year beginning	*Entrants aged 21 or more (thousands)*
1979	34·0
1983	36·8
1985	40·1
	(percentage change)
(a) 1979-1985	+18·2
(b) 1983-1985	+9·0

Education Authorities (Consultation)

Mr. Meadowcroft asked the Secretary of State for Education and Science what draft circulars to local education authorities he expects to issue for consultation purposes before August; and if he will make a statement.

Mrs. Rumbold: The following draft circulars to local education authorities are expected to be issued for consultation purposes before August:

Local Education Authority Training Grants Scheme 1988-89;

Education Support Grants Programme 1988-89;

Staffing Standards for Special Education;

Role of the Education Service in Combatting Child Abuse;

Application of Section 51 of the Education (No. 2) Act 1986;

Automatic Recoupment and Free Trade for Non-Advanced Further Education;

Second Circular of Guidance on the Education (No. 2) Act 1986.

This list excludes other forms of communications to local education authorities including the final versions of circulars.

It is possible that a need for the issue of other circulars on matters not listed above may be identified before August.

Capital Allocations

Mr. Ashdown asked the Secretary of State for Education and Science if he will publish a table showing, for each year 1982-83 onwards, an analysis of capital allocations expressed as a percentage of expenditure bids submitted, broken down between *(a)* local education authorities in Greater London, *(b)* metropolitan district education authorities outside Greater London and *(c)* non-metropolitan county education authorities; and if he will make a tatement.

Mr. Dunn: I shall reply to the hon. Member as soon as possible.

Mr. Ashdown asked the Secretary of State for Education and Science (1) if he will publish a table showing for each year from 1982-83 to 1985-86 inclusive *(a)* the total of capital allocations made to local education authorities in Greater London, *(b)* the total of capital expenditure bids submitted by local education authorities in Greater London and *(c)* the figure *(a)* expressed as a percentage of the figure *(b)*; and if he will make a statement;

(2) if he will publish a table showing for each year from 1982-83 to 1985-86 inclusive *(a)* the total of capital allocations made to metropolitan district education authorities outside Greater London, *(b)* the total of capital expenditure bids submitted by metropolitan

district education authorities outside Greater London and *(c)* the figure *(a)* expressed as a percentage of the figure *(b)*; and if he will make a statement;

(3) if he will publish a table showing for each year from 1982-83 to 1985-86 inclusive *(a)* the total of capital allocations made to non-metropolitan county education authorities, *(b)* the total of capital expenditure bids submitted by non-metropolitan county education authorities and *(c)* the figure *(a)* expressed as a percentage of the figure *(b)*; and if he will make a statement.

Mr. Dunn: I shall reply to the hon. Member as soon as possible.

GCSE

Mr. Ashdown asked the Secretary of State for Education and Science what information his Department has available pertaining to the progress of the production of general certificate of secondary education syllabuses for modes 1, 2 and 3; and if he will make a statement.

Mrs. Rumbold: GCSE mode 1 syllabuses in all subjects were distributed to schools before the end of 1986. Mode 2 and mode 3 syllabuses are designed by the schools themselves and are subject to approval by the examining groups. Information about these syllabuses is not collected centrally.

Mr. Ashdown asked the Secretary of State for Education and Science what materials and in-service training have been provided to teachers for in-course assessment for the general certificate of secondary education; and if they have been provided according to the timetable originally set.

Mrs. Rumbold: Introductory GCSE training for all teachers was completed according to the timetable originally set, as was the distribution of associated training materials and subject guides. Further subject-specific training is currently in progress and will continue throughout the early years of the GCSE.

Mr. Ashdown asked the Secretary of State for Education and Science what information his Department has on the progress made in introducing grade criteria for the general certificate of secondary education; and if he will make a statement.

Mrs. Rumbold: The Secondary Examination Council is currently revising the draft grade criteria for the 10 most commonly studied subjects which it published in September 1985. The SEC is planning to trial the draft criteria for English, history and mathematics by means of pilot examinations as soon as possible.

Mr. Ashdown asked the Secretary of State for Education and Science what steps have been taken by his Department to monitor the implementation of in-course assessment for the general certificate of secondary education for each regional examination board; if the process of implementation has followed the timetable originally prescribed; and if he will make a statement.

Mrs. Rumbold: The Department receives advice from the Secondary Examinations Council about each GCSE group's plans and progress in the implementation of the requirements of the syllabuses. The GCSE groups completed the national, introductory training to the timetable originally set. Further training is continuing throughout the early years of the GCSE.

Primary School Places

Mr. Ashdown asked the Secretary of State for Education and Science (1) if he will publish a table showing for each non-metropolitan county education authority that replied to both of his Department's circular letters dated 5 February 1982 and 30 June 1986 requesting information on sub-standard primary school places *(a)* the percentage of sub-standard primary school places in 1982 within that authority's total primary provision at that date, *(b)* the percentage of sub-standard primary school places in 1986 within that authority's total primary provision at that date and *(c)* the figure by which the change between *(a)* and *(b)* differs from the percentage change between the total figures for all such authorities providing information; and if he will make a statement;

(2) if he will publish a table showing for each metropolitan district education authority outside Greater London that replied to both of his Department's circular letters dated 5 February 1982 and 30 June 1986 requesting information on sub-standard primary school places *(a)* the percentage of sub-standard primary school places in 1982 within that authority's total primary provision at that date, *(b)* the percentage of sub-standard primary school places in 1986 within that authority's total primary provision at that date and *(c)* the figure by which the change between *(a)* and *(b)* differs from the percentage change between the total figures for all such authorities providing information; and if he will make a statement;

(3) if he will publish a table showing for each local education authority in Greater London that replied to both of his Department's circular letters dated 5 February 1982 and 30 June 1986 requesting information on sub-standard primary school places *(a)* the percentage of sub-standard primary school places in 1982 within that authority's total primary provision at that date, *(b)* the percentage of sub-standard primary school places in 1986 within that authority's total primary provision at that date, and *(c)* the figure by which the change between *(a)* and *(b)* differs from the percentage change between the total figures for all such authorities providing information; and if he will make a statement.

Mr. Dunn: The Department does not hold information on the number of school places in each local education authority area; the information requested cannot therefore be supplied.

Mr. Ashdown asked the Secretary of State for Education and Science (1) if he will publish a table showing for each non-metropolitan county education authority that replied to both of his Department's circular letters dated 5 February 1982 and 30 June 1986 requesting information on sub-standard primary school places *(a)* the capital allocations made for each year 1982-83 to 1985-86 inclusive, in cash terms; and *(b)* the capital expenditure bids submitted for each year 1982-83 to 1985-86 inclusive, in cash terms; and if he will make a statement;

(2) if he will publish a table showing for each metropolitan district education authority outside Greater London that replied to both of his Department's circular letters dated 5 February 1982 and 30 June 1986 requesting

information on sub-standard primary school places *(a)* the capital allocations made for each year 1982-83 to 1985-86 inclusive, in cash terms and *(b)* the capital expenditure bids submitted for each year 1982-83 to 1985-86 inclusive, in cash terms; and if he will make a statement;

(3) if he will publish a table showing for each local education authority in Greater London that replied to both of his Department's circular letters dated 5 February 1982 and 30 June 1986 requesting information on sub-standard primary school places *(a)* the capital allocations made for each year 1982-83 to 1985-86 inclusive, in cash terms and *(b)* the capital expenditure bids submitted for each year 1982-83 to 1985-86 inclusive, in cash terms; and if he will make a statement.

Mr. Dunn: I shall reply to the hon. Member as soon as possible.

AIDS

Mr. Greenway asked the Secretary of State for Education and Science if he has any plans for an education programme in schools on AIDS; and if he will make a statement.

Mr. Dunn: My right hon. Friend has already made clear that schools have a crucial role to play in ensuring that young people know the facts about AIDS. He announced on 6 March the publication of a factual booklet for teachers "Aids: Some Questions and Answers", to assist them in incorporating the subject into their teaching and in answering pupils' questions. He is also commissioning, from the BBC's production centre at the Open University, a video resource package about AIDS, intended for use with 13 to 16-year-olds in schools. We are continuing to consider urgently the need for further initiatives to assist the education service in this difficult area.

Polytechnics

Mr. David Young asked the Secretary of State for Education and Science when a decision will be made on the creation of new polytechnics.

Mr. Walden: Following the deferral of advice about further polytechnic designations by the National Advisory Body for Public Sector Higher Education (NAB) last December, my right hon. Friend does not propose to take any immediate decisions.

PRIME MINISTER

Soviet Union

Q32. **Sir David Price** asked the Prime Minister what are the purposes of her forthcoming visit to the Soviet Union; and what issues she intends to discuss with Mr. Gorbachev.

The Prime Minister: I refer my hon. Friend to the reply that I gave to the hon. Member for Cynon Valley (Mrs. Clwyd) on 4 March 1987, at column 598.

Common Agricultural Policy (Sugar Regime)

Q55. **Dr. Godman** asked the Prime Minister if she will raise at the next meeting of the European Council those structural problems in the common agricultural policy sugar regime which put cane refineries in the United Kingdom at a serious disadvantage.

The Prime Minister: It would not be appropriate to raise this at the European Council. My right hon. Friend the Minister of Agriculture, Fisheries and Food secured an undertaking from the European Commission at the Agriculture Council on 24-25 March 1986 to review the margin available to refiners of cane sugar and to report back to the Council. We expect the Commission to make its report in the near future.

1972 Arms Treaty

Q76. **Mr. Dalyell** asked the Prime Minister what recent consultations she has had with the United States President or Administration on the proposed renegotiation of the 1972 arms treaty with reference to the strategic defence initiative; and if she will make a statement.

The Prime Minister: United States representatives consulted my right hon. Friends and myself on the consideration being given by the United States Administration to the future of work on the strategic defence initiative. I confirmed Britain's support for the SDI research programme which is permitted by the anti-ballistic missile treaty. We agreed that we wished to see the arms control negotiations in Geneva lead to reductions in nuclear weapons on the basis of the priorities I agreed with President Reagan at Camp David in November 1986. Subsequent consultations were held in the North Atlantic Council.

EC Own Resources

Q90. **Mr. Teddy Taylor** asked the Prime Minister if she will raise at the next meeting of the European Council the recent proposals of the Commission's President to enlarge the own resources of the European Economic Community; and if she will make a statement.

The Prime Minister: I refer the hon. Member to my reply to him on 10 February at column 159.

Engagements

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for Thursday 12 March.

Mr. Tony Lloyd asked the Prime Minister if she will list her official engagements for Thursday 12 March.

Mr. Greenway asked the Prime Minister if she will list her official engagements for Thursday 12 March.

Mr. Leigh asked the Prime Minister if she will list her official engagements for Thursday 12 March.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today, including one with the Prime Minister of Thailand.

Immigration Appeal Authorities

Mr. Madel asked the Prime Minister whether she will consider reallocating ministerial responsibility for the immigration appeal authorities.

The Prime Minister: I have decided to transfer full administrative responsibility for the immigration appellate

authorities to the Lord Chancellor. He is already responsible for appointments to the immigration appeal tribunal and it is sensible therefore that he should appoint the adjudicators, be responsible for the procedural rules and administer the appellate authorities as a whole. The Lord Chancellor will consult the Lord Advocate in connection with appointments and procedural rules. The necessary Transfer of Functions Order is in preparation, to take effect from 1 April 1987.

WALES

Electoral Statistics

Mr. Coombs asked the Secretary of State for Wales if he will list the Welsh counties in order of percentage growth in electorate since 1981; and what has been the percentage growth and actual figures in each case.

Mr. Nicholas Edwards: Information on the changes up to 1986 is given in the following table. Figures of the 1987 electorate will be available centrally in April.

Growth in Local Government Electorate by County since 1981

	Electorate		*Change 1981-86*	
	1981	*1986*	*Number*	*Percentage*
Powys	84,231	88,779	4,548	5·4
Clwyd	295,964	309,389	13,425	4·5
Gwynedd	175,617	182,687	7,070	4·0
Dyfed	255,050	261,985	6,935	2·7
Gwent	327,706	335,489	7,783	2·4
West Glamorgan	282,281	286,508	4,227	1·5
Mid Glamorgan	403,819	404,975	1,156	0·3
South Glamorgan	290,456	289,573	−883	−0·3

Source: OPCS Electoral Statistics 1981 and 1986.

Sheep

Mr. Geraint Howells asked the Secretary of State for Wales how many sheep have been killed by dogs in Wales during the last 12 months; what were the corresponding figures for each of the last 10 years; and if he will make a statement.

Mr. Nicholas Edwards: Statistics of livestock reported killed by dogs ceased to be kept centrally after 1978. The number of sheep killed in 1978 was 775 and in 1977 was 948. My Department will continue to give publicity to this serious problem. The Wildlife and Countryside Act 1981 imposes a specific responsibility on owners to control their dogs when in the vicinity of sheep.

Ancient Monuments

Mr. Wigley asked the Secretary of State for Wales when the John Brown Tourism, Marketing and Development Services Organisation was commissioned to report on the presentation of ancient monuments in his care; at what cost; and whether he will place a copy of their report in the Library.

Mr. Nicholas Edwards: The report was commissioned in August 1982 at a total cost of £18,000. I have placed a copy in the Library of the House.

DEFENCE

Welfare

Mr. McNamara asked the Secretary of State for Defence whether he has any plans to improve the arrangements for consulting service personnel and their families on welfare matters.

Mr. Freeman: [*pursuant to his reply*, 23 February 1987, c. *147*]: I have not considered the arrangements for consulting service personnel and their families on welfare matters. The welfare of service men and their families is, of course, part of the day-to-day management function at all levels within the armed forces, both as a good employer and because it is an integral element in ensuring their continued efficiency and effectiveness.

The armed forces continually seek to improve such arrangements, and various mechanisms exist to ensure that current systems are functioning satisfactorily. Senior management concerned with welfare matters visit units on a regular basis to keep up to date with local concerns and take action accordingly. For example, the RAF personnel liaison teams, formed in 1967, are tasked to visit all RAF units once every two years and represent welfare issues that arise from service men and their wives to the appropriate service authority. Other issues are brought to the attention of service managers through the operation of existing welfare organisations such as the naval personal and family service, introduced in 1977, and voluntary organisations such as the service benevolent funds and SSAFA.

Particular studies are also instituted where necessary. For example, recent work has been carried out by the Army and Navy into the attitudes of the wives of service men, giving them the opportunity of expressing their views on a wide range of issues. Only last year a review of welfare within the RAF at station and unit level concluded that existing arrangements for its personnel and their families were generally very satisfactory.

The armed forces will continue to respond flexibly to the welfare needs of their personnel and families, ensuring that existing arrangements, including consultation, remain effective and making improvements as appropriate.

ENVIRONMENT

Fire Protection Systems

Sir John Farr asked the Secretary of State for the Environment if he will make it his policy to encourage

water authorities to make the maximum use of sprinkler systems for fire protection in both public and private buildings and warehouses.

Mr. John Patten: No. It is for the owner of any premises, in consultation with his insurers, to decide what system of fire protection best suits his needs.

Sir John Farr asked the Secretary of State for the Environment what guidance he issues to water authorities on the banning of the use of sprinkler systems for fire protection in certain circumstances; and if he will make a statement.

Mr. John Patten: None. But my Department has issued guidance to water undertakers on the recommended protection that should be provided in such systems to prevent contamination of the public water supply from backflow or backsiphonage.

Water Authorities (Privatisation)

Mr. Redmond asked the Secretary of State for the Environment what information he has as to expenditure incurred by *(a)* the Thames water authority, *(b)* the Yorkshire water authority and *(c)* the Trent water authority for all work undertaken in preparation for privatisation; and if he will make a statement.

Mr. John Patten: None.

Home Improvement Grants

Mr. Tony Lloyd asked the Secretary of State for the Environment if he will publish details of *(a)* the number of home improvement grants and *(b)* the total value of such grants for (i) England, (ii) the city of Manchester and (iii) the Trafford borough for the years 1983 to 1986 inclusive.

Mr. Tracey: The available information is as follows:

Renovation grants paid to private owners and tenants

	Number of dwellings	*£ thousand*
Manchester		
1983 April-December	1,901	9,511
1984 not available		
1985 July-December	1,436	9,049
1986 January-March	856	5,460
Trafford		
1983	487	1,706
1984	685	2,959
1985	510	2,341
1986	470	2,888
England		
1983	219,832	655,490
1984	229,107	839,383
1985[1]	136,412	525,099
1986[2]	112,767	388,522

[1] Revised.
[2] Provisional.

Antifouling Paints

Mr. Steen asked the Secretary of State for the Environment if he will arrange for letters to be written by his regional offices to all harbour authorities and to all boatyards asking what actions they are proposing to take to minimise the amount of antifouling debris being washed into the water from boats being stripped of TBT antifouling paints; and if he will make a statement.

Mr. Waldegrave: Authoritative advice on the stripping of antifouling paints from small boats is set out in the leaflet "Don't Foul Things Up," published last year. This should have reached all boatyards and harbour authorities. The leaflet is being revised, and similar advice dealing with larger vessels is being prepared. I shall ensure that this guidance also is sent to all boatyards and harbour authorities. It is in everyone's interest to take account of this advice and I do not believe that individual approaches to boatyards and harbour authorities would be justified.

Mr. Steen asked the Secretary of State for the Environment if he will make a statement as to the extent to which he will permit International Paints to continue to use areas of the River Yealm for experimental purposes, including the testing of various toxic paints; and if he will consider restricting the area and the length of time such experiments should be permitted in any one river.

Mr. Waldegrave: All experimental use of testing facilities for antifouling paints are governed by part III of the Food and Environment Protection Act 1985 which is the responsibility of my right hon. Friend the Minister of Agriculture, Fisheries and Food. The relevant provisions come into force on 1 July 1987. The detailed arrangements which will apply in such cases are still under consideration.

Inner Area Programme (Leicester)

Mr. Peter Bruinvels asked the Secretary of State for the Environment how many inner area programme-funded projects are marked with Department of the Environment signs in Leicester; and if he will list them.

Mr. John Patten: I am informed that there are 27 inner area programme projects in Leicester which display the required signs acknowledging the Department's funding through the urban programme. These are as follows:

Operation Clean Up—Southgate
Commercial property improvements, Nos 108-146 East Park road
Narborough road Regeneration
Industrial property improvements:
- 27 Wharf street
- 3 Camden street
- 64 Mansfield street
- 4 Dorothy road

Braunstone Workshops
Slater street Units
Brailsford Industrial Park
St. Matthews Tenants Information Centre
St. Marks Tenants Information Centre
Rathbone Development Officer Project
Mundella Playing Surface
Linwood Community Project
East West Community Project
Belgrave Playhouse
Bengali Language School
Garendon street Workshops
SOFA
Leicester Playscape
Shape Community Project
Mobile Care Centre
Baby Gear
West Indian Senior Citizens Centre
Roof Group
Havan Project
Total 27—12 City, 15 County.

West Bowling Youth Centre

Mr. Madden asked the Secretary of State for the Environment when he expects to take a decision on the application, submitted by Bradford council under the urban programme, to replace the West Bowling youth centre; and if he will make a statement.

Mr. Tracey: Further information in support of this application was received on 10 March. It is being appraised and a decision will be issued shortly.

Play Board

Mr. Clelland asked the Secretary of State for the Environment (1) what action he proposes to take to secure the future national development of children's play in view of Play Board's decision to go into liquidation and the Sports Council's indication that it will not take on the functions of Play Board without the board's agreement;

(2) what representations he has received from the chairman of Play Board following the proposal to merge the board with the Sports Council;

(3) how many representations he has now received concerning the proposal to merge Play Board with the Sports Council;

(4) to which organisation he has allocated the sum of £700,000 budgeted for Play Board for the financial year 1987-88;

(5) how many occasions, and on what dates, the Minister with responsibility for sport has visited offices of Play Board from its establishment to date.

Mr. Tracey: I have received 120 representations from various organisations and individuals about our proposals to merge Play Board's role and functions with those of the Sports Council. Both organisations agreed last September to enter into negotiations on this.

My consultations with Play Board did not require visits to their offices but I have held meetings and maintained contact with its chairman and other members of the board. In addition my officials have maintained close and regular contact with Play Board's staff.

As part of its grant-in-aid for 1987-88, the Sports Council has been allocated £700,000 for children's play. This sum would have been available to support the work begun by Play Board had the negotiations between the council and the board succeeded.

I regret Play Board's decision not now to support our proposal for the future development of children's play. I remain of the view that the development of play within the structure of the Sports Council represents the best way forward. I am exploring urgently with the Sports Council how best our proposals can be progressed so that effective future arrangements are in place for the greater benefit of children's play.

Community Charges

Mr. Heddle asked the Secretary of State for the Environment what arrangements he proposes to make for those on low incomes to receive help in paying their community charges.

Mr. Ridley: The Government intend to make provision for a rebate scheme based on the revised rate rebate scheme to be introduced in 1988. Each person liable would be required to make some community charge payment. The social security White Paper suggested that each household makes at least 20 per cent. contribution towards domestic rates. Final decisions on the operation of the scheme will be taken nearer the time and in the light of our objective of improving accountability in local authorities.

Royal Aircraft Establishment Hostels

Mr. John Fraser asked the Secretary of State for the Environment for how many years the Royal Aircraft Establishment hostels for apprentices or single people have remained empty at Farnborough; and if the Public Services Agency will now make these premises available for letting for cases of housing need in the locality.

Mr. Archie Hamilton: I have been asked to reply.

Three of the hostel blocks at the Royal Aircraft Establishment, Farnborough, have been vacant since 1980. As the hostel is located within the establishment, it has not been possible to let vacant rooms other than to Crown servants. A review of hostel accommodation is currently in hand in the light of changing requirements.

NATIONAL FINANCE

Tax Revenue

Sir Brandon Rhys Williams asked the Chancellor of the Exchequer what is his latest estimate of the extra revenues accruing if all income tax relief were restricted to the standard rate of tax.

Mr. Norman Lamont: The cost at 1986-87 levels of income of allowing personal tax allowances at rates in excess of the basic rate of income tax is estimated to be about £600 million. Information on the similar cost of other income tax reliefs is available only in respect of mortgage interest, retirement annuity premiums, employees' superannuation contributions, the business expansion scheme, and donations to charities; in total it is also about £600 million. It is not possible to estimate precisely the combined yield from restricting these reliefs and the personal allowances to the basic rate, but it is thought to be about £1,400 million. These estimates make no allowance for any possible behavioural effects if allowances and reliefs were to be restricted to the basic rate.

Ravendale Group

Mr. Robin Cook asked the Chancellor of the Exchequer how many companies have raised business expansion scheme finance with the assistance of the Ravendale Group.

Mr. Norman Lamont: I regret I am unable to provide the information requested as details of the use of the business expansion scheme by particular individuals and companies are obtained by the Inland Revenue on a confidential basis.

Balance of Payments

Mr. Williams asked the Chancellor of the Exchequer if, on the basis of the revised figures for invisible earnings, he intends to revise his projection of the balance of payments deficit for 1987.

Mr. Lawson: The next forecast of the current account of the balance of payments will be published at the time of the budget, in the usual way.

Value Added Tax

Mr. Grylls asked the Chancellor of the Exchequer (1) what is the percentage of the total cost in value added tax collection which is involved in collecting value added tax from businesses with a turnover of less than £50,000;

(2) what is the percentage of the total value added tax collected which comes from businesses with a turnover below £50,000.

Mr. Brooke: I shall let my hon. Friend have a reply as soon as possible.

MV Silver Sea

Mr. Foulkes asked the Chancellor of the Exchequer (1) what action will be taken by Her Majesty's Customs and Excise to investigate reports that the Guernsey-registered vessel Silver Sea was loaded with extra cargo after customs clearance before its departure on 15 February 1986 from Southampton;

(2) what action his Department will take to investigate reports that the Guernsey-registered vessel Silver Sea was loaded with certain items not listed on the ship's manifest when it left Southampton on 15 February 1986.

Mr. Beith asked the Chancellor of the Exchequer what was declared to Her Majesty's Customs and Excise officials in the ship's manifest by the owners of the vessel Silver Sea in respect of recent voyages to Central America; and if he will make a statement.

Mr. Brooke: I shall let the hon. Members have a reply as soon as possible.

European Investment Bank

Mr. Teddy Taylor asked the Chancellor of the Exchequer if, in his capacity as director of the European Investment Bank, he will state whether it remains the policy of that bank that loans should be conditional on guarantees by member states or other first-class guarantors; and if he will make a statement on the guidance given by the board of the bank in this respect when it indicated that it was content for discussions to take place between officials of the bank and the promoters of the Channel tunnel for a loan of £1,000 million.

Mr. Brooke [*pursuant to his reply*, 9 March 1987, c. *62*.]: My right hon. Friend the Chancellor of the Exchequer is a member of the board of governors of the European Investment Bank.

The European Investment Bank must act in accordance with its statute. Article 18(3) requires:

"When granting a loan to an undertaking or to a body other than a Member State, the Bank shall make the loan conditional either on a guarantee from the Member State in whose territory the project will be carried out or on other adequate guarantees."

The United Kingdom has made it clear to the European Investment Bank staff that, in the event that the EIB decides to make a loan to the Channel tunnel promoters, there is no question of a United Kingdom Government guarantee of a financial or commercial nature.

Mr. Teddy Taylor asked the Chancellor of the Exchequer what has been the total amount of public funds contributed and subscribed to the European Investment Bank since 1 January 1973.

Mr. Brooke [*pursuant to his reply*, 9 March 1987, c. *62*.]: The figures were given in my reply of 20 February 1987, at column 830.

Mr. Teddy Taylor asked the Chancellor of the Exchequer what progress has been made in the discussions between officials of the European Investment Bank and the promoters of the Channel tunnel on a loan of £1,000 million; and if he will make a statement.

Mr. Brooke [*pursuant to his reply*, 9 March 1987, c. *62*.]: No proposal for a loan to the promoters of the Channel tunnel has yet been submitted to the European Investment Bank's board of directors. At this stage discussions on a possible loan are a matter for Eurotunnel and the EIB's staff.

NORTHERN IRELAND

Ulster Defence Regiment

4. **Mr. Mallon** asked the Secretary of State for Northern Ireland if he has had any meetings with the officer commanding the Ulster Defence Regiment within the past six weeks concerning security.

Mr. Scott: Although my right hon. Friend has not recently met the brigadier commanding the Ulster Defence Regiment, he has regular meetings with the General Officer Commanding in Nothern Ireland and the Chief Constable to discuss policy issues of common concern in the security field.

Royal Ulster Constabulary (Code of Conduct)

7. **Mr. McNamara** asked the Secretary of State for Northern Ireland whether the Royal Ulster Constabulary code of conduct will be published.

Mr. Scott: Publication of the code will be a matter for the Chief Constable. he is hopeful that it will be issued soon.

Security

12. **Mr. Nellist** asked the Secretary of State for Northern Ireland if he will make a statement on the security situation in the Province.

Mr. Tom King: Since I last reported to the House on 15 January, six people—a major in the Ulster Defence Regiment, a Royal Ulster Constabulary reserve constable and four civilians—have died as a result of the security situation. Three of the civilian deaths are believed to have been as a result of the Irish National Liberation Army feud.

The efforts of the security forces are continuing to yield results. Since the beginning of the year a total of 72 people have been charged with serious offences, 47 weapons, 810 rounds of ammunition and 1,617 lbs of explosives have been recovered in Northern Ireland. There was a significant find of arms, ammunition and explosives by the Garda Siochana in the border region.

Anglo-Irish Agreement

17. **Mr. Parry** asked the Secretary of State for Northern Ireland if he has any plans to meet the Prime Minister of the Republic of Ireland to discuss the future of the Anglo-Irish Agreement.

Mr. Tom King: I refer the hon. Member to the reply that I gave to a question from my hon. Friend, the Member for Manchester, Withington (Mr. Silvester) earlier today.

21. **Mr. Alton** asked the Secretary of State for Northern Ireland if he will make a statement on the progress of the Anglo-Irish Agreement following the election in the Republic of Ireland.

Mr. Scott: We remain committed to the agreement, as a whole, and look forward to continuing co-operation with the Government of the Republic of Ireland.

22. **Mr. Peter Bruinvels** asked the Secretary of State for Northern Ireland if he will make a statement on the current security situation; and what trend there has been in the level of border patrols since 17 February.

Mr. Scott: I refer my hon. Friend to the answer my right hon. Friend gave to the hon. Member for Coventry, South-East (Mr. Nellist) earlier this afternoon.

Security forces' activity in the border region contiues at a high level and where necessary, additional military resources have been deployed in support of the RUC.

Mrs. Virginia Bottomley asked the Secretary of State for Northern Ireland if he will make a statement on the current security situation.

Mr. Tom King: I refer my hon. Friend to the answer I gave to a question by my hon. and learned Friend the Member for Leicester, South (Mr. Spencer) earlier today.

Anglo-Irish Agreement

Mr. Canavan asked the Secretary of State for Northern Ireland what subjects he discussed at his last meeting with representatives of the Government of the Republic of Ireland.

Mr. Scott: I refer the hon. Member to the reply that I gave to a question by the hon. Member for Middlesbrough (Mr. Bell) earlier today.

RUC (Chief Constable)

23. **Mr. Tony Lloyd** asked the Secretary of State for Northern Ireland when he next expects to meet the Chief Constable of the Royal Ulster Constabulary to discuss security matters; and if he will make a statement.

Mr. Tom King: I have regular meetings with the Chief Constable and the General Officer Commanding in Northern Ireland to discuss policy issues of common concern in the security field. It is not my practice to give details of the timing of these meetings.

TRADE AND INDUSTRY

Insurance Intermediaries

Mr. Cash asked the Secretary of State for Trade and Industry if he will make it his policy to embody the competition principles laid down in the Fair Trading Act 1973 in any measures to be brought in under the Financial Services Act 1986 governing independent insurance intermediaries, including the self-employed and independent brokers and other small businesses, with particular reference to *(a)* the cost of joining a self-regulatory organisation *(b)* the commission charged on policies and *(c)* the restrictions imposed upon the business they may transact; and if he will make a statement.

Mr. Howard: The Financial Services Act requires that my right hon. Friend may not transfer powers to a designated agency unless he is satisfied that its proposed rules do not have, and are not intended or likely to have to any significant extent, the effect of restricting, distorting or preventing competition to an extent greater than is necessary for the protection of investors. This will apply to rules and practices affecting independent insurance intermediaries as it does to other forms of investment business, and will extend to rules specifying the fees authorised businesses must pay and restrictions on the business they may transact. The Act does not permit rules made under it to impose limits on the commission which may be paid in connection with investment business; but any commission agreement embodied or referred to in the rules of a recognised self-regulatory organisation would also be subject to the competition test.

Ravendale Group

Mr. Robin Cook asked the Secretary of State for Trade and Industry when his Department's inquiry into the affairs of City investment centres of the Ravendale Group was initiated.

Mr. Howard: An officer was authorised on 28 July 1986, under section 447 of the Companies Act 1985, to examine the books and records of City Investment Centres Ltd.

Mr. Robin Cook asked the Secretary of State for Trade and Industry on what date the licence of the Ravendale Group was last renewed; by what criteria its application was assessed; and whether there were any objections.

Mr. Howard: Ravendale Group was a holding company which did not need a licence and never held one. Several companies belongings to the Ravendale Group or associated with it held licences at various times. The dates upon which new licences were last granted and the companies in question were as follows:

5 November 1985: City Investment Centres Ltd.
11 December 1985: London Venture Capital Market Ltd.
5 November 1985: Ravendale Market Makers Ltd.

If an application is complete and properly made, the Prevention of Fraud (Investments) Act requires a licence to be granted unless the applicant appears not to be fit and proper. Applications do not have to be advertised so there is no formal opportunity to object, but account is, of course, taken of any complaints received.

Mr. Robin Cook asked the Secretary of State for Trade and Industry what progress has been made in the current inquiry into the Ravendale Group; when he expects inquiries to be concluded; and at what stage he will decide whether to refer any papers to the Director of Public Prosecutions.

Mr. Howard: My Department's inquiries under the provisions of section 447 of the Companies Act 1985 have been concluded, but four companies comprised in the Ravendale Group are in liquidation and the inquiries being made by the liquidators and the Official Receiver have not yet been completed. These inquiries, which are now concentrated on the affairs of City Investment Centres Limited, have been hampered by the absence

abroad of the person who was chiefly responsible for the management of the companies, but I understand they are well advanced. However, I cannot yet say whether or when any papers will be referred to the Director of Public Prosecutions.

Securities (Licensed Dealers)

Mr. Robin Cook asked the Secretary of State for Trade and Industry what is the minimum acceptable share issue for a company to be licensed as a dealer in securities.

Mr. Howard: No minimum is specified; but an incorporated applicant is required to state its share capital and the type of securities business it intends to pursue. These are amongst the factors taken into account in considering the application.

Mr. Robin Cook asked the Secretary of State for Trade and Industry how many licences for securities dealing were issued by his Department in 1986; and how many are currently in force.

Mr. Howard: One hundred and twenty-seven new principle licences were issued in 1986, and 527 existing principal licences were renewed. There were 674 principal licences in force on 27 February 1987.

Information Technology (Grants)

Mr. Robin Cook asked the Secretary of State for Trade and Industry if he will set up an inquiry into the control of the issue of grants by the information technology section of his Department.

Mr. Butcher: Inquiries were made recently into allegations of improper payments of grant by this Department's information technology division. No irregularities were discovered.

Investors Discount Brokerage

Mr. Robin Cook asked the Secretary of State for Trade and Industry if he will set up an inquiry into methods of supervision of Investors Discount Brokerage.

Mr. Howard: Subject to the requirements of the Licensed Dealers (Conduct of Business) Rules, the methods of supervision within a firm are a matter for its management. Inquiries under statutory powers may be instituted where there is good reason to do so, but I do not normally announce the institution of inquiries under section 447 of the Companies Act or section 105 of the Financial Services Act.

US (Distribution Licensing)

Mr. Meadowcroft asked the Secretary of State for Trade and Industry if he will list any reciprocal arrangements comparable to United States of America export controls which the United States of America Government has made to allow United Kingdom inspectors to visit companies in the United States of America and inspect their books; and if he will make a statement.

Mr. Alan Clark: The United Kingdom Government have never requested permission to carry out visits to companies in the United States in connection with extra-territorial re-export controls because it does not operate such controls. The United Kingdom Government reject the principle of visits designed to monitor compliance with such controls, as my right hon. Friend the Secretary of State for Trade and Industry said in his reply to the hon. Member on 19 February at columns *751-52*.

Science and Technology Grants

Mr. Wigley asked the Secretary of State for Trade and Industry if he will specify the number of claims made to his Department during 1985-86 by companies based in Wales for science and technology grants; and if he will identify how many of the claims have projected costs below £100,000.

Mr. Butcher: Thirty-seven applications were received in 1985-86 from companies in Wales for project support under the principal schemes of the Science and Technology Act 1965. Fifteen applications had eligible project costs below £100,000.

Blowpipe Missiles

Mr. Dalyell asked the Secretary of State for Trade and Industry how many applications for licences for the export of Blowpipe missiles have been considered by his Department in the last 12 months.

Mr. Alan Clark: It has been the practice of successive Governments not to make public information of this kind.

Balance of Payments

Mr. Williams asked the Secretary of State for Trade and Industry on the basis of the revised assessment of the value of invisible earnings, how many times and in which months, in 1986 the balance of payments was in deficit; and if he will give the revised figures for each month.

Mr. Alan Clark: The information is as follows:

United Kingdom balance of payments current account

1986	*£ million, seasonally adjusted*
January	976
February	187
March	−481
April	231
May	−200
June	−126
July	−12
August	−735
September	−184
October	−100
November	−384
December	−272

The invisibles component of these figures is estimated on a quarterly basis, the monthly figures are one third of the appropriate calendar quarters estimate.

Shipbuilding

Dr. Godman asked the Secretary of State for Trade and Industry how many ships have been built in shipbuilding yards of each EEC member state with the assistance of funds from the European shipbuilding intervention fund with engines supplied from non-EEC member states in each of the past five years; what has been the total value of EEC aid given in such cases; and if he will make a statement.

Mr. Giles Shaw: I shall reply to the hon. Member as soon as possible.

MV Silver Sea

Mr. Beith asked the Secretary of State for Trade and Industry if an export licence has been granted to the owners of the British vessel Silver Sea in respect of goods to be shipped in that vessel to any country in central America; and if he will make a statement.

Mr. Alan Clark: No such licence has been granted to the registered owners.

ECGD

Mr. Cash asked the Secretary of State for Trade and Industry if he will make a statement on the accounting treatment of the Export Credits Guarantee Department's tender to contract and forward exchange supplement scheme.

Mr. Alan Clark: The tender to contract and forward exchange supplement scheme, which provides a measure of protection to United Kingdom capital goods exporters who tender in foreign currencies against exchange losses in the period between submission of a tender and award of contract, has been operated by the Export Credits Guarantee Department as a trading facility since 1977. The risk of adverse exchange rate movements, which the scheme sets out to insure, does not lend itself to the type of underwriting assessment and control through which ECGD seeks to ensure the financial viability of its other trading facilities. For this reason, it has been decided that the scheme should more properly be accounted for as a public expenditure programme and the losses incurred to date written out of ECGD's trading accounts. It remains the Government's aim that the premium charged for this cover should be sufficient to cover ECGD's costs and any underwriting losses.

The necessary changes will be made in ECGD's 1986-87 trading accounts. Their precise effect will not be known until those accounts have been finalised, but the best current estimate is that the combined reserves and estimated open year trading surpluses on the national interest account will effectively be increased by £123 million. This comprises £68 million underwriting losses and administration costs and £55 million notional interest paid on the scheme's cash balance with the Consolidated Fund. The anticipated public expenditure costs of the scheme from 1987-88 were included in the 1987 public expenditure White Paper (Cm. 56). The retrospective adjustment for the years 1982-83 to 1986-87 will be shown in the 1988 public expenditure White Paper as follows:

	£ million
1982-83	31·6
1983-84	10·5
1984-85	1·8
1985-86	−13·9
1986-87	[1]18·9

[1] Estimated.

These figures represent the net annual cash payments to exporters. They do not sum to the estimated trading account adjustment because the latter, apart from covering the entire period from 1977-78 to 1986-87, also includes notional interest, administration expenses and accrued income and expenditure.

Life Insurance

Sir David Price asked the Secretary of State for Trade and Industry how many British citizens he estimates held a life insurance policy in 1979; and how many in 1987.

Mr. Howard [*pursuant to his reply*, 11 March 1987, c. *196*]: The Department does not collect statistics on the numbers of insurance policies issued. However, figures published by the Association of British Insurers (ABI) indicate that 101·9 million individual ordinary and industrial life policies were in force in the United Kingdom in 1979. This figure had fallen to 95 million by 1985, the last year for which data are available. Within the totals the number of ordinary life policies had risen from 21·6 million in 1979 to 31·2 million in 1985. The number of individual industrial life policies (those where premiums are collected more frequently than every two months at the assured's residence) fell from 80·3 million in 1979 to 64 million in 1985.

Manufacturing Investment

Mr. Tony Lloyd asked the Secretary of State for Trade and Industry if he will publish in the *Official Report* details of manufacturing investment by region for each year from 1975.

Mr. Butcher: The requested information is shown in the following table. The figures relate to investment by manufacturing industry (excluding leased assets). The latest year for which data are available is 1984.

Net capital expenditure in manufacturing industry[1] by standard region of the United Kingdom from 1975 to 1984 in current prices

Region	*1975* *£ million*	*1976* *£ million*	*1977* *£ million*	*1978* *£ million*	*1979* *£ million*
North	462	576	562	681	683
Yorkshire and Humberside	441	412	482	595	634
East Midlands	197	262	319	382	466
East Anglia	81	91	142	169	207
South East	656	729	1,035	1,357	1,698
South West	145	165	238	290	349
West Midlands	376	403	517	606	702
North West	411	460	608	787	990
Wales	249	265	294	331	495
Scotland	426	465	493	551	597
Northern Ireland	92	68	84	94	124

[1] Orders III to XIX Standard Industrial Classification, Revised 1968.

Region	1979 £ million	1980 £ million	1981 £ million	1982 £ million	1983 £ million	1984 £ million
North	613	492	358	343	393	522
Yorkshire and Humberside	625	557	453	442	499	605
East Midlands	478	454	398	432	455	557
East Anglia	210	199	167	216	226	255
South East	1,581	1,561	1,355	1,394	1,627	2,013
South West	377	367	342	360	435	541
West Midlands	705	704	532	564	598	842
North West	971	995	766	758	838	976
Wales	472	380	371	338	353	471
Scotland	589	654	617	542	491	623
Northern Ireland	127	144	134	124	146	185

[1] Divisions 2 to 4, Standard Industrial Classification, Revised 1980.
Source: Annual Census of Production, Business Monitor PA 1002.

ENERGY

Plutonium

Mr. Campbell-Savours asked the Secretary of State for Energy if, pursuant to his reply to the hon. Member for Workington of 12 February, *Official Report*, column *316*, on plutonium, he will publish separate tables of plutonium produced each year from Hinckley Point A in the periods *(a)* 1965 to 1969 inclusive and *(b)* 1970 to 1979 inclusive; where this plutonium is currently stored or put to further use; and what proportion of the total civil origin Central Electricity Generating Board magnox plutonium produced in the respective periods listed this constitutes.

Mr. Goodlad: Information about the plutonium produced in the United Kingdom generating boards' magnox reactors before 1971 cannot be disclosed for the reason given at footnote *(g)* to my reply to the hon. Member for Meirionnydd Nant Conwy (Mr. Thomas) on 21 July 1986, at columns 10-11.

The CEGB informed the Sizewell B public inquiry that because of the cost and effort which would be involved, it could not provide information on the plutonium content of fuel dispatches from magnox reactors for the period 1971 to 1977. The enquiry was given such information for the years 1978-79 to 1983-84 (CND/S/57).

On storage and use of plutonium I refer the hon. Member to the Prime Minister's answers of 15 and 18 April to the hon. Member for Islington, South and Finsbury (Mr. Smith) at columns *330* and *525* respectively, and to the answer of 21 July 1986 referred to above.

Severn and Mersey (Barrages)

Mr. Frank Cook asked the Secretary of State for Energy what is his Department's current estimate of the number of direct and indirect jobs likely to be created by *(a)* the Severn tidal barrage and *(b)* the Mersey barrage.

Mr. David Hunt: Estimates for the possible number of jobs created by the construction of a barrage close to Cardiff and Weston were published in the report from the Severn Tidal Power Group in 1986. The study was financially supported by my Department.

There are as yet no equivalent estimates for the Mersey but the studies currently being undertaken by the Mersey Barrage Company with financial support from my Department should produce such estimates.

Wind-power Generation

Mr. Frank Cook asked the Secretary of State for Energy what is his Department's current estimate of the number of jobs likely to be created by a substantial wind-power farm generating *(a)* 10 mw, *(b)* 100 mw and *(c)* 1,000 mw.

Mr. David Hunt: The technical and economic feasibility of large-scale electricity generation from wind in the United Kingdom is still being investigated by the Department and it is too early to say how many jobs might be created by the large-scale exploitation of the resource with any certainty.

Combined Heat and Power (Job Creation)

Mr. Frank Cook asked the Secretary of State for Energy what is his Department's current estimate of the number of jobs likely to be created by combined heat and power schemes in *(a)* London, *(b)* Edinburgh, *(c)* Leicester, *(d)* Belfast, *(e)* Sheffield, *(f)* Newcastle.

Mr. David Hunt: Estimates in Energy Paper No. 53 (published 1984) indicated that additional local employment might result over a 12 to 15-year period from installing the heat distribution systems and consumer connections in the following individual cities:

	Number
(a) London	500
(b) Edinburgh	300
(c) Leicester	175
(d) Belfast	250
(e) Sheffield	200
(f) Newcastle	300

Other employment would arise from the construction of new CHP plant and heat-only boiler plant.

The above estimates were based on cost assumptions for schemes outlined in the Atkins report and on the basis that such schemes would proceed. Actual additional employment arising from the construction, operation and maintenance of major urban CHP/DH systems will depend on the outcome of the present lead city studies and the nature and size of the schemes adopted.

Coal Industry

Mr. Patchett asked the Secretary of State for Energy (1) if he will give details of current manpower levels in British Coal, giving indications of manpower reductions by category of employment in the past 12 months;

(2) if he will publish details of manpower levels in the Nottinghamshire coalfield area, giving indications of manpower reductions by category of employment in the last 12 months;

(3) if he will give details of manpower levels by coalfield within British Coal for each year since 1979 to the present.

Mr. David Hunt: British Coal manpower by area in each year since end financial year 1978-79 is as follows. A breakdown of the manpower reductions by category of employment is not available.

End Financial Year	*Scottish*	*North East*	*North Yorkshire*	*South Yorkshire*	*North Derbyshire*	*Nottinghamshire*	*South Midlands inc. Kent*	*Western*	*South Wales*	*Total*
1978-79	21,018	33,793	31,367	33,477	12,103	33,645	16,156	23,463	27,376	232,398
1979-80	21,047	33,443	31,442	34,233	12,281	34,443	16,848	23,070	26,356	233,163
1980-81	19,761	31,968	30,418	32,898	12,196	33,614	16,444	22,209	25,326	224,834
1981-82	17,402	29,016	29,409	31,277	11,948	32,976	15,719	20,827	24,269	212,843
1982-83	16,479	26,386	29,127	30,066	11,682	32,019	14,627	19,577	22,712	202,675
1983-84	13,078	22,853	26,618	27,302	10,415	29,251	12,905	18,555	20,106	181,083
1984-85	11,263	21,913	25,967	25,947	10,059	27,537	12,345	17,055	19,293	171,379
1985-86	7,708	17,910	20,119	18,028	9,336	26,228	10,582	15,100	13,479	138,490

Mr. Patchett asked the Secretary of State for Energy if he will give details of all pit closures which have occurred since 1979, giving in each case details of manpower effects and an indication of coalfield areas.

Mr. David Hunt: For details of closures until 11 July last I refer to my reply to the hon. Member for Barnsley, West and Penistone (Mr. MacKay) on 12 July 1986. Closures since then have been as follows:

Area	*Pit*
Scottish	Comrie
North East	Whittle
North Yorkshire	Ledston Luck
	Kinsley
South Yorkshire	Cadeby
North Derbyshire	—
Nottinghamshire	Hucknall/Babbington
South Midlands	Birch Coppice
Western	Bersham
South Wales	Cwm
	Nantgarw
Kent	Tilmanstone

The immediate effects of particular closures on manpower will depend on such factors as numbers transferring to other pits. Details of manpower reductions by area are given in reply to the hon. Member's other question today.

Mr. Patchett asked the Secretary of State for Energy if he will give details of all fatal accidents which have occurred in the coal industry since 1979, broken down according to coalfield areas.

Mr. David Hunt: Fatalities since 1978-79 have been as follows:

Fatal accidents

Area	*1978-79*	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*[1]1983-84*	*[1]1984-85*	*1985-86*	*43 weeks ended 24 January 1987*
Scottish	7	4	6	4	2	1	1	4	1
North East	8	5	5	5	5	4	0	4	0
North Yorkshire	5	6	9	4	10	6	1	5	3
South Yorkshire	11	3	4	8	6	1	0	3	4
North Derbyshire	4	2	1	1	2	2	0	2	0
Nottinghamshire	4	2	6	1	9	4	3	4	1
South Midlands (including Kent)	5	2	2	2	3	2	4	1	0
Western	16	5	1	7	4	2	2	3	0
South Wales	12	2	5	2	3	0	1	1	2
TOTAL	72	31	39	34	44	22	12	27	11

[1] Affected by industrial action.

Mr. Patchett asked the Secretary of State for Energy if he will give details of all serious accidents which have occurred in the coal industry since 1979, broken down according to coalfield areas.

Mr. David Hunt: Details are as follows:

Accidents[1] in the Coal Industry

Area	*1978-79*	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*[2]1983-84*	*[2]1984-85*	*1985-86*	*43 weeks ended 24.1.87*
Scottish	43	54	69	117	93	65	7	63	46
North East	63	66	85	114	113	99	9	80	100
North Yorkshire	51	46	77	92	100	71	11	100	106
South Yorkshire	65	62	62	95	81	71	9	86	97
North Derbyshire	39	32	54	58	65	51	14	59	40
Nottinghamshire	55	57	73	125	135	146	86	115	145
South Midlands (inc. Kent)	24	28	26	48	49	54	34	45	58
Western	52	48	61	56	80	63	35	65	89
South Wales	88	63	94	121	91	126	8	91	89
TOTAL	480	456	601	826	807	746	213	704	770

[1] Serious reportable accidents reclassed as major injury January 1981.
The Reporting of Injuries, Diseases and Dangerous Occurences Regulations 1985 required the reporting of accidents which were not originally included. The figures from 1985-86 are, therefore, calculated on a different basis to earlier years.
[2] Affected by industrial action.

Nuclear Power Stations

Mr. Ashdown asked the Secretary of State for Energy what is the minimum requirement for modern nuclear power station design in terms of ability to withstand earthquake shock; and what size of shock the latest tests show that Hinkley Point could withstand.

Mr. Goodlad: I shall reply to the hon. Member as soon as possible.

TRANSPORT

Driving Licences

Mr. John David Taylor asked the Secretary of State for Transport whether colour photographs are acceptable with applications for new driving licences in Great Britain; and if he will make a statement.

Mr. Michael Spicer: Photographs are not required on driving licences issued in Great Britain—the question of acceptability of colour photographs does not therefore arise.

Port Industry

Mr. Stern asked the Secretary of State for Transport if he will publish any estimates or projections available to his Department on the trends of the use of British ports in relation to the tonnage of vessels employed, or the types of cargo which are expected to make up the major proportion of future trade.

Mr. Michael Spicer: No such estimates or projections are made by, or known to, my Department.

British Rail (Heritage)

Mr. Adley asked the Secretary of State for Transport what information he has for each of the last five years as to the total amount provided by British Rail specifically to the purpose of protecting, improving and monitoring the heritage insofar as it relates to property for which it is responsible; and why Her Majesty's Government requires such expenditure to be funded by British Rail from its normal operating resources.

Mr. David Mitchell: I understand that British Rail provided approximately £1·1 million in 1985-86 towards the first year of the Railway Heritage Trust's activities. Information is not available in the form requested for earlier years. BR's responsibilities towards its heritage property are primarily associated with the operation of the railway, and expenditure on the upkeep of such property is a legitimate charge on the running of its business, as it would be with any other organisation. Where heritage property is associated with grant-aided services, the Government provide a full contribution towards funding through the PSO grant.

Seat Belts (Children)

Mr. McCrindle asked the Secretary of State for Transport if, following publication of the latest edition of the highway code he has any plans to introduce amending legislation to make seat belts compulsory for children travelling in the rear seats of cars.

Mr. Peter Bottomley: Not at present. All new cars registered from 1 April this year must be fitted with rear seat belts and/or child restraints. Our aim is to increase the voluntary use of restraints and voluntary fitting in cars which do not already have them.

The revised edition of the highway code contains detailed advice about the best way to protect children in cars. We will continue to press home to parents the message that the use of restraints saves children's lives. Parents can obtain further advice and a copy of the Department's leaflet "Protect Your Child in the Car" by ringing our road safety hotline on 0800 234888.

Zeebrugge Ferry Disaster

Mr. Peter Bruinvels asked the Secretary of State for Transport, pursuant to his statement to the House on 9 March on the Zeebrugge ferry disaster, if he will introduce legislation to require ferry owners to compile and maintain a comprehensive list of all persons embarking on their ships prior to the sailing of the ship; if he will propose a code of conduct with the same effect for ship owners; and if he will make a statement.

Mr. Moore: Under the third and fourth schedules, respectively, of the Merchant Shipping (Passenger Returns) Regulations 1960, masters of ships whether British or foreign, carrying passengers from or to the

United Kingdom, to or from ports in Europe or the Mediterranean sea, are required to compile a return of the numbers of passengers carried in their ships.

Mr. Campbell-Savours asked the Secretary of State for Transport (1) whether he is satisfied that the cyanide-based chemicals being transported by the Herald of Free Enterprise were being carried in compliance with the Merchant Shipping Dangerous Goods Regulations 1981;

(2) whether all the chemicals carried on board the Herald of Free Enterprise at the time of her loss were accurately listed as to quantity, packaging and description on the export entries, freight manifests and bills of lading relating to the shipment of those chemicals; and if he will make a statement;

(3) whether he is satisfied that all chemicals carried on the Herald of Free Enterprise at the time of her loss complied with the merchant shipping regulations.

Mr. Moore: From the information available I have no reason to doubt that all of the chemicals carried on the Herald of Free Enterprise at the time of her loss were being carried in full compliance with international and national regulations including the requirements of the Merchant Shipping (Dangerous Goods) Regulations 1981, as amended. These regulations require that all dangerous goods shall be properly documented, packaged, marked and stowed; they also prohibit the carriage of many classes of dangerous goods in passenger ships.

Mr. Marlow asked the Secretary of State for Transport if he will ask Mr. Justice Sheen to include in his investiagion the press handling of the survivors of the Zeebrugge tragedy and their families; and to make recommendations.

Mr. Moore: The object of the public formal investigation into the loss of the Herald of Free Enterprise is principally to determine the cause of the sinking and to recommend ways to ensure that there will be no recurrence. It would not be appropriate for the wreck commissioner and his technical assessors to deal with matters relating to press coverage of the tragedy.

Air and Sea Passengers (Compensation)

Mr. Williams asked the Secretary of State for Transport on what dates the maximum levels of compensation for air and for sea ferry passengers were set; at what level; what is the current value in real terms; and if he will make a statement.

Mr. Moore: For air passengers the Warsaw convention, as amended at the Hague in 1955, sets a limit of 250,000 gold francs (current value £13,633) per passenger for liability of the carrier for death of injury. The Civil Aviation Authority requires British airlines to have a special contract with their passengers providing for such compensation of up to 100,000 SDR (current value £79,429). This figure was set in 1981.

For sea passengers the Athens convention relating to the carriage of passengers and their luggage by sea, completed in 1974, sets a limit of 700,000 gold francs (current value £38,173) per passenger for such compensation.

Safety at Sea Act 1986

Mr. McQuarrie asked the Secretary of State for Transport if he will now examine the case for incorporating existing merchant shipping notices which are recommendations for inclusion into the Safety at Sea Act 1986 and make them mandatory; and if he will make a statement.

Mr. Michael Spicer: Legislation already exists which allows merchant shipping notices to be made mandatory. Indeed some notices have this status, but it is not appropriate to make all notices mandatory. Whether a recommendation should be made mandatory is carefully considered in each case in consultation with the industry.

Crosville Bus Company

Mr. Parry asked the Secretary of State for Transport if he will meet the hon. Member for Liverpool, Riverside, to discuss the sacking of 270 transport workers by the Crosville Bus Company at Liverpool; and if he will make a statement.

Mr. David Mitchell: No. The resolution of industrial disputes is a matter for the parties concerned, not the Government.

Fishing Vessels

Mr. McQuarrie asked the Secretary of State for Transport if he will make a statement about extending light dues liability to fishing vessels.

Mr. Moore: I propose to extend light dues liability to the larger fishing vessels which comprise about 40 per cent. of the United Kingdom's fishing fleet.

It has been urged for some time by the shipping industry that liability for light dues should be extended to other users of navigational aids who are at present exempted from charge. I have reviewed the exemption which has applied hitherto to fishing vessels following my decision that the United Kingdom Racal-Decca navigator transmitters should be financed from the general lighthouse fund. These new arrangements have led to substantial reductions in the rental charges for Racal-Decca receivers and a free market for the sale of all manufacturers' receivers. In view of the use which the larger fishing vessels make of the navigator, as an aid to fishing as well as an aid to navigation, I think it would be right to extend light dues liability to them.

I propose that liability should be determined by a vessel's length, which has to be recorded in its registration documents. I propose that light dues should be levied on all vessels of 10 m registered length and over at a basic annual charge of £200 plus an annual charge of £20 for each metre in excess of 10 m. This regime would apply to vessels of all nationalities, and I estimate that in a full year it would yield about £1 million additional net revenue to the general lighthouse fund. Under this proposal about 40 per cent. of United Kingdom-registered fishing vessels would become liable for the charge.

I am now consulting representatives of the fishing industry and associated bodies about these proposals.

M25 (Traffic Flows)

Mr. Peter Bruinvels asked the Secretary of State for Transport if he will publish in tabular form the most recent available figures of day and night traffic flows in each section of the M25.

Mr. Peter Bottomley [*pursuant to his reply*, 10 March 1987, col. *116*]: The information requested is given in the

following table. Figures for January 1987 are from automatic counting loops installed in the road surface. For those sections not yet equipped with automatic counters, figures are from a manual count undertaken on 3 June 1986. The night figures are for the hours between 10pm and 6am.

Section	Date of information	Average 16 hour daily flow (000's)	Average 24 hour daily flow (000's)	Average night-time flow (000's)
J1-J2	June 1986	68	73	5
J2-J3	June 1986	59	64	5
J3-J4	January 1987	34	41	7
J4-J5	January 1987	39	46	7
J5-J6	January 1987	47	57	10
J6-J7	January 1987	52	64	12
J7-J8	June 1986	82	87	5
J8-J9	January 1987	56	66	10
J9-J10	January 1987	58	68	10
J10-J11	January 1987	74	84	10
J11-J12	January 1987	86	95	9
J12-J13	June 1986	106	112	6
J13-J14	January 1987	95	106	11
J14-J15	January 1987	87	97	10
J15-J16	January 1987	85	87	2
J16-J17	January 1987	75	79	4
J17-J18	June 1986	77	82	5
J18-J19	June 1986	78	83	5
J19-J20	January 1987	69	73	4
J20-J21	January 1987	68	70	2
J21-J22	January 1987	55	59	4
J22-J23	January 1987	53	57	4
J23-J24	June 1986	56	60	4
J24-J25	June 1986	59	64	5
J25-J26	June 1986	64	68	4
J26-J27	January 1987	51	55	4
J27-J28	January 1987	67	71	4
J28-J29	January 1987	54	57	3
J29-J30/31	January 1987	56	60	4

SCOTLAND

Financial Services (Independent Intermediaries)

Mr. Allan Stewart asked the Secretary of State for Scotland what information he has as to the number of independent intermediaries in the financial services sector in Scotland.

Mr. Lang: The latest available information on the number of financial intermediaries in Scotland is derived from the census of employment 1981 which identified 452 work units in activities auxiliary to banking, insurance and finance.

Mr. Allan Stewart asked the Secretary of State for Scotland if he will make a statement on the consequences for employment in Scotland of the Securities and Investment Board's proposals in relation to independent intermediaries.

Mr. Lang: It is not possible at this stage to predict the effect on employment of the Securities and Investments Board's proposals. The position of independent intermediaries will be one of the matters to be taken into account by my right hon. Friend the Secretary of State for Trade and Industry in deciding whether to recommend to Parliament the transfer to the board of powers under the Financial Services Act 1986.

Open Space Maintenance Charges

Mr. Kirkwood asked the Secretary of State for Scotland if he will list information available to him as to which district councils in Scotland have accepted liability as a charge against local rates all open space maintenance charges levied by the Scottish Special Housing Association on owner-occupiers who purchased their homes from the Association under the provisions of the Tenants' rights legislation.

Mr. Ancram: This information is not available centrally.

Homelessness

Dr. Godman asked the Secretary of State for Scotland what action he proposes to take to improve the conditions under which families live in bed-and-breakfast hotel accommodation; and if he will make a statement.

Mr. Ancram: Bed-and-breakfast accommodation which is occupied by families as their main or only home is generally regarded as falling into the category of houses in multiple occupation (HMOs). While accepting that low standards are a problem in relation to some HMOs, my right hon. and learned Friend believes the Scottish local authorities have wide-ranging and adequate powers for the control of this type of accommodation and that action should remain a matter for them. He welcomes the increasing use being made of these powers by the four city district council and other housing authorities.

Dr. Godman asked the Secretary of State for Scotland if he will publish a Green Paper with proposals to reduce homelessness in Scotland.

Mr. Ancram: The Government see no need at present for such a Green Paper. We are committed to maintaining an effective legislative framework to help the homeless. Recent initiatives designed to tackle the problem of

homelessness include the provision of increased resources for capital investment by housing authorities, particularly for special needs groups, and the issue of advice and guidance to authorities on design standards and priority allocation policies. Steps have also been taken to increase the availability of accommodation for rent through support of the housing association movement and voluntary organisations concerned with the homeless.

Housing Waiting Lists

Dr. Godman asked the Secretary of State for Scotland what is his latest estimate of the number of single people requiring cheap rental accommodation in *(a)* Strathclyde region and *(b)* Scotland.

Mr. Ancram: The information requested is not available.

Dr. Godman asked the Secretary of State for Scotland if he will give the total number of people on the waiting lists for rented council houses of all types at the end of 1980, 1981, 1982, 1983, 1984, 1985 and 1986.

Mr. Ancram: Consistent reliable information is not available.

Council House Sales

Dr. Godman asked the Secretary of State for Scotland how much money has been received from the sale of council house units in Inverclyde since 1981; how much has been spent on new housing starts; what has been the housing support grant in each of these years; and if he will make a statement.

Mr. Ancram: The information is given in the table:

Year	*Receipts from council house sales £ million*	*Expenditure on new dwellings £ million*	*Housing Support Grant £ million*
1981-82	0·489	0·661	4·443
1982-83	0·958	0·235	3·048
1983-84	1·850	0·065	1·865
1984-85	1·941	0·146	1·163
1985-86	3·144	0·734	0·563
1986-87	[1]2·512	[1]0·825	—

[1] Inverclyde district council estimates.

The gross provisional housing revenue account capital allocation for Inverclyde district council for 1987-88 is £5·5 million. This represents a substantial 73 per cent. increase in resources over the three-year period since 1984-85. It is, of course, for the local authority to determine its own priorities for expenditure between newbuild and improvement and modernisation of its existing stock.

Firms (Redundancies and Closures)

Mr. Gordon Brown asked the the Secretary of State for Scotland how many firms have *(a)* reported redundancies to his Department and *(b)* reported closures since June 1979; and, in each case, how many jobs have been involved.

Mr. Lang [*pursuant to his reply*, 9 March 1987, c. *89*]: Information is not available in the precise form requested. There are no comprehensive statistics on redundancies. The following information relates to the numbers of redundancies and closures affecting 10 or more workers notified to the Manpower Services Commission as due to occur in Scotland during the period July 1979 to December 1986. Information on the number of firms reporting redundancies during the period is available only at disproportionate cost. The number of confirmed redundancies reported was 301,855, of which 94,567 were due to the closure of 1,710 firms.

SOCIAL SERVICES

Hospital Doctors (Disciplinary Procedures)

Dame Jill Knight asked the Secretary of State for Social Services if he will take steps to improve administrative procedures governing suspensions of hospital doctors by regional health authorities.

Mr. Fowler: These procedures and other similar procedures affecting doctors and dentists need improvement. They take too much time and cost too much money. The simplest case may take over a year and in some cases doctors are suspended for five years and more. We have agreed to set up a joint working party between the profession and the health departments to recommend improvements in the disciplinary procedures. The working party will also involve senior representatives from regional health authorities. The aim is to achieve procedures which command the confidence of the profession, health authorities and the public. I am asking the working party to complete their work by the end of the year.

Maternity Payments

Mr. Bell asked the Secretary of State for Social Services how many women in Middlesbrough claimed the maternity grant in the last year for which figures are available; and how many women in Middlesbrough are expected to qualify for a maternity payment from the social fund after April 1987.

Mr. Major: Information on the number of claimants to maternity grant is not available in the precise form requested.

The Middlesbrough constituency is covered by the Department's office at Middlesbrough, although its boundaries are not conterminous with the constituency. The number of claims received for maternity grant in that local office during the calendar year 1986 was 2,472.

It is not possible to predict how many women in Middlesbrough will qualify for maternity payments from the social fund from April 1987.

Mr. Litherland asked the Secretary of State for Social Services how many women in Manchester, Central claimed the maternity grant in the last year for which figures are available.

Mr. Major: Information is not available in the precise form requested.

The Manchester constituency is covered by the Department's local offices at Manchester (Central), Cheetham, Failsworth, Longsight and Openshaw, although their boundaries are not conterminous with the constituency. The numbers of claims for maternity grant received at those local offices during the 1986 calendar year were as follows:

	Number
Manchester (Central)	333
Cheetham	1,017
Failsworth	1,349
Longsight	493
Openshaw	680

Mr. Caborn asked the Secretary of State for Social Services how many single payments for maternity items were made to women in Sheffield in the last year for which figures are available.

Mr. Lyell: The information requested is not collected by individual local offices and could be obtained only at disproportionate cost.

Mr. Tom Cox asked the Secretary of State for Social Services how many women in Tooting received maternity allowance in the last year for which figures are available.

Mr. Major: Information is not available in the form requested. But in the twelve months ending April 1986, the latest year for which figures are available, the following numbers of claims to maternity allowance were made at the Department's offices which cover Tooting, although the boundaries are not conterminous—

	Number
Balham	(a)
Streatham	1,325
Wandsworth	835

Note: (a) Claims for this office are dealt with at Broadstairs out-station. A total of 3,703 claims were dealt with at that office but this total includes claims proper to other offices.

Mr. Tom Cox asked the Secretary of State for Social Services how many women in Tooting claimed the maternity grant in the last year for which figures are available.

Mr. Major: Information is not available in the precise form requested.

The Tooting constituency is covered by the Department's local offices at Balham, Streatham and Wandsworth, although their boundaries are not conterminous with the constituency. The numbers of claims for maternity grant received at those offices during the 1986 calendar year were as follows:

	Number
Balham	(a)
Streatham	755
Wandsworth	1,120

Note: (a) Claims appropriate to the Balham local office are dealt with at Broadstairs out-station. A total of 5,258 claims were dealt with at that office but this total includes claims proper to other offices.

Mr. Soley asked the Secretary of State for Social Services how many women in Crawley received maternity allowance in the last year for which figures are available.

Mr. Major: Information is not available in the form requested. But in the 12 months ending April 1986, the latest year for which figures are available, 1,514 claims to maternity allowance were made at the Department's office which covers Crawley, although the boundaries are not conterminous.

Mr. Soley asked the Secretary of State for Social Services how many women in Brentford and Isleworth constituency received maternity allowance in the last year for which figures are available.

Mr. Major: Information is not available in the form requested. But in the 12 months ending April 1986, the latest year for which figures are available, 1,076 claims to maternity allowance were made at Acton and 2,476 claims at Hounslow, the Department's offices which cover the Brentford and Isleworth constituency, although the boundaries are not conterminous.

Mr. Soley asked the Secretary of State for Social Services how many women in Hammersmith received maternity allowances in the last year for which figures are available.

Mr. Major: Information is not available in the form requested. But in the 12 months ending April 1986, the latest year for which figures are available, the following number of claims to maternity allowance were made at the Department's offices which cover Hammersmith although the boundaries are not conterminous:

	Number
Acton	1,076
Chelsea	(a)
Notting Hill	744
Kensington	(a)

Note:
(a) Claims for these offices are dealt with at Aldershot out-station. A total of 2,999 claims were dealt with at that office but this total includes claims proper to other offices.

Mr. Parry asked the Secretary of State for Social Services how many women in Liverpool, Riverside claimed maternity grant in the last year for which figures are available.

Mr. Major: Information is not available in the precise form requested.

The Liverpool, Riverside constituency is covered by the Department's local offices at Liverpool (City), Bootle and Toxteth although their boundaries are not conterminous with the constituency. The numbers of claims for maternity grant received at those offices during the 1986 calendar year were as follows:

	Number
Liverpool (City)	388
Bootle	1,262
Toxteth	854

Mr. Parry asked the Secretary of State for Social Services how many women in the Liverpool, Riverside constituency received maternity allowance in the latest year for which figures are available.

Mr. Major: Information is not available in the form requested. But in the 12 months ending April 1986, the latest year for which figures are available, the following number of claims to maternity allowance were made at the Department's offices which cover Liverpool, Riverside, although the boundaries are not conterminous:

Liverpool (City) 217; Bootle 846; Toxteth 551.

Mr. Parry asked the Secretary of State for Social Services how many women in Wallasey claimed the maternity grant in the last year for which figures are available.

Mr. Major: The Wallasey constituency is covered by the Department's local office at Wallasey. In the 1986 calendar year the Wallasey local office received 885 claims for maternity grant.

Mr. Parry asked the Secretary of State for Social Services how many women in the Mossley Hill constituency claimed maternity grant in the last year for which figures are available.

Mr. Major: Information is not available in the precise form requested.

The Liverpool, Mossley Hill constituency is covered by the Department's local offices at Edge Hill, Garston and Toxteth, although their boundaries are not conterminous with the constituency. The numbers of claims for maternity grant received at those local offices during the 1986 calendar year were as follows:

	Number
Edge Hill	747
Garston	861
Toxteth	854

Public Health Laboratory Service

Mr. Nicholas Baker asked the Secretary of State for Social Services if he is now able to announce his proposals for the peripheral laboratory network of the public health laboratory service.

Mrs. Currie: Proposals for the peripheral laboratory network of the public health laboratory service (PHLS) have been put forward by the PHLS board, seeking our approval to put these out for consultation. We are still considering the proposals.

Invalid Care Allowance

Mr. George Robertson asked the Secretary of State for Social Services, following his statement of 23 June 1986 on invalid care allowance, *Official Report*, column 21, how much additional benefit has already been paid out under the overlapping benefits provision; and how much additional benefit will be paid at the conclusion of the exercise.

Mr. Major: As at 28 February, about £90 million had been paid to married women as arrears of invalid care allowance (net of any reductions required under the overlapping benefits rule), and claims eligible for arrears are continuing to be received. The question inadvertently implies a final date for such payments: although claims received after 31 August 1987 will no longer attract extra statutory arrears in excess of 12 months, the statutory entitlement in appropriate circumstances to up to 12 months arrears will continue indefinitely thereafter.

Special Hospitals

Mr. Irving asked the Secretary of State for Social Services how many prisoners have been transferred to the four special hospitals under section 47 of the Mental Health Act 1983 in the last four years for which records are available, broken down by special hospital.

Mrs. Currie: The number of admissions to special hospitals under section 47 of the Mental Health Act 1983 (or under section 72 — the equivalent section of the Mental Health Act 1959) during the four years 1983 to 1986 was as follows:

	1983	*1984*	*1985*	*1986*
Broadmoor	11	5	16	16
Rampton	7	15	15	8
Moss Side	5	3	3	9
Park Lane	6	10	22	14
TOTALS	29	33	56	47

The figures include some patients who were transferred from prison to a National Health Service hospital in the first instance who subsequently were admitted to a special hospital. The figures will also include a small number of patients who have had more than one admission to special hospital from prison.

Mr. Irving asked the Secretary of State for Social Services what is the ethnic origin of those prisoners transferred to special hospitals under section 47 of the Mental Health Act 1983 in the last four years for which figures are available, broken down by special hospital.

Mrs. Currie: Details of the ethnic origin of prisoners transferred to special hospitals under section 47 of the Mental Health Act 1983 (or section 72—the equivalent section of the Mental Health Act 1959) are available as follows:

	Broadmoor	*Rampton*	*Moss Side*	*Park Lane*
1981				
Caucasian	8	19	1	1
Negro	—	1	—	—
Asian	1	1	1	—
	9	21	2	1
1982				
Caucasian	7	7	3	5
Negro	3	—	—	1
	10	7	3	6
1983				
Caucasian	9	5	4	4
Negro	1	1	1	2
Asian	1	1	—	—
	11	7	5	6

	Broadmoor	Rampton	Moss Side	Park Lane
1984				
Caucasian	3	10	3	10
Negro	2	4	—	—
Asian	—	1	—	—
	5	15	3	10

Mr. Irving asked the Secretary of State for Social Services how much of their sentences those prisoners transferred under section 47 of the Mental Health Act 1983 in the last four years for which figures are available had to serve when they were transferred.

Mrs. Currie: The information is not readily available from either Department of Health and Social Security or Home Office records.

Mr. Irving asked the Secretary of State for Social Services if any ethnic monitoring is carried out in special hospitals; and if he will make a statement.

Mrs. Currie: No ethnic monitoring is carried out in the special hospitals, although information on ethnic origin has been recorded for patients admitted to special hospitals since 1972 in compiling a psychiatric case register for research purposes.

Trent RHA

Mr. Skinner asked the Secretary of State for Social Services what is the average waiting time throughout the Trent regional health authority area for *(a)* general surgery and *(b)* orthopaedic surgery.

Mr. Newton: The table shows the latest available information for cases admitted from the waiting list. About 36·5 per cent. of all general surgery and traumatic and orthopaedic surgery cases were admitted from the waiting list in Trent.

Estimated median interval in weeks between the date a patient was placed on the waiting list and the date of admission to NHS hospitals in Trent regional health authority area, 1984

Specialty	Weeks
General surgery	5
Traumatic and orthopaedic surgery	15

Mr. Skinner asked the Secretary of State for Social Services (1) what is the total number of hospital beds closed down in the Trent regional health authority since 1979;

(2) how many hospital beds have been closed down in obstetrics wards in the Trent regional health authority area since 1979.

Mrs. Currie: The available information is given in the table. In Trent between 1979 and 1985 the number of in-patient cases treated increased by 24 per cent. from 464,917 to 578,370 in all specialties and by 7 per cent., from 75,149 to 80,628 in the maternity sector.

National Health Service hospitals in Trent regional health authority

	Average daily available beds 1979	1985	Change between 1979 and 1985
Obstetrics	1,415	1,330	−85
GP maternity	382	287	−95
Maternity (total)	1,797	1,617	−180
All specialties	31,712	29,391	−2,321

National Insurance

Mr. Austin Mitchell asked the Secretary of State for Social Services if he will estimate (i) the revenue effect to the National Insurance Fund of abolition of the upper earnings limit and (ii) the loss to the fund of counting personal allowances for income tax purposes against the employee's liability to contributions.

Mr. Major: I shall let the hon. Member have a reply as soon as possible.

Vaccine Damage Payments Act

Mr. Leigh asked the Secretary of State for Social Services if he will introduce legislation to amend the Vaccine Damage Payments Act 1979 to permit payments to claimants whose claims are out of time.

Mr. Lyell: We have no plans to do so.

Mental Health Act

Mr. Tony Lloyd asked the Secretary of State for Social Services if he will provide, for each of the north Manchester, central Manchester, south Manchester and Trafford health authorities, for the most recent year for which figures are available, the number of *(a)* applications made for formal detention under the Mental Health Act, *(b)* applications for formal detention which were successful, *(c)* applications made for each of the sections of the Act, *(d)* people in total sectioned, *(e)* informal admissions, *(f)* first admissions, *(g)* informal patients sectioned whilst inpatients, *(h)* formal patients who had compulsory orders renewed, *(i)* patients who died, subject to notification of the coroner, *(j)* patients who made application to a mental health review tribunal and *(k)* patients discharged before the period of the formal order had expired.

Mrs. Currie: I am sorry I cannot give the hon. Member all the information that he seeks as some of it is not collected centrally. The table provides the available information for 1985, the most recent year for which figures are available.

Mental illness and mental handicap hospitals and units during 1985.

District Health Authority	*North Manchester*	*Central Manchester*	*South Manchester*	*Trafford*
Total Admissions:				
Informal	980	594	1,532	587
Formal	78	69	73	37
First Admissions:				
Informal	351	145	396	121
Formal	31	10	23	5
Residents, as at 31 December:				
Informal	332	82	186	121
Formal	29	16	26	8
Deaths[1]:				
Informal	54	12	21	27
Formal	—	1	—	—

[1] All deaths occurring among resident psychiatric in-patients, by legal status current upon their death.

Prescriptive Drugs (Cost)

Mr. McCrindle asked the Secretary of State for Social Services if he will introduce amending legislation to enable prescriptive drugs which cost less than £2·40 to be purchased for the precise cost.

Mr. Newton: We have no plans to do so.

Sero-positive Women

Mrs. Renée Short asked the Secretary of State for Social Services how many women attending genito urinary medicines clinics are known to be sero-positive.

Mr. Newton: I regret this information is not held centrally. Reports sent to the Communicable Disease Surveillance Centre by testing laboratories do not identify the type of health care facility where the specimen was taken.

Tay-Sach's Disease (Research)

Mrs Renée Short asked the Secretary of State for Social Services if he will list in the *Official Report*, the centres where research into Tay-Sach's disease is carried out; what resources he has allocated to each; and what will be provided in the next financial year to each.

Mrs. Currie: The Department is not currently supporting research into Tay-Sach's disease, which is an inherited disorder, but research into safe methods of antenatal diagnosis is being carried out at Guy's hospital and King's college, London. The Medical Research Council, which is the main Government body for bio-medical research in the United Kingdom and receives grant-in-aid from the science budget of the Department of Education and Science, supports a considerable amount of research into inherited disorders.

Supplementary Benefit

Mr. Corbett asked the Secretary of State for Social Services whether those Commonwealth citizens required to register citizenship under the Nationality Act 1981 by 31 December who are in receipt of supplementary benefit can be given a single payment to cover the £60 registration fee.

Mr. Major: There is no provision in the supplementary benefit regulations for single payments to be made for Home Office citizenship fees. Supplementary benefit is intended to cover necessary living expenses, not the cost of acquiring the rights of citizenship.

Mr. Frank Field asked the Secretary of State for Social Services (1) if he will make a statement on changes to regulations in the position of young people leaving school at Easter who claim supplementary benefit;

(2) when he will publish new regulations governing the position of young people leaving school this Easter who wish to claim supplementary benefit.

Mr. Major: I have considered the report of the Social Security Advisory Committee on the Government's proposals for regulations to restore our policy that young people who are entered for examinations when they leave school should be treated as remaining in relevant education until they have completed those examinations. I expect to lay regulations before the House very shortly.

Mr. Thomas Cameron (Correspondence)

Mr. Frank Field asked the Secretary of State for Social Services when he can expect to receive a reply to the letter he wrote on 18 December 1986, about which a reminder was sent on 18 February, concerning Thomas Cameron of Clive road, Birkenhead.

Mr. Lyell: I wrote to the hon. Member on 9 March.

Pensioners (Income)

Mr. Meacher asked the Secretary of State for Social Services if he will indicate on what basis he calculates that the average weekly net income of pensioners rose by 18 per cent. in real terms during 1979 to 1985.

Mr. Major: Figures obtained from the family expenditure survey and adjusted to 1985 prices show that pensioners' average weekly net income from all sources was £70·60 in 1979 and £83·10 in 1985, giving a real terms increase of 18 per cent. over the period.

Note: Figures are for pensioner tax units, that is either single pensioners or married couples where the husband is over 65.

Medical Statistics Barnsley

Mr. Patchett asked the Secretary of State for Social Services how many beds have been closed in Barnsley district general hospital in 1980, 1981, 1982, 1983, 1984, 1985, 1986 and 1987 to date.

Mrs. Currie: I am sorry I cannot give the hon. Member all the information he seeks. The available information is given in the table. Between 1979 and 1985 the number of in-patient cases treated at the hospital increased by 27 per cent. from 21,027 to 26,628.

For more recent information the hon. Member may wish to write to the chairman of the Barnsley district health authority.

Barnsley district general hospital

Year	Average daily available beds	
	Number	Change over previous year
1980	763·5	−40·1
1981	778·4	+14·9
1982[1]	717·2	−61·2
1983	778·4	+61·2
1984	772·9	−5·5
1985	765·2	−7·7

[1] Figures for 1982 were affected by industrial action in the Health Service.

Mr. Patchett asked the Secretary of State for Social Services what is the average time of stay in Barnsley district general hospital for all patients; and what steps he proposes to take to ensure that some patients are not being discharged too early.

Mrs. Currie: I am sorry I cannot give the hon. Member the information he seeks in precisely the form requested. A single overall length of stay for all specialties is not meaningful. Figures for non-psychiatric specialties are given in the table. The timing of discharge for an individual patient is a matter for the consultant concerned.

Barnsley district general hospital-1985

Specialty	Average length of stay in days of patients discharged/died during year
General medicine	7·7
Paediatrics	3·9
Infectious Diseases	4·0
Dermatology	16·5
Rheumatology	14·2
Geriatrics	13·6
General surgery	7·4
Ear, Nose and Throat	3·3
Trau and orthopaedic	10·4
Opthalmology	7·3
Oral surgery	2·2
Gynaecology	4·4
Obstetrics	6·0
Special care baby unit	7·2
Mental illness	n/a
G.P. Maternity	3·1
Accident & Emergency	1·8
Coronary care	13·8
Haematology	9·3
Intensive care unit	12·2

Mr. Patchett asked the Secretary of State for Social Services how many medical and other services have been privatised at Barnsley district general hospital since 1979; and what effect this has had on the wages of existing ancillary workers at the hospital.

Mrs. Currie: I shall let the hon. Member have a reply as soon as possible.

Mr. Patchett asked the Secretary of State for Social Services, what is the extent of private practice and treatment in Barnsley district general hospital; and how many beds are available for consultants' private practice.

Mrs. Currie: The information requested is in the table, which gives the latest available statistics.

Private Patients in NHS Hospitals—1985

Hospital	No. of pay beds at 31 December	Average daily no. of beds occupied	Percentage bed occupation	Discharges and deaths	Out-patient attendances	Day case attendances	Regular day patient attendances
Barnsley District General	3 (plus 2 Emergency beds)	1·03	33	127	362	122	Nil

Mr. Patchett asked the Secretary of State for Social Services if he will list the average waiting list times for patients to see each consultant at Barnsley district general hospital; and how long after seeing the consultant is the average waiting time for operations.

Mrs. Currie: I am sorry I cannot give the hon. Member the information he seeks. Information on numbers awaiting out-patient appointments is not held centrally. For waiting time of patients admitted from the waiting list, the numbers in the central data sample are too small for reliable estimates to be made below regional level. The hon. Member may wish to write to the chairman of the Barnsley district health authority for the information required.

Mr. Patchett asked the Secretary of State for Social Services when and why the neonatal services were removed from Barnsley district general hospital.

Mrs. Currie: Neonatal services continue to be provided at Barnsley district general hospital. There has been no change in provision. The hon. Member may like to contact the district chairman, Councillor Wake, on any detailed points about the service provided.

Mr. Patchett asked the Secretary of State for Social Services how many wards in Barnsley district general hospital remain unopened; if he will give a firm date for their opening; and if he will make a statement.

Mrs. Currie: There are no unopened wards in Barnsley district general hospital. The hon. Member may like to contact the district chairman, Councillor Wake, about any recent changes in services.

Health Authorities (Allocations)

Mr. Meacher asked the Secretary of State for Social Services if he will indicate how the £626 million increase in overall allocations to health authorities in England for 1987-88 will be distributed.

Mr. Newton: The information requested is given in the table.

Increase in allocations to Health Authorities 1986-87 to 1987-88 (England)

Regional Heath Authorities	*£ million (cash)*
Northern	39·5
Yorkshire	44·6
Trent	59·7
East Anglian	29·0
North West Thames	42·2
North East Thames	50·5
South East Thames	45·2
South West Thames	35·9
Wessex	34·1
Oxford	27·8
South Western	39·4
West Midlands	72·7
Mersey	29·2
North Western	53·9
Total all RHAs	[1]603·8
Special Health Authorities[2]	14·3
Other centrally funded bodies eg English National Board for Nursing; and funds still to be allocated[3]	12·9
	[4]631·0

Notes:
[1] Total may not tally with sum of individual RHAs' figures due to rounding.
[2] Includes the London post-graduate SHAs, the NHS training authority and the central blood laboratories authority.
[3] For example to specific health authorities for particular projects, for example, breast cancer screening and regional secure units.
[4] The original sum of £626 million has been increased on account of the breast cancer screening proposals announced on 25 February 1987 at columns 271-273
The sums shown for individual RHAs include main allocations, allocations from the bridging fund and waiting list fund and other additions, for example, service increment for teaching.

Operations (Cost)

Mr. Meacher asked the Secretary of State for Social Services if he will list the average cost of hip replacement, coronary artery bypass, cataract, bone marrow transplant and a range of similar regular standard operations.

Mrs. Currie: We do not routinely make estimates of the costs of individual operations. However, information is available for three of the procedures listed. The average cost of coronary artery bypass grafting is estimated to be about £5,000 at 1986-87 prices. This is based on a study in three hospitals carried out in 1980. The average cost of cataract and total hip replacement operations are based on separate estimates of the treatment and hotel costs for the relevant surgical specialities. They are £950 and £3,300 respetively)1986-87 prices). All these figures include an element of costs for capital expenditure.

Population Statistics

Mr. Meacher asked the Secretary of State for Social Services if he will estimate for the years 1987, 2007 and 2027 *(a)* the number of people in the working population, *(b)* the number of people in the retired population, *(c)* the average gross income from employment per member of the working population and *(d)* the average gross income from pensions per member of the retired population, subdivided between state pensions, occupational pensions and lump sums from occupational pension schemes, with money expressed at 1987 prices and the figures for 2007 and 2027 assuming rates of growth of (i) 1 per cent. per year and (ii) 3 per cent. per year and the impact of personal pensions ignored.

Mr. Major: I shall let the hon. Member have a reply as soon as possible.

AIDS

Mr. Meacher asked the Secretary of State for Social Services how many persons he estimates have been infected with the AIDS virus through use of factor VIII imported from the United States of America; and how many of these are: *(a)* children, *(b)* haemophiliac men and *(c)* wives of haemophiliac men.

Mr. Newton: The most recent figures available show that 930 haemophiliacs have been reported HIV antibody positive.

A further breakdown of these figures by age and the source of the factor VIII used in treatment is not available. No figures are held centrally for the number of wives of haemophiliac men who have been infected.

Food Additives

Mr. Eadie asked the Secretary of State for Social Services if he will set up an urgent inquiry into the effect on the health and well-being of children arising from additives contained in food manufactured for children; and if he will make a statement.

Mrs. Currie [*pursuant to her reply*, 11 March 1987, c. *234-35*]: No. The safety of additives is already assessed by independent expert advisory committees.

Food additives are often accused of being responsible for a wide range of health problems in children. However, scientific evidence in support of this is lacking. Intolerance reactions to food additives are rare (an EC working party estimated that only 0·03 to 0·15 per cent. of the population react to food additives), and the types of reaction are largely confined to skin rashes, asthma, runny noses and gastro-intestinal disturbances. It is worth noting that intolerance reactions to everyday foods such as milk, eggs or shellfish are much more common (estimated at 1 to 3 per cent. of the population).

Foods prepared specifically for babies do not contain certain additives, such as colours, as their use in these products is considered unnecessary.

Prescriptions

Mr. Gregory asked the Secretary of State for Social Services what is the average and maximum cost per prescription dispensed for the most recent date available; and if he will make a statement.

Mr. Newton [*pursuant to his reply*, 9 March 1987, c. *71*]: The average total cost per prescription for prescriptions dispensed during the month of July 1986 was £5·15. No

maximum cost is imposed on prescriptions and an individual prescription item may cost several thousand pounds; the most expensive item dispensed in July 1986 cost £6,416·10.

AGRICULTURE, FISHERIES AND FOOD

Diseases (Research)

Mr. Kirkwood asked the Minister of Agriculture, Fisheries and Food if he will make a statement on research sponsored by his Department into transmission of diseases such as salmonellosis from wildlife to farm animals.

Mr. Donald Thompson: In-house research into the transmission of leptospirosis, salmonellosis and tuberculosis from wildlife to farm animals has already been undertaken and is continuing. My Department is not sponsoring any outside research of this sort at present.

Land Use

Mr. Lord asked the Minister of Agriculture, Fisheries and Food what further steps he is taking to encourage diversification in the use of land.

Mr. Jopling: I announced on 9 February a package of measures, worth £25 million a year when fully operational, to encourage the alternative use of agricultural land and to assist diversification. These are described in the set of documents published by the Government on 10 March and entitled "Farming and Rural Enterprise". Copies are available from the Vote Office.

Rural Diversification

Mr. Ron Davies asked the Minister of Agriculture, Fisheries and Food in how many cases proposals for rural diversification on agricultural land, over which his Department has been consulted, have been refused.

Mr. Jopling: I regret that this information is not available. But it is of course, Government policy to foster diversification in rural areas.

Dairy Cows

Mr. McLoughlin asked the Minister of Agriculture, Fisheries and Food if, further to his answer to the hon. Member for Derbyshire, West of 17 February, *Official Report*, column *604*, he will list those countries in Europe which pay compensatory allowances on dairy cows in designated less favoured areas, giving details of restrictions as to numbers and areas and variations in the levels of payments.

Mr. Gummer: I shall reply to my hon. Friend as soon as possible.

Livestock Quality Controls

Mr. Nicholas Baker asked the Minister of Agriculture, Fisheries and Food whether he has reached a decision on the future of livestock quality controls over dairy and beef herds whose semen is approved for use in artificial inseminations.

Mr. Jopling: My right hon. Friends the Secretaries of State for Wales and Scotland and I have reviewed the livestock quality controls in question, after consulting the organisations involved. We have reached the conclusion that the time has now come to disband most of the controls in the LQC system for dairy and beef bulls to be used in AI.

We shall, however, retain the existing controls over advertising and add to them a further provision which will have the effect of requiring an advertiser of semen from such bulls to state whether statistical statements in his advertisement are drawn from assessments based on progeny testing or those based on sibling testing.

My right hon. Friends and I propose to lay the necessary orders before the House shortly, to have effect from 30 June 1987.

These changes will also apply to imports of bovine semen. However, these imports will continue to be subject to any controls necessary to safeguard animal health.

The House will be aware that we are introducing charges for approvals of dairy bulls on 1 April next as part of the policy of charging for certain ADAS services. The LQC element of these approvals will not be subject to charges between 1 April and 30 June when it ceases to have effect.

We regard this step as a contribution to the Government's policy of removing statutory controls, particularly those affecting small businesses, unless such controls have a clearly useful purpose.

Caesium (Cumbria)

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food, whether his Department was testing for caesium contamination in the potential human food chain in Cumbria prior to the Chernobyl accident.

Mr. Donald Thompson [*pursuant to his reply*, 5 March 1987, c. *227*]: Yes. As part of its routine programme of monitoring the agricultural and aquatic environment in the vicinity of major nuclear sites, my Department was testing for a range of radionuclides, including caesium, in a range of foods and other environmental materials in Cumbria prior to Chernobyl.

Written Answers to Questions

Friday 13 March 1987

EDUCATION AND SCIENCE

Ethnic Monitoring

Mrs. Dunwoody asked the Secretary of State for Education and Science if he will list the numbers of entrants to his Department from the ethnic minorities in the years 1985-86 and 1986-87; if he will also list the monitoring procedures used to ascertain the percentage of the work force represented by ethnic minorities and their patterns of promotion; and what are his methods of recruitment of minorities into the Department.

Mrs. Rumbold: The ethnic origins of new entrants have been surveyed since October 1985. The latest available information for the period up to December 1986 is as follows:

Total new entrants to D.E.S. in period 1 October 1985 to 31 December 1986

	Number
Ethnic origins	
white	134
black/asian	8
not stated[1]	74

[1] Includes non respondents and those in areas not yet covered by staff-in-post surveys.

A phased programme of departmental surveys of the ethnic origin of non-industrial civil servants by means of voluntary self-classification is being conducted. By the end of 1986 all non-industrial staff in London, and in the Department's provincial offices serving Her Majesty's inspectorate, had been surveyed. The remaining staff in the Department's Darlington office will be surveyed by the end of 1987. Consideration is being given to ways of using the data on the ethnic origin of staff-in-post to monitor promotion.

All Departmental recruitment is conducted on the basis of fair and open competition and selection is on merit. I refer the hon. Member to the answer given by my right hon. Friend, the Minister of State, Privy Council Office on 20 February 1987 at col. *880-881* reporting the arrangements being made to encourage people from the ethnic minorities to apply to the Civil Service.

Learning Difficulties

Mr. Cash asked the Secretary of State for Education and Science if he will, in relation to specific learning difficulties, take steps to *(a)* provide a national standard, *(b)* encourage teachers to provide a national professional standard, *(c)* eliminate the different standards between different local education authority areas, *(d)* encourage local education authorities to consult with voluntary bodies providing support for children with such difficulties, *(e)* encourage local education authorities to make use of voluntary facilities in their areas, *(f)* provide proper training in teacher training colleges and *(g)* provide counselling and professional assessment for those over the age of 16 years in colleges of further education and by careers officers.

Mr. Dunn: Local education authorities have a duty under the 1981 Education Act to provide for school pupils with special educational needs according to their individual needs as assessed and, where appropriate, recorded in statements. The Department encourages co-operation with voluntary bodies and among LEAs through the standing regional conferences. The Government's policy on teacher training for special needs is set out in paragraphs 146 and 147 of "Better Schools" (Cmnd 9468). Under the new teacher training arrangements operative from 1987-88, all training in special educational needs will be provided through in-service training courses.

The Department is at present reviewing the standards of staffing for special educational needs and it is proposed to issue new advice in due course. It is for local education authorities to consider, in individual cases, what support should be made available in colleges of further education for students who have special educational needs.

Bogus Degrees

Mr. Murphy asked the Secretary of State for Education and Science if he will indicate the proposals which Her Majesty's Government have initiated in the last month to curb the sale of bogus degrees and similar pseudo qualifications in the United Kingdom.

Mr. Walden: My right hon. Friend is considering the possibility of legislating to curb this abuse.

Dyslexic Children

Mr. Onslow asked the Secretary of State for Education and Science how many appeals he has received from parents of dyslexic children in Surrey under sections 5(6) and 8(6) of the Education Act 1981 during each of the years since the Act came into force.

Mr. Dunn: The provisions of the Education Act 1981 came into force on 1 April 1983. In 1983-84 and 1984-85 there were no appeals from parents of dyslexic children in Surrey under sections 5(6) and 8(6). In 1985-86 there was one appeal under section 5(6) and none under section 8(6). In 1986-87 there were two appeals under section 5(6) and none under section 8(6).

Fitness

Mr. Kirkwood asked the Secretary of State for Education and Science whether he will undertake a national survey of fitness levels of pupils attending secondary schools in the United Kingdom.

Mrs. Rumbold: Research into fitness levels of pupils is being carried out in Institutes of Higher Education and universities. Funds for this work have been provided by medical foundations, area health authorities, the Health Education Council and the Sports Council. My right hon. Friend will give careful consideration to the results of this research.

Mr. Kirkwood asked the Secretary of State for Education and Science what information he has about levels of physical fitness of secondary school pupils in the

United Kingdom compared with their peers in other Organisation for Economic Co-operation and Development countries.

Mrs. Rumbold: None.

Education (No. 2) Act 1986

Mrs. Virginia Bottomley asked the Secretary of State for Education and Science when he intends to issue the second circular of guidance on the Education (No. 2) Act 1986; and if he will make a statement.

Mr. Kenneth Baker: The draft of the second circular of guidance on the Education (No. 2) Act 1986 has been issued for consultation today. It includes model instruments and articles of government. The draft of new school government regulations has been issued simultaneously. Those consulted include the local authority associations, the Churches and other voluntary bodies, the teacher unions and other interested bodies. It is hoped that the circular will be issued in its final form soon after Easter.

HOME DEPARTMENT

Zircon Satellite

Mr. Dalyell asked the Secretary of State for the Home Department why he will not call for a report from the Commissioner of Police of the Metropolis on the progress of inquiries into the alleged disclosure of classified information about the Zircon satellite.

Mr. Hurd: Because the Commissioner of Police of the Metropolis will, when his inquiries are complete, report to the Director of Public Prosecutions.

Immigration

Mr. Lawler asked the Secretary of State for the Home Department what is the latest figure for the number of persons arriving from India, Pakistan and Bangladesh who have been refused entry to the United Kingdom since the visa requirement was introduced; and if he will indicate where possible the reason for refusal, and how many were in possession of a valid visa.

Mr. Waddington: The available information given in the table for the period 15 October 1986 to 7 March 1987, relates to passengers who arrived and were refused entry at Heathrow and Gatwick airports in that period.

Citizens of	*Total refused entry*	*Passengers holding visas refused entry and included in total*
India	502	10
Pakistan	255	17
Bangladesh	295	19

Mr. Lawler asked the Secretary of State for the Home Department what is the total cost to public funds on removal of persons from the United Kingdom after they have been refused entry and for other reasons to date in the current financial year; and what was the figure for 1985-86.

Mr. Waddington: The direct cost to public funds of removing illegal entrants, deportees and persons refused leave to enter in the current financial year (ie to the end of February) was £1,001,959. The figure for the financial year 1985-86 was £873,812.

Asylum

Mr. Lawler asked the Secretary of State for the Home Department how many persons arriving in the United Kingdom have claimed asylum since 15 October 1986, compared with the equivalent period for the previous two years.

Mr. Waddington: Statistics are not available in the precise form requested. However in the three months from December 1986, to February 1987, a total of over 800 people claimed asylum on arriving at a port in the United Kingdom. In the equivalent period in 1985-86 fewer than 100 people, and in 1984-85 fewer than 200 people claimed asylum at the ports.

NORTHERN IRELAND

O'Neill Road, Newtownabbey (Accidents)

Mr. Michael Brown asked the Secretary of State for Northern Ireland if he will publish details of each accident which has occurred on the O'Neill road, Newtownabbey, County Antrim, in each of the last five years for which records are available.

Mr. Needham: The information is not available in the form requested and could be obtained only at disproportionate cost. However during the period 1 January 1986 — 31 December 1986, 13 injuries-fatal accidents were reported to the police as having occurred at O'Neill road, Newtownabbey. From 1 January 1987 to date, two accidents have been reported, one of which proved fatal.

Mr. Michael Brown asked the Secretary of State for Northern Ireland what was the most recent fatal accident on the O'Neill road, Newtownabbey, and when it occurred; and if he will take steps to ensure that there is a safe crossing for pedestrians provided between the O'Neill road roundabout and Cloughton corner, Newtownabbey.

Mr. Needham: The most recent fatal accident on the O'Neill road, Newtownabbey, occurred on 27 February 1987. I have arranged for the Department of the Environment's road service to assess whether a pedestrian crossing can be justified. I shall let my hon. Friend know the outcome as soon as possible.

Western Health and Social Services Board

Mr. Hume asked the Secretary of State for Northern Ireland (1) if he will make a statement on the distribution of revenue resources to the Western health and social services board since the formulation of the proposal for the allocation of revenue resources system; and if he will outline what figures are available to indicate the pattern of distribution in relation to the proposal for the allocation of revenue resources system;

(2) if he will make a statement on the funding and performance of the Western health and social services board from 1981 to 1987 taking particular account of the proposal for the allocation of revenue resources system, efficiency savings, cost improvement programmes, shortfall pay awards and new money;

(3) what plans he has to bring the funding of the Western health and social services board into line with the provisions of the proposal for the allocation of revenue resources system; and if the board will receive the proposal for the allocation of revenue resource system shortfall of the past few years;

(4) if he will make a statement indicating whether there are any proposals to review or amend the proposal for the allocation of revenue resources system on a basis similar to the proposals on the resources allocation working party system;

(5) if the Government will seek to take account in future funding plans of those demands placed on health and social services by social and economic deprivation which are not reflected in the present proposal for the allocation of revenue resources system formula; and if he will make a statement.

Mr. Needham: The revenue allocation to the Western health and social services board increased by 5·5 per cent. in real terms from 1981-82 to 1986-87. Because of deficiencies in the PARR formula, which was devised in 1978, allocations to boards are determined largely on the basis of an analysis of their annual operational plans. However, a review of resource allocation policy will shortly be initiated which will draw on work done for similar reviews in England and Scotland, including the relationship between social deprivation and needs for health care.

Incursions

Mr. John David Taylor asked the Secretary of State for Northern Ireland (1) how many incursions have been made by forces of the Republic of Ireland into the United Kingdom during the past three months; if he will make a statement on the incursion at Middletown, County Armagh on 7 March; if any apologies have been made by the Dublin Government; if any complaint has been lodged by Her Majesty's Government; and what is Her Majesty's Government's policy towards responding to such incursions;

(2) how many incursions into the Republic of Ireland have been made by United Kingdom forces in the past three months; how many of these resulted in *(a)* a formal apology by the United Kingdom ambassador in Dublin or *(b)* a statement of apology by the Secretary of State for Northern Ireland; and if he will make a statement on Her Majesty's Government's policy towards such incursions.

Mr. Tom King: During the last three months, two incidents have been reported in which members of the security forces of the Republic of Ireland have allegedly crossed the border into Northern Ireland. Both reports concerned overflights by Irish Army Air Corps helicopters and both have been denied by the Irish authorities. In the same period, the Irish Government has brought to our attention a total of 19 incidents in which members of our security forces have allegedly crossed the border into the Republic. We have confirmed that 12 incursions did take place; all but one were accidental and occurred as a result of navigation or map-reading errors. Five have been denied, and two more are still under investigation. None resulted in a formal apology by Her Majesty's Ambassador in Dublin or a statement of apology by myself. However, I have expressed to the Irish Government my strong disapproval of one incident involving a deliberate entry into the Republic's territory by a small group of soldiers.

We could not, of course, accept any deliberate incursions into Northern Ireland by the Republic's security forces, and we do not expect the Irish Government to accept deliberate incursions by ours. However, we understand how easy it is for members of the security forces of either country operating near the border to make mistakes; hence it is not our practice to lodge a formal complaint when such mistakes occur.

TRANSPORT

Road Accidents

Mr. Onslow asked the Secretary of State for Transport what proportion of road traffic accidents in England and Wales take place during the hours of darkness.

Mr. Moore: Thirty per cent., in 1985.

Safety at Sea Act 1986

Mr. McQuarrie asked the Secretary of State for Transport when he proposes to implement the clauses in the Safety at Sea Act 1986; and if he will make a statement.

Mr. Spicer: Sections 10, 11, 14 and 15 of the Act were brought into force in October 1986. Sections 1, 2, 3 and 7 are still undergoing detailed consultation with the fishing industry and manufacturers to ensure that the regulations will be technically and practically sound in operation. I am not, therefore, able at present to give a firm date when all the new requirements will be introduced. I hope to be in a position to do so after the meeting of the fishing industry safety group next month.

Channel Ferries (Safety)

Mr. McQuarrie asked the Secretary of State for Transport what is the frequency with which checks on all safety equipment are carried out on cross Channel ferries; who is responsible for these checks; and if he will make a statement.

Mr. Michael Spicer: Safety equipment on United Kingdom registered cross channel ferries is surveyed annually by marine surveyors from my Department. If they have reason to go on board between these times in the course of their duties, for example, to survey part of the vessel's machinery, they may also conduct a general inspection of the ship. The survey of safety equipment of foreign flag cross channel ferries is a matter for the flag state.

M25 (Service Areas)

Mr. Speed asked the Secretary of State for Transport when he now expects the first two service areas on the M25 motorway to be fully operational; and what slippage this represents from their planned date of opening.

Mr. Peter Bottomley: South Mimms service area is already open for the sale of fuel. I expect that it will be fully open in May, though some additional facilities will be provided later for heavy goods vehicles. We are aiming for opening of the Thurrock area in late 1988 or early 1989. Progress depends on the degree of difficulty with

geotechnical problems. Compared with 1985 targets, South Mimms will be six months and Thurrock over a year late.

HOUSE OF COMMONS

Newspapers

Mr. Frank Field asked the Lord Privy Seal what criteria are used in determining the number of each quality newspaper purchased by the Serjeant at Arms Department for distribution in the Members' Tea Room and at each of the buildings where Members have offices.

Mr. Biffen: The quantities of all the national daily newspapers purchased for distribution in the Members' Tea Room and at each outbuilding has been established from experience of Members' requirements. In the case of the more recently launched, or relaunched, newspapers an initial assessment is made of Members' requirements and the necessary order is placed. This is amended in the light of Members' reactions.

The Serjeant at Arms is always prepared to consider requests to adjust the quantities ordered.

WALES

Dog Licence Fees

Mr. Geraint Howells asked the Secretary of State for Wales if he has any plans to increase dog licence fees during the coming year; and if he will make a statement.

Mr. Nicholas Edwards: I refer to the reply given by my right hon. Friend the Secretary of State for the Environment on 23 July 1986, at column *266*.

Nursing Staff

Mr. Dobson asked the Secretary of State for Wales if he will give for each district health authority and for each year since 1982, the total number of nursing staff employed in private hospitals, nursing homes and clinics giving the numbers of *(a)* full-time employees, *(b)* part-time employees, *(c)* total number of employees and *(d)* whole-time equivalents.

Mr. Nicholas Edwards: The required information, which relates to 31 December each year, is given in the following table. Health authority areas with nil returns have been excluded.

Nursing staff employed in private hospitals, nursing homes and clinics

	Numbers			
	Whole-time	*Part-time*	*Total*	*Whole-time equivalent—Total*
1982				
Clwyd	141	207	348	262·3
Gwent	37	96	133	95·0
Gwynedd	83	66	149	126·7
South Glamorgan	75	116	191	143·8
West Glamorgan	52	111	163	110·6
1983				
Clwyd	174	228	402	302·6
Gwent	26	97	123	89·2
Gwynedd	56	99	155	114·5
Powys	23	—	23	23·0
South Glamorgan	96	117	213	164·4
West Glamorgan	69	195	264	168·0
1984				
Clwyd	136	316	452	333·2
Gwent	38	104	142	96·8
Gwynedd	32	140	172	111·8
Powys	18	7	25	24·2
South Glamorgan	101	100	201	156·7
West Glamorgan	72	221	293	190·1
1985				
Clwyd	213	389	602	440·0
Gwent	99	258	357	215·9
Gwynedd	30	193	223	130·9
Pembrokeshire	6	20	26	17·3
Powys	47	24	71	59·4
South Glamorgan	117	187	304	240·8
West Glamorgan	121	363	484	292·4

National Health Service (Staff)

Mr. Dobson asked the Secretary of State for Wales if he will give, for each district health authority and for each year since 1982, the numbers of staff in the following groups: *(a)* medical and dental, *(b)* nursing and midwifery, *(c)* administrative and clerical, *(d)* ancillary, *(e)* other employees and *(f)* total employees in terms of (i) the actual number of employees and (ii) whole-time equivalents.

Mr. Nicholas Edwards: The required information, which relates to 30 September for each year, is given in the following table:

	Medical and Dental		Nursing and Midwifery		Administrative and Clerical		Ancillary		Other		Total	
	Number[1]	Whole-time equivalents	Number	Whole-time equivalents	Number	Whole-time equivalents	Number	Whole-time equivalents	Number	Whole-time equivalents	Number	Whole-time equivalents
1982												
Clwyd	332	273	3,921	3,503	787	708	1,678	1,383	967	838	7,685	6,705
East Dyfed	218	173	2,303	1,966	507	470	1,096	917	622	557	4,746	4,083
Gwent	373	338	4,990	4,141	1,035	887	2,642	1,978	1,231	1,134	10,271	8,478
Gwynedd	227	152	2,130	1,890	509	465	1,016	794	693	586	4,575	3,887
Mid Glamorgan	440	379	5,740	4,918	1,121	1,012	2,966	2,272	1,330	1,223	11,597	9,804
Pembrokeshire	81	60	756	631	144	124	324	259	220	181	1,525	1,255
Powys	97	33	1,318	1,092	180	169	529	410	321	278	2,445	1,982
South Glamorgan	767	644	5,467	4,607	1,639	1,447	2,942	2,266	1,938	1,688	12,753	10,652
West Glamorgan	339	301	3,721	3,161	739	689	1,940	1,486	991	836	7,730	6,473
1983												
Clwyd	336	283	3,908	3,498	730	651	1,656	1,350	912	836	7,542	6,618
East Dyfed	219	179	2,390	2,042	529	489	1,095	919	615	567	4,848	4,196
Gwent	364	342	5,072	4,221	1,065	900	2,565	1,927	1,252	1,176	10,318	8,566
Gwynedd	219	151	2,085	1,862	514	469	985	775	665	609	4,468	3,866
Mid Glamorgan	433	379	5,710	4,904	1,130	1,014	2,948	2,241	1,302	1,234	11,523	9,772
Pembrokeshire	87	71	742	615	168	145	323	243	207	193	1,527	1,267
Powys	96	35	1,371	1,149	190	178	536	418	319	280	2,512	2,060
South Glamorgan	785	660	5,303	4,490	1,683	1,469	2,888	2,224	1,912	1,804	12,571	10,647
West Glamorgan	333	304	3,747	3,200	763	702	1,899	1,444	906	838	7,648	6,488
1984												
Clwyd	319	277	3,943	3,528	786	704	1,597	1,289	943	868	8,588	6,666
East Dyfed	229	186	2,453	2,106	542	501	1,023	849	642	595	4,889	4,237
Gwent	367	340	5,152	4,312	1,102	936	2,430	1,790	1,278	1,202	10,329	8,580
Gwynedd	233	164	2,170	1,946	566	516	1,051	823	752	689	4,772	4,138
Mid Glamorgan	443	392	5,847	5,032	1,158	1,035	2,842	2,147	1,355	1,287	11,645	9,893
Pembrokeshire	81	66	768	640	181	156	322	232	206	195	1,558	1,289
Powys	95	34	1,331	1,121	185	172	519	395	326	290	2,456	2,012
South Glamorgan	760	653	5,354	4,565	1,651	1,443	2,706	2,076	2,007	1,901	12,478	10,638
West Glamorgan	348	308	3,738	3,198	781	710	1,799	1,351	948	883	7,614	6,450
1985												
Clwyd	336	286	4,060	3,648	837	740	1,586	1,261	985	899	7,804	6,804
East Dyfed	233	191	2,422	2,081	549	501	1,009	813	676	609	4,889	4,195
Gwent	365	340	5,231	4,351	1,124	941	2,359	1,703	1,309	1,219	10,388	8,554
Gwynedd	234	164	2,336	2,092	593	540	1,095	835	771	702	5,029	4,333
Mid Glamorgan	451	384	5,926	5,127	1,176	1,047	2,786	2,088	1,404	1,335	11,743	9,981
Pembrokeshire	89	73	792	661	191	166	297	205	215	201	1,584	1,306
Powys	105	35	1,346	1,127	189	171	499	373	332	292	2,471	1,998
South Glamorgan	814	675	5,461	4,640	1,693	1,474	2,666	2,035	2,037	1,925	12,671	10,749
West Glamorgan	355	317	3,877	3,317	840	760	1,909	1,432	1,026	950	8,007	6,776
1986												
Clwyd	329	287	4,116	3,671	890	779	1,527	1,221	1,044	943	7,906	6,901
East Dyfed	240	197	2,538	2,170	568	517	1,010	795	705	633	5,061	4,312
Gwent	367	345	5,221	4,354	1,141	947	2,183	1,562	1,340	1,240	10,252	8,448
Gwynedd	228	165	2,277	2,031	618	560	1,079	812	787	713	4,989	4,281
Mid Glamorgan	459	392	5,952	5,160	1,200	1,067	2,680	1,978	1,458	1,373	11,749	9,970
Pembrokeshire	84	70	808	676	192	166	310	204	212	200	1,606	1,316
Powys	99	32	1,380	1,104	187	171	515	372	362	322	2,543	2,001
South Glamorgan	829	674	5,395	4,596	1,645	1,424	2,427	1,859	2,053	1,934	12,349	10,487
West Glamorgan	341	308	3,989	3,425	895	798	1,899	1,395	1,095	1,018	8,219	6,944

[1] Medical and dental staff who work in more than one authority are included in the numbers of staff for each of those authorities.

Disabled People

Mr. Barry Jones asked the Secretary of State for Wales what discussions he has had with the local authorities in Wales concerning the Disabled Persons (Consultation, Representation and Services) Act 1986; and what extra moneys he plans to give local authorities to enable them to effect the implementation of the Act.

Mr. Nicholas Edwards: Discussions on expenditure projections for 1987-88 were held during 1986 within the expenditure sub-group of the Welsh Consultative Council on Local Government Finance. There will be further consultations this year on resource implications for 1988-89.

EC (Butter and Meat)

Mr. Williams asked the Secretary of State for Wales if he will make it his policy to procure information on the distribution arrangements for European Economic Community butter and meat in *(a)* Wales, *(b)* West Glamorgan and *(c)* Swansea; and if he will make a statement.

Mr. Nicholas Edwards: Distribution of these products is being undertaken by recognised charitable organisations which are responsible for making the necessary local arrangements.

ENERGY

Public Companies and Undertakings (Statistics)

Mr. Strang asked the Secretary of State for Energy whether he will list all the partially or wholly owned subsidiaries of British Nuclear Fuels plc, the Central Electricity Generating Board, the Electricity Council, FASTEC, the National Nuclear Corporation, the United Kingdom Atomic Energy Authority, URENCO Ltd (UK), the South of Scotland Electricity Board and the North of Scotland Hydro-Electricity Board; whether he will list those consortia in which the above companies have shares together with the percentage of that shareholding; whether he will list those companies in which the subsidiaries and consortia of the above companies hold shares; whether he will state the scope of his responsibility for the commercial activities of the above companies in

respect of shares which they may wish to acquire in other businesses; and whether any other Government departments are involved.

Mr. Goodlad: The information is shown in the following table, the notes to which set out ministerial responsibilities in respect of shareholdings by the bodies concerned.

A	B	C		D
Parent body	*Partly or wholly owned subsidiaries of parent body*	*Consortia interests*	*Percentage held by parent body*	*Companies in which bodies in B & C have an interest*
BNFL[1]	BNFL Enrichment Ltd. Pacific Nuclear Transport Ltd.	Centec GmbH URENCO Ltd. Combustibill Nuclear SpA Nukleardienst GmbH UK NIREX Ltd.[7] United Reprocessors GmbH Nuclear Transport Ltd. NTL-Nukleare Transportleistungen GmbH NTL-Societe Nucleaire Pour Les Transports Lourds SARL	33 33 50 50 42·5 33 33 33 33	URENCO INC.[2]
CEGB[3]	CEGB Exploration (Canada) Ltd. CEGB Exploration (Australia) Pty Ltd. CEGB Exploration (America) Inc. Atomic Power Constructions Ltd. West Devon Mining and Power Co. Ltd. Lower Thames Land Development and Construction Co. Ltd.	UK NIREX Ltd. Electricity Producers Insurance Co. Ltd. Exel Produce Ltd. SBK	42·5 80 49 1·65	NERSA ESK
Electricity Council[3]	British Electricity International Ltd.	Chloride Silent Power Ltd.	49	British Electricity International (OS) Ltd. British Electricity International (Services) Ltd. Saudi Arabian British Electricity Supply Technology Company
UKAEA[6]	None	National Nuclear Corporation Ltd.[5] FASTEC Ltd.[4] UK NIREX Ltd. Harwell Computer Power Ltd.	35 49 7·5 33	None
SSEB[3]	None	UK NIREX Ltd. Electricity Producers Insurance Co. Ltd.	7·5 20	None
NSHEB[3]	None	None		None

[1] There are no statutory powers which require or enable the Secretary of State for Energy to approve the acquisition or disposal of shares by BNFL. However, the Secretary of State owns all but one of the shares in the Company and so has the normal powers of such a shareholder.

[2] URENCO is a United Kingdom/Netherlands/German consortium in which BNFL holds a one-third share, and is not, therefore, shown in column A.

[3] The Secretaries of State for Energy and for Scotland have no formal responsibility for the acquisition or disposal of shares by the Electricity Supply Industry in England and Wales and the Scottish Electricity Boards, respectively, beyond satisfying themselves that it accords with the industry's statutory functions.

[4] FASTEC owns no shares and the Secretary of State for Energy has no statutory powers in relation to the Company.

[5] The National Nuclear Corporation is a private limited company. Details of its subsidiairies are given in the Company's Annual Report and Accounts, which are available for public scrutiny at the Companies' Registry.

[6] Under a direction made under Section 3 of the Atomic Energy Act 1954, the UKAEA shall not, without the prior written consent of the Secretary of State for Energy, acquire or dispose of any share or interest in any company or partnership. There is no requirement to involve any other Department.

[7] The Articles of Association of UK NIREX Ltd. provide for the Secretary of State for Energy to be able to appoint two independent Members to the Board and to be entitled to attend meetings of the Board, but not to vote. The Articles also provide that the consent of the Secretary of State is required before the Company can dispose of any site.

CEGB (Radiation)

Mr. Frank Cook asked the Secretary of State for Energy (1) if he will list the average annual radiation dose for all Central Electricity Generating Board classified workers in the years 1977 to 1986;

(2) if he will list the average annual radiation dose for all Central Electricity Generating Board classified workers in the years 1977 to 1986 for the following nuclear power stations: *(a)* Dungeness A, *(b)* Sizewell A, *(c)* Trawsfynydd, *(d)* Hinckley Point A, *(e)* Oldbury, *(f)* Berkeley, *(g)* Bradwell and *(h)* Wylfa.

Mr. Goodlad: I have asked the chairman of the CEGB to write to the hon. Member.

Nuclear Accidents

Mr. Hanley asked the Secretary of State for Energy how many of the 10 fatal accidents in the civil nuclear power industry in the United Kingdom in the last 10 years were caused by an escape of radiation.

Mr. Goodlad: None.

Energy Research

Mr. D. E. Thomas asked the Secretary of State for Energy if he will update the answer to the hon. Member for Meirionnydd Nant Conwy of 14 July 1986, *Official Report*, column *386*, relating to energy reseach; if he will provide a breakdown of the sub-total of non-nuclear, non-renewable research and development for each of the years mentioned; and if he will also update the figures to 1985-856.

Mr. David Hunt: I shall reply to the hon. Member as soon as possible.

PRIME MINISTER

Official Entertaining (Cost)

Mr. Skinner asked the Prime Minister what has been the cost of official entertaining at *(a)* Chequers and *(b)* Downing street during each year from 1979 to 1986.

The Prime Minister: The costs are not available in the form requested. The total annual costs of official entertaining by my office were given in my reply to the hon. Member for Newham, North-West (Mr. Banks) on 23 February, at columns *53-4*.

Nuclear Test Ban Treaty

Mr. D. E. Thomas asked the Prime Minister if she will make it her policy to initiate direct negotiations on outstanding verification problems for a comprehensive nuclear test ban treaty during her visit to the Soviet Union later this month.

The Prime Minister: The Government have repeatedly urged the establishment of an ad hoc committee at the conference on disarmament in Geneva which would discuss verification and other outstanding issues connected with a comprehensive test ban treaty. Negotiations would be premature until progress has been made on resolving these issues.

Mr. Graham Mitchell

Mr. Benyon asked the Prime Minister if she will make a statement on recent allegations concerning Mr. Graham Mitchell in relation to the security of the United Kingdom.

The Prime Minister: The possibility that Mr. Graham Mitchell, Deputy Director General of the security service from 1957 to 1963, might have been a Russian agent was thoroughly and objectively investigated over a number of years and, as in the case of Sir Roger Hollis, the conclusion reached at the end of that investigation was that he had not been an agent of the Russian intelligence services. Mr. Mitchell was informed of this conclusion. I am advised that there is no reason to alter or modify that conclusion in either case.

The publication of allegations of this kind about public servants who cannot defend themselves is to be deplored, as is the damage done by such accusations to the effectiveness and reputation of the security service, on whose skill, efficiency and loyalty we rely, and can rely with confidence, for the defence of our freedom.

NATIONAL FINANCE

Free Ports

Mr. Alton asked the Chancellor of the Exchequer whether he will consider allocating a place on the free port steering committee to a representative of the United Kingdom free zone operators.

Mr. Brooke: I would refer the hon. Gentleman to the answers given by my right hon. Friend the Chief Secretary to the Treasury on 3 February 1986 at column *68*. It would be inappropriate for a representative of the freeport operators to participate in the deliberations of the committee of officials which oversees the five-year research study of the six experimental freeports being conducted by Roger Tym and Partners.

Imports (VAT)

Mr. Alton asked the Chancellor of the Exchequer how much import value added tax revenue the Treasury has received on goods being removed from free zones into the home market.

Mr. Brooke: I regret that the information is not available centrally and could be obtained only at disproportionate cost.

Exchange Equalisation Fund

Mr. Austin Mitchell asked the Chancellor of the Exchequer what are the arrangements for financing the exchange equalisation fund; and what rate of interest is paid on the funds put at its disposal.

Mr. Ian Stewart: Under section 2 of the Exchange Equalisation Account Act 1979, the EEA is issued with funds by the national loans fund. The EEA's holding of sterling forms part of the balances held by the Paymaster General at the Bank of England. These balances are lent back to the NLF each night and help to reduce Government borrowing. No interest is paid either on advances to the EEA or on balances held by the PMG.

Industrial and Commercial Statistics

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing for table 14.3 of the "Annual Abstract of Statistics 1987" the division between oil companies, financial companies and so on, and industrial and commercial companies.

Mr. MacGregor: I shall let the hon. Member have a reply as soon as possible.

Oil Companies

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report*

a table showing for table 14.3 of the "Annual Abstract of Statistics 1987" the amount provided each year for *(a)* depreciation, *(b)* the gross trading profits of oil companies and *(c)* the component parts of United Kingdom taxes on income.

Mr. MacGregor: I shall let the hon. Member have a reply as soon as possible.

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing for table 5.4 of the United Kingdom "National Accounts 1986" the allocation of income in detail for the North sea oil companies.

Mr. MacGregor: The information requested is not available.

Statutory Minimum Wage

Mr. Cyril Smith asked the Chancellor of the Exchequer what estimate he has made of the additional cost to the Exchequer and to local government, in wages and salaries per annum, of a statutory minimum wage of £116 per week; and if he will make a statement.

Mr. Brooke [*pursuant to his reply*, 2 March 1987, c. 520]: The additional cost for central and local government pay bills of introducing a statutory minimum wage of £116 per week for full-time adults would be about £1 billion in the current financial year. It is not possible to supply separate estimates for central and local government. This estimate has been calculated assuming that higher paid workers would not try to restore previous differentials and that there would be no job losses. If differentials were restored, either partially or fully, the potential cost would be much greater. The introduction of such a minimum wage would inevitably lead to substantial job losses and for that reason, amongst others, the Government remain opposed to it.

MV Silver Sea

Mr. Foulkes asked the Chancellor of the Exchequer what action will be taken by Her Majesty's Customs and Excise to investigate reports that the Guernsey-registered vessel Silver Sea was loaded with extra cargo after customs clearance before its departure on 15 February 1986 from Southampton.

Mr. A. J. Beith asked the Chancellor of the Exchequer what was declared to Her Majesty's Customs and Excise officials in the ship's manifest by the owners of the vessel Silver Sea in respect of recent voyages to Central America; and if he will make a statement.

Mr. Foulkes asked the Chancellor of the Exchequer what action his Department will take to investigate reports that the Guernsey-registered vessel Silver Sea was loaded with certain items not listed on the ship's manifest when it left Southampton on 15 February 1986.

Mr. Brooke [*pursuant to his replies*, 12 March 1987, c. *27I*]: Customs records show that the MV Silver Sea was granted outward clearance on 12 February 1986 to depart in ballast for Gibraltar. Customs and Excise have made inquiries into possible irregularities concerning the export of goods, but these inquiries have not reached a stage where any conclusions can be drawn.

Entertainers and Sportsmen (Taxation)

Mr. Squire asked the Chancellor of the Exchequer if he has anything to add to the answer given to the hon. Member for Hornchurch on 5 March, *Official Report*, column *644*, regarding the introduction of regulations setting out the rules for withholding tax at source on certain payments made to visiting entertainers and sportsmen.

Mr. Norman Lamont: Our intention is that the regulations will be made on 26 March and will come into force on 1 May. The regulations, which were published in draft last December, were the subject of widespread consultation and we have been carefully considering the many comments which were received. The short delay in the introduction of the new scheme reflects our concern to ensure that those responsible for making payments have a little more time to assimilate the new procedures.

In the light of the representations, we have decided to exclude payments which arise from the sale of records from the scope of the regulations. This reflects the fact that they are currently treated as exempt from tax under many of our double tax treaties.

Also, in the light of representations, the regulations will provide that tax need not be deducted where the payment does not exceed £1,000 (as compared with the figure of £500 in the draft regulations), and a number of more detailed administrative changes will be made.

A guide to the new rules aimed specifically at those responsible for making payments to visiting entertainers and sportsmen will be available when the regulations are made and laid before the House.

DEFENCE

Fraud

Mr. Deakins asked the Secretary of State for Defence which department of the Ministry of Defence police is used when there is suspected fraud by a defence contractor; and what liaison takes place in such circumstances with the National Audit Office.

Mr. Archie Hamilton: The Criminal Investigation Department; the National Audit Office have access to all completed cases.

Royal Ordnance plc

Mr. Robert Atkins asked the Secretary of State for Defence when he expects to be in a position to make a statement about the final decision on the purchase of Royal Ordnance plc.

Mr. Archie Hamilton: It is too soon to forecast how long it will take to analyse the bids we expect to receive and to negotiate the terms of a contract.

Short-Range Missiles

Mrs. Clwyd asked the Secretary of State for Defence what information he has as to which Soviet short-range missiles are within range of the United Kingdom and as to how many of such missiles are currently stationed in Eastern Europe.

Mr. Stanley: The Soviet Union has a variety of air and sea launched missiles with nuclear and conventional

warheads which could be launched within range of the United Kingdom. The only Soviet shorter-range land-based ballistic missile with a nuclear or conventional warhead capable of reaching the United Kingdom from its existing deployment position in East Germany and Czechoslovakia is the more accurate version of the Scaleboard missile (SS22). As to numbers of Scaleboard I cannot at present add to what was said in paragraph 23 of annex A of the statement on the Defence Estimates 1986 vol. I (Cmnd. 9763).

Fuel Economy

Mr. Speed asked the Secretary of State for Defence what fuel economy measures are currently being imposed upon ships of the Royal Navy.

Mr. Freeman: There is to be a reduction in fuel consumption in the next financial year which will be achieved both by more economical use of fuel and easing fleet activity.

Small Arms

Mr. Speed asked the Secretary of State for Defence what restrictions on practice small arms and artillery ammunition are currently being imposed upon units of the Army.

Mr. Freeman: In common with other types of training ammunition, the various small arms and artillery natures are subject to limits on annual consumption. These are expressed as a number of rounds per gun rather than on a unit basis. Additional temporary or local restrictions may also be set from time to time, for example for safety or environmental reasons.

Horses

Mr. Marlow asked the Secretary of State for Defence under what circumstances service personnel are permitted to use military vehicles for the transport of their privately-owned horses to the hunting field, polo matches or other equestrian events.

Mr. Freeman: Within certain limits equestian sports, like other sports, are recognised activities for public financial support for the travel of participants, officials and essential equipments (including horses). Sports travel must be undertaken by the cheapest means. I am not aware of any instances where approval has been given for the movement of privately owned horses by military transport.

Police

Mr. Deakins asked the Secretary of State for Defence if he will set out his precise responsibilities for the Ministry of Defence police; to what extent he expects to be kept informed about the progress of their inquiries into alleged serious crimes, where such inquiries are initiated by his Department; if he will list the specific matters in relation to the functions and actions of his Department's police upon which he is not prepared to answer parliamentary questions; and if he will make a statement.

Mr. Archie Hamilton: The Secretary of State's precise responsibilities are set out in the Ministry of Defence Police Act 1987. He would expect to be informed at the time of major milestones in an investigation: such as referral to the Law Officers' Department. He would not be given any details of the case or have any comment to make. He would therefore be unable to answer any questions on the nature or intended action by the police.

Mr. Deakins asked the Secretary of State for Defence on what basis allegations of serious crime within defence contractors are dealt with by the MOD police rather than by the chief constable and police force of the area concerned; and if he will make a statement.

Mr. Archie Hamilton: The MDP investigates cases of alleged fraud concerning MOD contracts. Dependent on the circumstances, they may be undertaken in consultation with other police forces.

Mr. Deakins asked the Secretary of State for Defence if he expects to receive a report from the Ministry of Defence police on the outcome of their current investigations into allegations of serious crime at Marconi in Portsmouth; and if he will make a statement.

Mr. Archie Hamilton: No. The matter would be reported in the first instance to the prosecuting authorities, if appropriate. Ministers would be informed of any subsequent decisions on the case.

Mr. Deakins asked the Secretary of State for Defence how many inquiries have been carried out by the Ministry of Defence police into allegations of crime in defence contractors in each of the past five years; whether the results in each case were reported to Ministers; and what action was taken in each case where the inquiry showed that crime had been committed.

Mr. Archie Hamilton: I shall answer shortly.

Mr. Deakins asked the Secretary of State for Defence what are the obligations of the Ministry of Defence police with regard to reporting to him the nature, purpose and results of their inquiries into allegations of serious crime by defence contractors; and if he will make a statement.

Mr. Archie Hamilton: The Ministry of Defence police have no obligation to report to Ministers or officials on criminal investigations, but would inform them when major milestones had occurred in investigations, such as referral to prosecuting authorities.

Contractors

Mr. Deakins asked the Secretary of State for Defence what are the responsibilities of his accounting officer to Parliament in respect of any criminal activity with a defence contract which affects public money paid or to be paid to that contractor; and if he will make a statement.

Mr. Archie Hamilton: The accounting officer is responsible to Ministers for the propriety and regularity of all disbursements made by the Department including those to defence contractors and for drawing to the attention of Parliament any cases involving losses or special payments by means of the appropriation account.

Marconi

Mr. Deakins asked the Secretary of State for Defence if he will list all the previous investigations by the Ministry of Defence police into allegations of crime at Marconi Ltd. in Portsmouth prior to that currently in progress; and if he will make a statement.

Mr. Archie Hamilton: Such inquiries are a matter for the MDP rather than Ministers but I am not aware of any save the one mentioned in my reply to the hon. Member for Workington (Mr. Campbell-Savours) on 18 February 1987, at column *687*.

Accidents (Military Vehicles)

Mr. Hoyle asked the Secretary of State for Defence, pursuant to his reply of 24 February, *Official Report*, columns 210-11, how many accidents involving military vehicles in the United Kingdom in 1986 required the hire of civilian equipment to recover the vehicles involved; what was the total cost; how many of those accidents involved dangerous cargoes; if civilian employees involved in military recovery operations are informed of all the possible hazards in undertaking such work; and if he will make a statement.

Mr. Stanley [*pursuant to his reply*, 10 March 1987, c. *174*]: In the year 1985-86 civilian equipment was hired on 1,534 occasions to recover military vehicles involved in accidents or breakdowns. Available records do not distinguish between accidents or breakdowns or detail the nature of the cargo. The total cost was £137,318. Civilian crews of hired recovery vehicles are advised of any hazards involved.

SOCIAL SERVICES

Consultants (Disciplinary Inquiries)

Mr. Kirkwood asked the Secretary of State for Social Services if he has any plans to reform procedures for National Health Service disciplinary inquiries for consultants; and if he will make a statement.

Mr. Newton: I refer the hon. Member to my right hon. Friend's reply to my hon. Friend the Member for Birmingham, Edgbaston (Dame J. Knight) on 12 March at columns *288-89*.

Rent and Rate Rebates

Mr. Ralph Howell asked the Secretary of State for Social Services if he will state the total cost of *(a)* rent rebates, *(b)* rent allowances and *(c)* rate rebates in Great Britain for each year from 1979 up to the present date.

Mr. Lyell: The information is given in the following table:

Housing benefit expenditure
Great Britain

£ million

	Rent rebates	*Rent allowances*	*Rate rebates*
1979-80	230	40	210
1980-81	300	50	290
1981-82	500	70	410
1982-83	930	70	120
1983-84	1,980	540	1,220
1984-85	2,150	690	1,370
1985-86	2,300	830	1,520
1986-87[1]	2,430	1,020	1,640

[1] Estimated.

Notes:

1. All figures have been rounded to the nearest £10 million.
2. The figures fo 1982-83 and, subsequently, reflect the fact that housing benefit was partially introduced from November 1982, and fully from April 1983. The apparent large increase in expenditure in these years therefore arose primarily from the reclassification of what was formerly supplementary benefit expenditure.

Trent RHA

Mr. Skinner asked the Secretary of State for Social Services how many people have been added to the out-patients appointments list of hospitals in the Trent regional health authority over the last six months for which figures are available.

Mr. Newton: I am sorry I cannot give the hon. Member the information he seeks. No information is held centrally on numbers awaiting out-patient appointments. The hon. Member may wish to write to the chairman of the Trent regional health authority for the information requested.

Contact Lenses

Mr. Andrew MacKay asked the Secretary of State for Social Services if he will consider amending the National Health Service voucher scheme for spectacles to include part payment for contact lenses.

Mr. Newton: Contact lenses are available through the hospital eye service when prescribed for clinical reasons at a charge of £25 per lens and patients in eligible groups are entitled to a voucher up to a maximum of £25 for each contact lens prescribed.

Contact lenses have never been available under the general ophthalmic service and professional opinion was divided about the merit in permitting GOS vouchers to be used towards them. One consideration was that contact lens wearers would normally have to have a pair of spectacles as a standby and the GOS voucher can be put towards these. We will however be consulting the profession again about these arrangements during the course of the year.

AIDS

Mr. Austin Mitchell asked the Secretary of State for Social Services whether the Government have issued instructions to dentists concerning the transmission of the AIDS virus and the appearance of hairy leukoplakia.

Mr. Newton: The Department issued guidance to all dentists in April 1986 which stressed the importance of following high standards of cross-infection control when treating all patients. In addition, the guidance recommended particular precautions to be followed where the patient is a known carrier of the AIDs virus.

Hairy leukoplakia is an oral condition suffered by patients who have actually contracted AIDS. They will therefore normally be given dental treatment in hospital by dentists who would be aware of this and other clinical conditions associated with AIDS. We would expect a general dental practitioner to refer any patient with hairy leukoplakia to hospital for treatment.

Mr. Cormack asked the Secretary of State for Social Services whether, in view of the attitude towards the behaviour which puts people most at risk from AIDS contained within the accepted teaching of all main religions, he will hold discussions with the leaders of all the principal religious communities within the United

Kingdom to consider a co-ordinated national campaign of information and counselling designed particularly to assist young people between the ages of 16 and 30 years.

Mr. Newton: In our discussions with religious leaders there has been general agreement that their work with young people and the Government's public education campaign complement each other. We shall continue to keep in touch with religious leaders on this issue, since we all share the objective of doing everything possible to prevent the spread of AIDS.

Mr. Dickens asked the Secretary of State for Social Services what guidance his Department has issued in connection with the anti-AIDS campaign about the multiple use of needles for blood testing in schools.

Mr. Newton [*pursuant to his reply*, 23 February 1987, c. *118*]: I refer my hon. Friend to the reply which my hon. Friend the Member for Dartford (Mr. Dunn) the Under-Secretary of State for Education, gave to my hon. Friend the Member for Edmonton (Dr. Twinn) on 25 February at column *253*.

Mr. Dobson asked the Secretary of State for Social Services what is his Department's estimate of the total sums spent *(a)* by Government and *(b)* by all sources on AIDS research in (i) the United Kingdom, (ii) the United States of America and (iii) France.

Mr. Newton [*pursuant to his reply*, 16 February 1987, c. *512-13*]: Research on AIDS in the United Kingdom is co-ordinated by the Medical Research Council which receives grant in aid from the science Vote of the Department of Education and Science. In December 1986 my right hon. Friend, the Secretary of State for Education and Science, announced the addition of £1 million per annum to the Council's grant for the purpose of AIDS research. I understand that in addition to work being carried out at its own research establishments MRC has to date awarded 21 special project grants costing about £2·4 million for research on AIDS and immunodeficiency viruses. Included in that total is an annual special allocation of up to £300,000 by the health departments for epidemiological studies and support of the United Kingdom centre for co-ordinating epidemiological research on AIDS. We have accepted in full the MRC's proposal for a new directed research programme aimed at both developing a vaccine to prevent infection and new antiviral drugs to treat those already infected. The MRC's grant in aid will be increased by £14·5 million over the next three years to fund the programme.

In addition the Department is supporting directly AIDS-related research projcts costing £50,000 in 1986-87 and, so far, £80,000 in 1987-88. I understand that the Scottish Home and Health Department has funded seven projects at a total cost of approximately £250,000.

The following Government funded agencies are also involved in AIDS research:

(a) The National Institute for Biological Standards and Control: £60,000 on research in 1986-87.

(b) The Public Health Laboratory Service Board: expenditure on service elements including some research was £740,000 in 1986-87 plus a further £50,000 mainly for screening.

(c) The National Blood Transfusion Service (with the Middlesex Hospital School): £82,000 in total on two research studies.

Information on the amount spent on AIDS research by non-governmental organisations, in the United States or France is not available.

Hospital Building (Norwich)

Mr. Ralph Howell asked the Secretary of State for Social Services what would be the overall cost of building the new 800-bed hospital proposed to be built at Norwich, on the same site as the existing Hallesdon hospital, together with the proposed new psychiatric unit at Hallesdon and consequent modifications at St. Andrews West Norwich, Cromer, Kelling, North Walsham and Aylsham hospitals.

Mrs. Currie: The proposal submitted by Norwich health authority to build a new district general hospital (including a 120-bed acute mental illness unit) on the site of Hellesdon hospital is estimated to cost £36.9 million for building and engineering works. About £0.5 million is to be spent in maintenance and up-grading work at St. Andrews hospital. Consequent modifications at the other hospitals are unlikely to be required before 1995 and it is not possible at present to estimate the cost of works needed after this date.

Mr. Ralph Howell asked the Secretary of State for Social Services what effect the construction of the proposed new 800-bed hospital for the Norwich health authority will have on the other hospitals in Norfolk, with particular reference to plans for the future of Cromer, North Walsham, Kelling and Aylsham hospitals; and if he will make a statement.

Mrs. Currie: Norwich health authority's proposals for a new district general hospital would not entail changes at any of the hospitals mentioned until phase II of the new hospital were completed in 1995. Subject to formal consultations, these hospitals would then become GP/community hospitals as part of the authority's strategy for health services in the district.

Passive Smoking

Mr. Maples asked the Secretary of State for Social Services when he expects to receive the report of the independent scientific committee on smoking and health on the effects of passive smoking.

Mr. Fowler: The report of this committee, which is examining the risk to non-smokers of breathing other people's smoke is not expected until towards the end of this year. It has however produced an interim note in the terms reproduced below.

The Government look forward to receiving the full report in due course, and will give careful consideration to its findings. Meanwhile, the Health Education Council earlier this week launched a campaign aimed at discouraging smoking in the presence of non-smokers, and the Government will be asking the new health education authority to take account of the committee's work when considering how best to build on the Council's educational work concerning the dangers of smoking.

The following is the interim note:

"In its third report to the Secretaries of State (in January 1983) the Independent Scientific Committee on Smoking and Health noted reports of the irritant effects of tobacco smoke on eyes, nose and throat, the exacerbation of symptoms in some adults already suffering from coronary and other arterial diseases and chronic non-specific respiratory disease,

and the increase in the incidence of respiratory diseases in children exposed to tobacco smoke in the home. The four main studies investigating passive smoking in relation to lung cancer were reviewed, and the Committee considered that a casual association had not been unequivocally demonstrated.

Since then additional studies have confirmed the association between passive smoking and exacerbation of respiratory and cardiovascular symptoms while other studies have examined the possible association between passive smoking and lung cancer, some reporting 'positive' and some 'negative' results. While none of the studies of passive smoking and lung cancer can on its own be accepted as unequivocal, the findings overall are consistent with there being a small increase in risk of lung cancer from exposure to environmental tobacco smoke, possibly between 10 per cent. and 30 per cent. This opinion regarding an increased risk is supported by other types of evidence. Thus the nature and experimental properties of certain sidestream tobacco smoke constituents are consistent with this smoke presenting a cancer hazard to man, though the small amounts absorbed passively would suggest a cancer hazard lower than that experienced by smokers. To express the equivalence of passively absorbed sidestream tobacco smoke in terms of actively smoked cigarettes would undoubtedly be convenient but it would be unwise since it would require assumptions for which adequate data are lacking.

While the home environment may constitute an important source of tobacco smoke exposure, more particularly for the very young, the work and indoor leisure environments with their greater time occupancy may be more important for adults. There is evidence to suggest that the non-smoker is best protected by segregation since ventilation is not always a practicable alternative. Our previous recommendation that the tobacco industry should pursue research into reducing the amount, irritancy and other deleterious properties of sidestream smoke still stands.

Much research into the effects of passive smoking is continuing and the Committee is periodically reviewing the evidence."

Whooping Cough

Mr. Ashley asked the Secretary of State for Social Services (1) what evidence is available to his Department regarding the connection between whooping cough and permanent severe brain damage in children;

(2) what progress is being made with the development of a new whooping cough vaccine;

(3) when the decision was taken to postpone the trials of new whooping cough vaccines; on which vaccines there were to have been trials; for what reasons the trials were postponed; and if he will make a statement.

Mrs. Currie: I shall let the right hon. Member have replies as soon as possible.

Mr. Ashley asked the Secretary of State for Social Services, pursuant to his answer of 6 November, *Official Report*, column *591*, what would be the estimated cost of extracting information which would relate the number of awards in which the claimant stated that the vaccine was for whooping cough or in part for whooping cough to the year of vaccination.

Mr. Lyell: About £500.

Mr. Ashley asked the Secretary of State for Social Services, pursuant to his answer of 6 November, *Official Report*, column *593*, how many of the 17 children with an immediate history of whooping cough, who were admitted to hospital for acute neurological disease, were left with severe brain damage.

Mrs. Currie: One of the children died, one had major neurological sequelae, and one had mild speech delay twelve months after the illness. The remaining 14 were all reported normal at that stage.

Mr. Ashley asked the Secretary of State for Social Services if he will give for each five-year period since 1957 the number of children who have died from whooping cough.

Mrs. Currie: The information is given in the table. The statistics do not include any deaths from the late effects of whooping cough, where the interval between the onset of the disease and death exceeds one year.

Number of deaths at age under 15 years with underlying cause of death as whooping cough[1] in each quinquennium since 1957 England and Wales

Period	Number of deaths
1957-61	200
1962-66	146
1967-71	88
1972-76	32
1977-81	37
1982-86[2]	29

[1] International Classification of Diseases
6th, 7th revisions 056 (1957-67).
7th, 8th revisions 033 (1968-86).
[2] Includes a provisional figure of 5 deaths for 1986.

Mr. Ashley asked the Secretary of State for Social Services if he will give for each five-year period since 1957 the number of children given the whooping cough vaccine or one which had a whooping cough element.

Mrs. Currie: The information requested is given in the table:

Completed primary courses of whooping cough vaccination (including multiple vaccines containing a whooping cough element) England and Wales

Years	Thousands
1958-62	2,893
1963-67	3,402
1968-72	2,982
1973-77	1,742
1978-82	1,494
1983	425
1984	410
1985	434

The percentage of children vaccinated against whooping cough rose from 31 per cent. in 1978 to 65 per cent. in 1985.

Mr. Ashley asked the Secretary of State for Social Services how many cases of whooping cough there have been in the last four-year period for which figures are available; how many deaths there were; how many children were admitted to hospital at what estimated cost; and during this period how many children under one year of age received the whooping cough vaccine or one with a whooping cough element.

Mrs. Currie: The information is as follows:

England

	1982	1983	1984	1985
Cases of whooping cough				
0-14 years	60,000	17,500	5,000	19,500

	1982	1983	1984	1985
All ages	62,500	18,300	5,200	20,300
Deaths due to whooping cough				
0-14	13	5	1	4
All ages	13	5	1	4
Children under one year of age completing a primary course of whooping cough vaccination (including multiple vaccines containing a whooping cough element)	30,000	29,200	30,500	37,400

Estimated number of discharges and deaths, and mean duration of stay of in-patients, aged 0-14 years, with main diagnosis of whooping cough, from non-psychiatric hospitals

Year	Estimated number	Mean duration of stay (days)
1984	1,080	6·0
1983	2,630	6·3
1982	5,900	6·2

The cost of one in-patient in an ACUTE hospital is £132·23 per day.

The 1982 figures reflect a low rate of vaccination and a correspondingly high rate of infection during an epidemic. When the next epidemic began in 1985, the improved uptake of vaccination helped to reduce the rate of infection. There is every reason to hope that with further improvement in the uptake the disease will become relatively rare in this country, as in others with successful vaccination programmes.

Vaccine Damage Payments

Mr. Ashley asked the Secretary of State for Social Services whether a computer is used to store any information that is given on the application form for a vaccine damage payment; and which information is regularly collated.

Mr. Lyell: Information given on vaccine damage payment claim forms is not stored on computer but information about the country and year of vaccination and the age of people awarded vaccine damage payments is regularly collected and collated by clerical means.

Mr. Ashley asked the Secretary of State for Social Services (1) if he will give for each five-year period since 1957 the number of vaccine damage payments made; (2) if he will give for each five-year period since 1957 the number of children who the claimant stated were vaccinated during the period and subsequently received a vaccine damage payment.

Mr. Lyell: The information requested is set out in the table:

Period	Number of Vaccinations resulting in payment	Number of payment made[1]
1957-61	132	Nil
1962-66	208	Nil
1967-71	218	Nil
1972-76	128	Nil
1977-81	52	678
1982-86	12	155
	750	[2]833

Notes:

[1] The Vaccine Damage Payments scheme was first introduced in 1978 and allowed claims in respect of vaccinations carried out on or after 5 July 1948.

[2] Includes 83 payments in respect of vaccinations before 1957.

Severe Weather Payments

Mr. Cartwright asked the Secretary of State for Social Services how many applications for severe weather payments have so far been *(a)* received and *(b)* paid by his Department's Woolwich office.

Mr. Major: The number of applications for exceptionally cold weather payments is not recorded by individual local offices. However, up to 3 March 1987 the Department's Woolwich office had made about 4,200 £5 payments.

National Insurance Contributions

Mr. Austin Mitchell asked the Secretary of State for Social Services what is his forecast for the amount payable by employers and the self-employed in national insurance contributions in the current financial year; if he will estimate how much would be collected if the upper earnings limit were to be removed in the case of employees; what would be the cost of reducing the employers' contribution in the case of manufacturing by five percentage points; and if he will provide the figures in a way which shows in each case the numbers which have been contracted out and the amount of insurance paid, payable or remittable in their case.

Mr. Major: The information is as follows:

Estimates of National Insurance contributions payable in 1986-87 (Great Britain)

	Primary Class 1 contributions	Secondary Class 1 contributions	Total Class 1 contributions	Self-employed contributions (Classes 2 and 4)
	£ million	£ million	£ million	£ million
Total amount due	11,700	13,100	24,800	720
Amount due in respect of contracted out employees	6,400	6,800	13,200	
	million	million	million	
Estimated number of contracted out employees	9·6	9·6	9·6	

It is estimated that if the upper earnings limit for employees' class 1 national insurance contributions were removed, but retained for the contracted out rebate, then an extra £780 million would be payable by employees in

1986-87, of which £530 million would be payable by the estimated 1·2 million contracted-out employees who earn more than the upper earnings limit.

Routine information about the yield of national insurance contributions is not available by industry for recent years.

All figures are based on the assumptions used in the report by the Government Actuary on the drafts of the Social Security Benefits Up-rating (No. 2) Order 1986 and the Social Security (Contributions, Re-rating) (No. 2) Order 1986 (Cmnd. 24).

Nursing Staff

Mr. Dobson asked the Secretary of State for Social Services if he will give, for each district health authority in England and for each year since 1982, the total number of nursing staff employed in private hospitals, nursing homes and clinics giving the numbers of *(a)* full-time employees, *(b)* part-time employees, *(c)* total number of employees and *(d)* whole-time equivalents.

Mrs. Currie: I shall let the hon. Member have a reply as soon as possible.

National Health Service (Staff)

Mr. Dobson asked the Secretary of State for Social Services if he will give, for each regional health authority, SHA and district health authority in England and for each year since 1982, the numbers of staff in the following groups: *(a)* medical and dental, *(b)* nursing and midwifery, *(c)* administrative and clerical, *(d)* ancillary, *(e)* other employees and *(f)* total employees in terms of (i) the actual number of employees and (ii) whole-time equivalents.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Kidney Dialysis

Mr. Dobson asked the Secretary of State for Social Services how many district authorities have contractual arrangements with private health care companies for kidney dialysis; how many patients are treated this way; and how much each health authority is paying for each year since 1979.

Mrs. Currie: I regret that the information requested is not held centrally.

Addenbrooke's Hospital (Private Unit)

Mr. Dobson asked the Secretary of State for Social Services if he has been consulted during the negotiations between Cambridge district health authority and American Medical International about a private unit to be built on Crown property at Addenbrooke's hospital; and if he will make a statement.

Mrs. Currie: I am aware that health authority officials had informal, exploratory discussions last year on this matter.

Disabled People

Mr. Allen McKay asked the Secretary of State for Social Services (1) if he will make available sufficient funding to local authorities to enable them to carry out assessment of needs which will then allow the implementation of the Disabled Persons (Services, Consultation and Representation) Act 1986;

(2) what steps he has taken to resolve the delay in the implementation of the Disabled Persons (Services, Consultation and Representation) Act 1986, particularly sections 5 and 6.

Mr. Major: I met the local authority associations on 24 February to discuss implementation of the Disabled Persons (Services, Consultation and Representation) Act 1986. The associations have drawn attention to resource implications of certain provisions of the Act covering the assessment of the needs of a disabled person, namely sections 3, 5, 6 and 7. We discussed at the meeting how best to proceed towards implementation of the Act and agreed to review progress at a further meeting in May.

Abortions

Mrs. Ann Winterton asked the Secretary of State for Social Services if he will list all those clinics which have *(a)* been refused approval for the performing of abortions or *(b)* had former approval suspended during the last five years; and if he will state in each case the date of and reasons for the decision.

Mr. Newton: Applications made to the Secretary of State for approval under section 1(3) of the Abortion Act are treated in confidence.

During the last five years two clinics have been refused approval for the performing of abortions and one clinic has had its approval suspended.

Departmental Staff

Mr. Stevens asked the Secretary of State for Social Services if he will make a statement about staffing levels in his Department.

Mr. Fowler: A reassessment of the staffing requirements for my Department for the year 1987-88 has now been made. As a result, the manpower ceiling for my Department as a whole will be increased by 4,050 posts to 102,900 for 1 April 1988. The major element within this reassessment has been a full review of the complement of social security local offices. It also takes account of savings that I expect to achieve during the year from a combination of work reductions and efficiency measures. This increase of 4,050 posts is additional to the increase of over 5,000 which I announced on 7 March 1986 at column *322*, and to the figures in the 1987 public expenditure White Paper.

Discussions with the trade union side are under way on the results of complement review and on measures which will reduce workload or improve efficiency as they arise from implementation. Recruitment of the extra staff will also start now and proceed quickly.

I should like to pay tribute to the efforts made by the staff and management of our offices, particularly those in inner cities, to maintain services to the public.

Maternity Payments

Mr. Soley asked the Secretary of State for Social Services how many women in Croydon, Central constituency received maternity allowance in the last year for which figures are available.

Mr. Major: Information is not available in the form requested. In the 12 months ending April 1986, the latest year for which figures are available, 3,853 claims to maternity allowance were made at the Department's office in Hastings (Croydon out-station) which covers Croydon, Central constituency, but this total includes claims proper to other offices.

Hospital Waiting Lists

Mr. Ralph Howell asked the Secretary of State for Social Services how many patients are on hospital waiting lists in each of the regions of Great Britain.

Mr. McCrindle asked the Secretary of State for Social Services what instructions have been issued to regional health authorities concerning waiting lists and times for treatment in the National Health Service; if he is satisfied that an early fall in waiting lists and times can be achieved; and if he will make a statement.

Mr. Newton [*pursuant to his reply*, 11 March 1987, c. *234*]: Copies of the latest information available centrally for health authorities in England, which relates to 30 September 1986, have been placed in the Library. While the number of people on hospital in-patient waiting lists at this date, at 681,901, remains substantially lower than the peak figure of 752,422 in March 1979, it is about 1 per cent. higher than at the previous count on 31 March 1986.

It is however encouraging that the figures also show a continuing reduction in the proportion of urgent cases waiting over one month, from 65 per cent. at 30 September 1985 to 63 per cent. at 31 March 1986 and to 61 per cent. at 30 September 1986.

The figures confirm the importance of the new initiative on waiting lists and times launched by my right hon. Friend last year, and re-inforced by the allocation last month of additional funds for 1987-88 to support 350 projects by health authorities to treat an additional 100,000 cases from waiting lists, in addition to the further steps they are taking by improved management and other action within their increased overall resources for the coming year.

The progress made on each specific project financed from the special fund, and the other action taken or planned in each District to reduce waiting lists and times, will be closely monitored by the regions and the Department.

Benefits

Dr. Godman asked the Secretary of State for Social Services how many claimants received payments for additional requirements at local offices in *(a)* Scotland, *(b)* Strathclyde region and *(c)* Greenock and Port Glasgow in each of the past five years.

Mr. Major [*pursuant to his reply*, 26 February 1987, c. *396*]: In 1983, 264,000 supplementary benefit claimants in Scotland were receiving an additional requirement.
Source: 1983 Annual Statistical Enquiry.

Dr. Godman asked the Secretary of State for Social Services what was the total amount paid to social security claimants in *(a)* Scotland, *(b)* Strathclyde region and *(c)* Greenock and Port Glasgow for additional requirements in each year since 1979.

Mr. Lyell [*pursuant to his reply*, 26 February 1987, c. *396-97*]: In 1983 supplementary benefit claimants in Scotland received additional requirements amounting to about £45 million.
Source: 1983 Annual Statistical Enquiry.

Pensioner Incomes

Mr. Raynsford asked the Secretary of State for Social Services if he will publish a table showing the annual change in the net disposable income of *(a)* all pensioners and *(b)* pensioners in receipt of supplementary pension (i) before taking account of housing costs and (ii) after taking housing costs into account over the period 1970 to 1986.

Mr. Lyell [*pursuant to his reply*, 3 March 1987, c. *586*]: Information is not as yet, readily available for the period requested prior to 1973 and no separate information is available for pensioners in receipt of supplementary pensions. For all pensioners average net total income increased between 1973 and 1974 by 6·2 per cent.; for the period from 1974-79 it increased at an annual rate of 0·6 per cent.; and from 1979-85, the latest period for which figures are available, it increased at an annual rate of 2·7 per cent. The above figures include increases in the incomes of non-householders.

After taking housing costs into account the net incomes of those pensioners who are householders increased by 4·1 per cent. between 1973 and 1974; 0·4 per cent. a year over the period 1974-79; and 2·4 per cent. a year over the period 1979-85.

SCOTLAND

Dogs (Excrement)

Mr. Kirkwood asked the Secretary of State for Scotland what steps he now proposes to take to prevent dog excrement fouling public places; how much his proposals will cost; and whether he will make a statement.

Mr. Ancram: Under section 48 of the Civic Government (Scotland) Act 1982, it is an offence for any person in charge of a dog, other than a blind person in charge of a guide dog, to allow it to deposit its excrement in specified public places. The effectiveness of that provision is currently under review.

Torness (Radioactive Waste)

Mr. Corrie asked the Secretary of State for Scotland when he intends to carry out public consultations on the terms and conditions that he proposes to apply to any authorisations for the discharge of radioactive waste from Torness nuclear power station; and if he will make a statement.

Mr. Rifkind: Letters with copies of the draft certificates of authorisation and explanatory information have today been sent to the following public bodies for their consideration:

Lothian Regional Council
Borders Regional Council
East Lothian District Council
Berwickshire District Council
Lothian Health Board
Borders Health Board
Forth River Purification Board
Tweed River Purification Board
Forth District Salmon Fisheries Board
River Tweed Commissioners

A news release issued by Scottish Information Office today, advises members of the public that copies of the papers may be obtained from the Scottish Development Department and that any views which they wish to express will be considered.

M80 (Route Options)

Mr. Norman Hogg asked the Secretary of State for Scotland where maps concerning the route options for the proposed M80 between Stepps and Haggs may be inspected.

Mr. Ancram: It is not our practice to publish details of alternative routes. Once the preferred route for the proposed motorway has been established, draft orders will be published. These will be available for inspection, along with the associated plans, at local council offices, at New St Andrew's House in Edinburgh and at a local exhibition which will be set up immediately after publication of the orders.

Mr. Norman Hogg asked the Secretary of State for Scotland what procedures are open to the public to make representations to the Scottish Development Department on the line of route proposed for the M80 motorway; and if he will make a statement.

Mr. Ancram: Once the preferred route has been identified, draft statutory orders will be published showing the line of the proposed motorway, the junctions and the connecting side roads. At that stage affected parties and the general public will be given the opportunity to comment on, or object to, the proposals. An exhibition will also be held to explain the proposals in detail. If formal objections are received and not withdrawn, the Scottish Development Department will consider these carefully and decide whether to publish modified proposals. Ultimately, if unresolved objections remain, a public local inquiry may be required.

Nursing Staff

Mr. Dobson asked the Secretary of State for Scotland if he will give, for each health board and for each year since 1982, the total number of nursing staff employed in private hospitals, nursing homes and clinics, giving the numbers of *(a)* full-time employees, *(b)* part-time employees, *(c)* total number of employees and *(d)* whole-time equivalents.

Mr. John MacKay: Information for full-time and part-time nursing staff is available only for 1985, when a new data system was introduced. Figures for whole-time equivalents are not available centrally.

Nursing Staff employed in Private Nursing Homes and Hospitals registered under the Nursing Homes Registration (Scotland) Act 1938

Health Board	*Total number of Nurses*	*Full-time Nurses*	*Part-time Nurses*
Argyll and Clyde	452	199	253
Ayrshire and Arran	480	144	336
Borders	35	16	19
Dumfries and Galloway	74	29	45
Fife	42	20	22
Forth Valley	149	21	128
Greater Glasgow	746	394	352
Grampian	208	75	133
Highland	234	67	167
Lanarkshire	226	91	135
Lothian	712[1]	218[1]	494[1]
Tayside	137	34	103

[1] Provisional

NHS (Staff)

Mr. Dobson asked the Secretary of State for Scotland if he will give, for each health board and for each year since 1982, the number of staff in the following groups: *(a)* medical and dental, *(b)* nursing and midwifery, *(c)* administrative and clerical *(d)* ancillary, *(e)* other employees and *(f)* total employees in terms of (i) the actual number of employees and (ii) whole-time equivalents.

Mr. John MacKay: The information requested is shown in the tables below:

All staff: Number and whole time equivalents by health board—Scotland at 30 September 1982

	Scotland	*CSA*	*Argyll and Clyde*	*Ayrshire and Arran*	*Borders*	*Dumfries and Galloway*	*Fife*	*Forth Valley*	*Grampian*	*Greater Glasgow*	*Highland*	*Lanark-shire*	*Lothian*	*Orkney*	*Shetland*	*Tayside*	*Western Isles*
Number																	
All staff	145,439	4,626	10,416	6,970	1,998	3,830	6,682	6,588	12,685	38,324	4,938	11,083	22,826	363	391	13,925	598
Medical and dental[1]	7,542	74	432	279	103	172	295	253	659	2,279	256	466	1,470	17	16	751	22
Nursing and midwifery	71,863	277	5,355	3,488	1,150	2,096	3,582	3,630	6,299	18,612	2,642	5,971	11,020	229	213	6,969	322
Administration and clerical	15,588	1,327	1,177	668	173	341	668	540	1,279	4,027	465	1,016	2,386	22	35	1,375	41
Ancillary	34,898	392	2,630	1,892	410	880	1,677	1,623	3,017	9,186	1,108	2,684	5,607	75	87	3,482	148
Other	15,628	2,356	822	631	162	341	520	534	831	4,220	457	948	2,333	20	40	1,348	65
Whole time equivalent																	
All staff	134,610·6	4,231·1	8,609·4	5,842·9	1,677·4	3,289·1	5,792·1	5,704·4	10,405·3	32,416·5	4,211·0	9,673·4	19,109·9	304·3	332·1	11,997·4	495·2
Medical and dental[1]	6,311·0	58·0	354·5	242·6	59·4	128·6	241·0	224·7	536·3	1,953·0	208·4	434·4	1,214·1	10·0	12·0	615·3	19·7
Nursing and midwifery	61,979·2	169·0	4,514·2	2,977·3	990·2	1,792·0	3,188·4	3,170·7	5,688·4	15,856·1	2,243·9	5,150·1	9,582·2	191·9	184·4	6,084·5	287·1
Administration and clerical	13,880·4	1,302·9	1,036·5	630·6	140·3	288·6	534·7	489·9	1,147·4	3,550·6	425·8	922·7	2,083·6	21·7	29·9	1,214·5	38·0
Ancillary	27,194·0	332·3	1,977·7	1,404·2	338·0	691·1	1,348·3	1,316·7	2,348·8	7,104·9	910·7	2,266·6	4,067·8	64·8	68·5	2,830·9	134·7
Other	14,645·2	2,368·1	726·5	588·2	149·5	388·6	479·9	502·4	764·4	3,943·7	415·0	891·6	2,162·0	15·9	37·5	1,252·2	54·7

[1] Excludes general medical and dental practitioners other than those employed part-time in hospitals. Includes honorary appointments.

All staff: Number and whole time equivalents by health board—Scotland at 30 September 1983

	Scotland	*CSA*	*Argyll and Clyde*	*Ayrshire and Arran*	*Borders*	*Dumfries and Galloway*	*Fife*	*Forth Valley*	*Grampian*	*Greater Glasgow*	*Highland*	*Lanark-shire*	*Lothian*	*Orkney*	*Shetland*	*Tayside*	*Western Isles*
Number																	
All staff	146,130	4,513	10,474	7,103	2,063	3,942	6,913	6,691	12,388	37,661	4,950	11,325	22,922	366	440	13,669	664

	Scotland	CSA	Argyll and Clyde	Ayrshire and Arran	Borders	Dumfries and Galloway	Fife	Forth Valley	Grampian	Greater Glasgow	Highland	Lanark-shire	Lothian	Orkney	Shetland	Tayside	Western Isles
Medical and Dental[1]	7,649	72	459	288	101	169	306	259	647	2,319	257	498	1,471	15	15	748	25
Nursing and Midwifery	72,229	288	5,434	3,049	1,169	2,195	3,666	3,706	6,360	18,046	2,653	6,141	11,123	228	246	6,804	321
Administration and Clerical	15,819	1,351	1,189	701	186	355	652	564	1,280	4,119	463	1,046	2,429	27	38	1,375	44
Ancillary	34,488	412	2,575	1,934	436	877	1,731	1,596	3,027	8,904	1,112	2,662	5,502	76	97	3,401	146
Other	15,959	2,398	817	661	171	346	558	566	846	4,273	465	976	2,397	20	44	1,341	68
Whole time equivalent																	
All staff	126,691·3	4,286·4	8,627·5	6,288·5	1,722·2	3,272·1	5,954·6	5,800·2	10,442·7	31,893·5	4,223·2	9,888·6	19,237·5	309·5	359·5	11,771·6	496·3
Medical and Dental	6,350·9	59·2	362·5	253·1	87·5	127·3	244·9	223·8	528·1	1,977·7	205·5	457·2	1,210·3	8·6	12·1	607·8	20·2
Nursing and Midwifery	62,395·5	180·4	4,574·7	3,281·8	1,005·1	1,868·2	3,253·9	3,253·7	5,666·6	15,449·7	2,268·8	5,316·6	9,706·2	193·7	198·6	5,933·5	264·2
Administration and Clerical	14,088·0	1,329·6	1,045·4	646·5	156·0	297·3	569·2	500·4	1,142·1	3,615·7	422·7	945·0	2,113·5	24·7	30·2	1,208·5	41·2
Ancillary	26,716·0	335·7	1,922·2	1,416·5	352·6	681·7	1,386·8	1,290·2	2,342·5	6,822·6	902·1	2,249·4	3,984·0	65·3	77·3	2,775·5	112·4
Other	14,940·1	2,384·5	722·7	610·6	150·0	317·6	499·8	532·1	763·4	4,027·8	424·1	920·4	2,223·5	17·2	41·1	1,246·3	58·3

[1] Excludes General Medical and Dental Practitioners other than those employed part-time in hospitals. Includes honorary appointments.

All staff: Number and whole time equivalent by health board—Scotland at 30 September 1984

	Scotland	CSA	Argyll and Clyde	Ayrshire and Arran	Borders	Dumfries and Galloway	Fife	Forth Valley	Grampian	Greater Glasgow	Highland	Lanark-shire	Lothian	Orkney	Shetland	Tayside	Western Isles
Number																	
All staff	144,992	4,540	10,391	7,389	2,065	3,927	6,880	6,629	12,169	37,451	4,961	11,188	22,479	361	446	13,538	638
Medical and dental[1]	7,675	76	420	299	83	171	300	258	667	2,334	260	509	1,495	13	16	752	22
Nursing and midwifery	71,706	292	5,415	3,733	1,194	2,171	3,652	3,676	6,430	17,922	2,648	6,040	10,883	226	256	6,824	344
Administration and clerical	15,817	1,356	1,206	699	193	361	659	574	1,277	4,131	473	1,057	2,357	26	42	1,360	46
Ancillary	33,710	403	2,550	1,897	418	874	1,724	1,548	2,938	8,716	1,108	2,576	5,358	75	105	3,264	156
Other	16,084	2,413	800	661	177	350	545	573	857	4,348	472	1,006	2,386	21	47	1,338	70
Whole time equivalent																	
All staff	123,496·8	4,312·5	8,540·2	6,080·9	1,730·0	3,222·7	5,967·1	5,750·3	10,458·2	31,765·1	4,299·7	9,781·4	18,843·0	307·9	369·7	11,659·5	520·1
Medical and dental[1]	6,387·7	59·0	340·1	266·5	67·1	127·9	246·9	219·6	545·0	1,975·2	206·7	470·1	1,219·2	8·5	12·2	614·6	18·2
Nursing and midwifery	62,027·4	184·3	4,548·3	3,162·6	1,024·7	1,816·0	3,261·1	3,235·6	5,741·7	15,394·8	2,256·5	5,241·3	9,518·8	190·6	208·2	5,961·8	281·1
Administration and clerical	14,052·8	1,334·3	1,059·6	677·7	163·6	290·1	576·0	510·3	1,131·3	3,637·9	429·3	952·0	2,036·4	24·7	33·3	1,188·3	43·0
Ancillary	25,934·9	329·4	1,879·3	1,385·6	336·7	667·4	1,372·0	1,245·0	2,264·0	6,664·5	883·7	2,170·7	3,860·5	65·6	72·7	2,648·3	118·8
Other	15,094·0	2,405·7	709·9	630·5	156·3	316·3	510·4	539·8	776·2	4,092·7	433·5	947·3	2,208·1	18·5	43·3	1,246·5	59·0

[1] Excludes General Medical and Dental Practitioners other than those employed part-time in hospitals. Includes honorary appointments.

All staff: Number and whole time equivalent by health board—Scotland at 30 September 1985

	Scotland	CSA	Argyll and Clyde	Ayrshire and Arran	Borders	Dumfries and Galloway	Fife	Forth Valley	Grampian	Greater Glasgow	Highland	Lanark-shire	Lothian	Orkney	Shetland	Tayside	Western Isles
Number																	
All staff	145,446	4,660	10,401	7,512	2,071	3,934	7,124	6,725	12,178	37,281	5,040	11,333	22,297	357	443	13,449	641
Medical and dental[1]	7,631	75	434	313	72	181	303	267	678	2,246	267	511	1,488	16	14	746	20
Nursing and midwifery	72,173	286	5,402	3,797	1,198	2,181	3,871	3,772	6,419	18,004	2,664	6,093	10,821	222	255	6,753	353
Administration and clerical	16,160	1,427	1,152	758	203	372	638	614	1,319	4,162	498	1,117	2,404	25	42	1,382	47
Ancillary	33,081	406	2,494	1,935	426	844	1,719	1,487	2,888	8,479	1,127	2,549	5,202	74	84	3,212	153
Other	16,401	2,466	827	709	180	356	593	585	874	4,390	484	1,063	2,382	20	48	1,356	68
Whole time equivalent																	
All staff	123,896·5	4,433·3	8,681·2	6,190·3	1,748·3	3,243·7	6,149·7	5,797·1	10,412·5	31,690·0	4,244·1	9,891·6	18,722·3	302·2	370·2	11,572·1	523·9
Medical and dental[1]	6,364·4	57·5	353·5	272·7	56·6	136·1	248·9	228·0	550·2	1,909·4	210·1	470·2	1,216·5	8·3	10·2	618·7	17·5
Nursing and midwifery	62,562·1	181·4	4,666·6	3,219·8	1,019·5	1,828·2	3,444·2	3,312·1	5,698·5	15,527·6	2,287·0	5,318·1	9,468·3	188·5	215·5	5,900·6	286·2
Administration and clerical	14,315·1	1,405·0	1,020·2	679·4	174·3	307·1	561·1	540·6	1,160·2	3,667·4	446·5	992·7	2,053·1	23·2	33·7	1,207·3	43·3
Ancillary	25,270·7	334·3	1,829·6	1,362·0	337·5	651·3	1,340·7	1,166·8	2,213·0	6,455·1	860·4	2,113·6	3,771·4	63·8	66·7	2,587·3	117·2
Other	15,382·2	2,455·1	751·3	656·4	160·4	320·0	554·8	549·6	790·6	4,130·5	440·1	997·0	2,213·0	18·4	44·1	1,258·2	59·7

[1] Excludes General Medical and Dental Practitioners other than those employed part-time in hospitals. Includes honorary appointments.

All staff: Number and whole time equivalent by health board—Scotland at 30 September 1986 (provisional)

	Scotland	CSA	Argyll and Clyde	Ayrshire and Arran	Borders	Dumfries and Galloway	Fife	Forth Valley	Grampian	Greater Glasgow	Highland	Lanark-shire	Lothian	Orkney	Shetland	Tayside	Western Isles
Number																	
All staff	146,697	4,731	10,625	7,791	2,136	4,019	7,307	6,969	12,938	35,772	5,144	11,479	22,770	363	454	13,552	647
Medical and Dental[1]	7,546	71	428	304	77	195	304	270	696	2,142	264	504	1,494	17	18	750	22
Nursing and Midwifery	73,368	286	5,620	3,981	1,219	2,242	3,999	3,965	6,852	17,448	2,735	6,210	11,146	226	252	6,837	350
Administration and Clerical	16,374	1,484	1,215	795	207	385	671	624	1,446	3,868	501	1,141	2,518	24	45	1,400	50
Ancillary	32,748	403	2,496	1,953	432	836	1,682	1,491	2,986	8,122	1,139	2,541	5,161	74	91	3,166	155
Others	16,661	2,487	866	758	201	351	651	619	958	4,192	505	1,083	2,451	22	48	1,399	70
Whole time equivalent																	
All staff	123,694·6	4,480·8	8,687·5	6,241·4	1,804·7	3,279·8	6,277·2	5,969·6	10,776·1	30,323·9	4,280·9	9,938·3	18,879·6	304·7	383·1	11,597·6	530·6
Medical and Dental[1]	6,269·9	59·0	342·3	266·3	61·2	130·1	246·7	222·8	561·4	1,826·4	207·2	464·1	1,219·2	7·7	13·1	601·0	18·6
Nursing and Midwifery	62,873·1	190·2	4,694·9	3,307·5	1,046·4	1,867·4	3,548·1	3,472·8	5,846·2	15,042·9	2,319·3	5,374·3	9,542·3	193·7	217·9	5,966·2	283·0
Administration and Clerical	14,448·4	1,459·4	1,068·6	703·6	180·2	341·6	584·3	549·4	1,266·5	3,419·4	447·1	1,000·7	2,137·4	22·2	36·9	1,219·1	47·2
Ancillary	24,584·4	325·5	1,750·1	1,386·4	339·9	660·4	1,291·4	1,142·3	2,270·5	6,113·2	846·1	2,075·6	3,721·5	62·0	71·9	2,515·5	120·1
Others	15,546·8	2,470·7	763·0	607·6	177·9	310·3	606·7	582·3	853·5	3,922·0	461·2	1,014·6	2,259·2	19·1	43·3	1,295·8	61·7

[1] Excludes General Medical and Dental Practitioners other than those employed part-time in hospitals. Includes honorary appointments.

AGRICULTURE, FISHERIES AND FOOD

Cereal Growers

Mr. Madden asked the Minister of Agriculture, Fisheries and Food how much money he expects will be raised from cereal growers in payment for agricultural development advisory service.

Mr. Donald Thompson: Earnings for ADAS advisory services R and D, from all sectors of the industry, are expected to amount to slightly less than £9 million in 1987-88.

Rhizomania

Mr. Hirst asked the Minister of Agriculture, Fisheries and Food, further to his answer of 2 March, *Official Report*, column *525*, what consultations he has had with interested bodies on measures to control rhizomania.

Mr. Donald Thompson: I refer my hon. Friend to the reply I gave earlier to my hon. Friend the Member for Mid-Worcestershire (Mr. Forth).

Butter and Meat

Mr. Williams asked the Minister of Agriculture, Fisheries and Food (1) what representations he has received regarding the adequacy of Government advertisements and publicity intended to inform the public about the categories of people who qualify for European Economic Community butter and meat; and if he will make a statement;

(2) if he will clarify the criterion relating to disadvantage in other ways which applies to the categories of people who qualify for European Economic Community butter and meat.

Mr. Gummer: I shall reply to the hon. Member as soon as possible.

Food Prices

Mr. Ralph Howell asked the Minister of Agriculture, Fisheries and Food if he will show the average price to the consumer of *(a)* a pint of milk, *(b)* a 2 lb loaf of bread and *(c)* a pint of beer in 1960, 1970, 1980 and 1986; and if he will also show the percentage increase between 1980 and 1986 in each case.

Mr. Donald Thompson: I shall reply to my hon. Friend as soon as possible.

Agricultural Support

Mr. Ralph Howell asked the Minister of Agriculture, Fisheries and Food if he will state on a similar basis to his reply to the hon. Member for Norfolk, North on 21 May 1984, *Official Report*, column *349*, what was *(a)* the gross cost and *(b)* the net cost to the Exchequer of all agricultural support for each year since 1960 to 1965 including the forecast for 1986-87; and if he will also show the net cost as a percentage of gross domestic product in each case.

Mr. Gummer: I shall reply to my hon. Friend as soon as possible.

ENVIRONMENT

Radioactive Discharges

Mr. Frank Cook asked the Secretary of State for the Environment if he will outline and make available in the Library the current gaseous and liquid radioactive discharge authorisations at the following nuclear installations: Hinckley Point A, Hinckley Point B, Berkeley, Amersham International plc, Trawsfynydd, Oldbury, Bradwell, Hartlepool, Heysham A and B, Winfrith, Dungeness A and B, Calder hall, Wylfa and Chapelcross.

Mr. Waldegrave: The current liquid and gaseous discharge authorisation issued jointly by my Department and the Ministry of Agriculture, Fisheries and Food, for Hinckley Point A and B, Berkeley, Oldbury, Bradwell, Hartlepool, Heysham I, Dungeness A and B, Winfrith and Amersham International (Amersham) will be placed in the Library of the House. The authorisation for Heysham II is still under discussion with the CEGB.

Discharges form BNFL's Calder hall works are covered by the Sellafield authorisations which are published in the BNFL annual report, "Radioactive Discharges and Monitoring of the Environment", copies of which have been placed in the Library of the House.

The authorisations for Amersham International (Cardiff), Trawsfynydd and Wylfa are a matter for my right hon. Friend the Secretary of State for Wales and the authorisation for Chapelcross for my right hon. Friend the Secretary of State for Scotland.

Park Vista, Greenwich

Mr. John Cartwright asked the Secretary of State for the Environment whether he will call in the application by the London borough of Greenwich to build on the little orchard site at Park Vista, Greenwich.

Mr. Waldegrave: I have considered this case very carefully, and discussed it with my departmental colleagues. Our decision is that we should not call the application in.

Ealing Borough Council

Mr. Greenway asked the Secretary of State for the Environment if, in the light of the recently announced rate increase by Ealing borough council, he will examine the case for rate-capping that council; and if he will make a statement.

Mr. Chope: Ealing, on the basis of the previous administration's budget for 1986-87, did not come within the criteria for rate limitation in 1987-88. It was not selected and my right hon. Friend is therefore unable to set a maximum rate for Ealing in the coming financial year.

Mr. Greenway asked the Secretary of State for the Environment what assessment he has made of the effects of the recently announced rate increase by Ealing borough council on *(a)* domestic ratepayers and *(b)* businesses; and if he will make a statement.

Mr. Chope: The effects of the recently announced rate increase by Ealing would be severe. The increase in the rates by 64·8 per cent. for domestic ratepayers would result

in the average domestic rate bill rising from £384 to £632. The 57·3 per cent. increase for businesses would adversely affect their competitiveness. Householders and businesses would have to make compensating savings to meet their sharply increased bills.

Mr. Greenway asked the Secretary of State for the Environment what representations he has received concerning the recently announced rate increase by Ealing borough council; and if he will make a statement.

Mr. Chope: All the representations received by the Department from residents in the London borough of Ealing have been against the very significant rate increases due to be imposed by their council.

Rushgrove House

Mr. Cartwright asked the Secretary of State for the Environment when his Department disposed of Rushgrove house, Woolwich, and to whom.

Mr. Chope: I shall answer this question shortly.

Rates Reform

Mr. Wigley asked the Secretary of State for the Environment (1) what representations he has received *(a)* supporting the Government's proposals for rates reform as set out in "Paying for Local Government" and *(b)* supporting the present system of local rates, as it is, or with some amendments and *(c)* advocating some other substantial change in the financing of local government;

(2) what representations he has received from local government organisations concerning the Government's proposed abolition of domestic rates.

Mr. Chope: A summary of responses to the Green Paper was placed in the Library on 15 December.

Capital Receipts (Leicester)

Mr. Janner asked the Secretary of State for the Environment what capital receipts the Leicester city council has been able to make use of in 1986-87 compared with 1979-80; and what percentage of its receipts from the sale of council houses it has been permitted to use for other housing purposes.

Mr. Chope: I shall answer this question shortly.

EMPLOYMENT

Women (Tooting)

Mr. Tom Cox asked the Paymaster General (1) how many women in Tooting are in employment; and how many began new jobs on or after 1 June 1985;

(2) how many women in Tooting are employed for less than 20 hours a week;

(3) how many women in Tooting are employed in firms with fewer than 10 employees.

Mr. Lee: I regret that the information requested is not available.

Employment statistics for local areas are available only for those dates when censuses of employment are taken and the most recent are for September 1981. The September 1984 census estimates are not yet available for areas smaller than the standard economic regions. These censuses provide statistics of full-time and part-time employees (those working not more than 30 hours a week) analysed by industry and area. Specific information about size of firm or actual numbers of hours worked is not collected. My Department has no information about the numbers taking up new jobs.

Health and Safety Executive

Mr. Tony Banks asked the Paymaster General how many members of staff from the Health and Safety Executive have been assigned for enforcement of the Control of Industrial Major Accident Hazard (CIMAH) Regulations 1984; from what duties within the Health and Safety Executive they were diverted; and what additional training they were given.

Mr. Trippier: During 1986-87, 4·4 per cent. of the staff resources of the factory inspectorate, out of a total number of 538 inspectors in the field (1 March 1987 figure), were allocated to the inspection of premises subject to the Control of Major Accident Hazard Regulations 1984 and the Notification of Installations Handling Hazardous Substances Regulations 1982. The work was assimilated within the overall priorities of the factory inspectorate. Since 1985, 160 inspectors have attended training conferences dealing with these regulations.

Mr. Tony Banks asked the Paymaster General what is the current staffing level of the Health and Safety Executive; and what plans exist for expansion of the staffing complement.

Mr. Trippier: The number of permanent staff in post in the Health and Safety Executive on 1 March 1987 was 3,594. HSE's manpower ceiling from 1 April 1987, when the industrial air pollution inspectorate (80 posts) will transfer to the Department of the Environment, is 3,564.

Mr. Tony Banks asked the Paymaster General how many members of staff from the Health and Safety Executive have been assigned for enforcement of the road tanker regulations; from what duties within the Health and Safety Executive they were diverted; and what additional training they were given.

Mr. Trippier: Enforcement of the Dangerous Substances (Conveyance by Road in Road Tankers and Tank Containers) Regulations 1981 is currently the responsibility of the Health and Safety Executive, the police authorities and the local authorities.

Health and Safety Executive inspectors are not assigned exclusively to this work, which is included in the inspection of premises from which the vehicles operate, and takes its place within the overall priorities of the factory inspectorate.

Thirty three inspectors attended a training conference in 1986 dealing with these regulations.

YTS (Essex)

Sir Bernard Braine asked the Paymaster General what is the most recent information about the destination of leavers from YTS schemes in Essex.

Mr. Trippier: The Manpower Services Commission conducts a regular follow-up survey of all YTS leavers. The table below sets out the latest available results (April 1986 to July 1986) for leavers in Essex in answer to the question, "What are you doing now?"

	Per cent.
In full-time employment	80
In part-time employment	3
On a full-time course	1
Another YTS scheme	2
Unemployed	12
Doing something else/not answered	2

Voluntary Projects Programme

Mr. Ron Davies asked the Paymaster General if he has any plans to increase the level of funding for the voluntary projects programme in 1987-88, and the number and quality of projects planned within it; and if he will make a statement.

Mr. Lee: I have no plans to increase the budget for the voluntary projects programme in 1987-88. The Manpower Services Commission is likely to continue to support around 350 projects in the next financial year which will continue to help unemployed people find work, training or other job-related opportunities.

Training Grant Payment

Mr. Freud asked the Paymaster General what percentage of training costs he expects to repay employers via the training grant payment mechanism in the next year.

Mr. Trippier [*pursuant to his reply*, 11 March 1987, c. *214*]: The information is not available in the form requested. The Road Transport Industry Training Board allocates the majority of its grants on a "points" system with the cash value of the grant to an individual employer being related to the overall take-up by employees of grants from the available funds.

Collective Bargaining

Mr. Geraint Howells asked the Paymaster General what assessment he has made of the effect of levels of unemployment upon the pattern of collective bargaining over the past seven years; and if he will make a statement.

Mr. Kenneth Clarke [*pursuant to his reply*, 12 March 1987, c. *255*]: Information from the new earnings survey and workplace industrial relations surveys undertaken by my Department suggests that during recent years, collective bargaining patterns have been little influenced by levels of unemployment.

Training Schemes (Leicester)

Mr. Peter Bruinvels asked the Paymaster General what plans the Manpower Services Commission has for the two adult preparation training schemes in Leicester; how many adults are currently in training; and if he will make a statement.

Mr. Kenneth Clarke [*pursuant to his reply*, 12 March 1987, c. *256*]: At present there are three adult preparation training schemes in Leicester. The numbers of adults currently in training at each of these schemes are as follows:

	Trainees
Charles Keene College	120
Leicester Adult Education Centre	40
Leicester Industrial Language Training Unit	23

All three schemes will continue in 1987-88. In the light of the expansion of the new job training scheme, we plan to reduce the number of trainees taking up places on the Charles Keene college course from 147 to 61, in order to reduce duplication of training. I am pleased to report that there are already 159 people in Leicester participating in new JTS, and I expect this number to increase substantially. I also expect the Charles Keene college to be fully involved in delivering the new scheme.

ATTORNEY-GENERAL

Contingency Payments

Mr. John Morris asked the Attorney-General whether he will introduce legislation to prohibit contracts between potential litigants and claims assessors or any other litigation adviser involving contingency payments as being against the public interest.

The Attorney-General: No. The Criminal Law Act 1967 abolished criminal and civil liability for maintenance and champerty, but expressly preserved in section 14(2) the rules of law in England and Wales as to the cases in which a contract is to be treated as contrary to public policy or otherwise illegal. The rules of professional conduct of both barristers' and solicitors' professions forbid agreements for contingency fees in the case of potential plaintiffs, and to impose fresh sanctions on the practices in question by legislation would in present circumstances in my view be over-reactive.

Zeebrugge Disaster

Mr. John Morris asked the Attorney-General what steps he is taking to ensure that potential claimants for damages from the Zeebrugge disaster are given legal advice under the legal aid scheme.

The Attorney-General: Legal advice and assistance and legal aid will be available subject to the usual criteria. I understand that the legal aid administration of the Law Society will be making arrangements for handling legal aid matters arising out of the disaster in one area office.

Written Answers to Questions

Monday 16 March 1987

PRIME MINISTER

Government Data Network

Mr. Cohen asked the Prime Minister whether it is proposed that the Government data network will be connected to *(a)* the Post Office and *(b)* the driver and vehicle licensing centre.

The Prime Minister: No. There are at present no proposals for use of the Government data network other than by the Departments taking part in the initial examination of the concept.

Meningitis

Mr. Simon Hughes asked the Prime Minister if she will establish a joint initiative by the Departments of Health and Social Security and of Education and Science, the Scottish Office and the Welsh Office on research into meningitis; and if she will make a statement.

The Prime Minister: I am not persuaded that a new joint initiative is necessary. Research into meningitis is, in fact, under way and arrangements already exist for liaison between the health Departments and the Medical Research Council.

The Department of Health and Social Security has funded a study to measure the prevalence of carriers, and immunity to particular strains of meningococcus, in Stonehouse, Stroud. The results are expected within two months. Linked with that study, a team at Edinburgh university is investigating aspects of vulnerability to meningococci. An application for funding the continuation of that research is being made to the MRC. The Centre for Applied Microbiological Research at Porton Down is also researching the practicability of producing a vaccine against a particular strain of meningococcus—group B—which has proved particularly troublesome and for which as yet no vaccine exists.

As part of their annual review of research activities, the health Departments will be discussing jointly with the MRC very shortly the possibility of further research into meningitis.

State Security

Mr. Campbell-Savours asked the Prime Minister if Her Majesty's Government's consent was sought for the publication of material about the security and intelligence services in the book by Nigel West entitled "Molehunt".

The Prime Minister: Mr. West sent in his manuscript to the secretary of the D Notice Committee and to the Treasury Solicitor and agreed, following discussion, to remove material which the Government considered could have damaged national security or was clearly derived from breaches of confidence by present or former public servants. The Government made absolutely clear to Mr. West that it neither authorised publication of the book nor gave any kind of approval.

OVERSEAS DEVELOPMENT

Family Planning

42. **Mr. Deakins** asked the Secretary of State for Foreign and Commonwealth Affairs if the development divisions in Africa have any staff with experience in the areas of population and family planning; and what contact is maintained by these divisions with national family planning associations.

Mr. Chris Patten: The ODA's team of six full-time health and population advisers all have relevant experience. They are based at headquarters in London but travel widely. They maintain contacts with national family planning associations both directly and through the International Planned Parenthood Federation.

Mozambique

43. **Mr. Temple-Morris** asked the Secretary of State for Foreign and Commonwealth Affairs what has been Her Majesty's Government's response to the recent appeal by voluntary agencies for assistance with famine in Mozambique.

Mr. Chris Patten: So far in 1987 we have made available over £2·4 million to British voluntary agencies for relief programmes in Mozambique. We have also provided £660,000 for UNICEF'S operations in that country.

In addition, we contribute £3·5 million annually to the United Nations High Commissioner for Refugees' general programmes, which include relief work in Mozambique.

Tanzania

44. **Mr. Yeo** asked the Secretary of State for Foreign and Commonwealth Affairs if he has any plans to provide further assistance to Tanzania in support of that country's economic reform programme.

Mr. Chris Patten: I announced a further £25 million of British aid when I visited Tanzania last week. Of this, £12 million will be for capital projects; about £6 million for the railways sector; and the remainder for programme aid on condition that Tanzania remains in agreement with the International Monetary fund on the economic reform programme.

Food Shortages

45. **Mr. Tony Lloyd** asked the Secretary of State for Foreign and Commonwealth Affairs if he will give details of those countries where he estimates there will be food shortages this year.

Mr. Chris Patten: The latest reports by the Food and Agriculture Organisation of the United Nations list 11 countries facing abnormal food shortages: Angola, Botswana, Ethiopia, Lesotho, Swaziland, Mozambique, Sudan, Bangladesh, Kampuchea, Lebanon and Vietnam.

Kenya

Mr. Cash asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the size and content of Britain's aid programme to Kenya.

Mr. Chris Patten: British bilateral aid to Kenya has averaged some £35 million a year over the last five years. This includes investments made by the Commonwealth Development Corporation. During my recent visit I offered the Kenyan Government a new capital aid grant of £50 million to be spent over the next few years on agreed development projects. The main economic sectors we are assisting are agriculture, energy and transport, while our technical co-operation programme concentrates on education. public administration and training in the United Kingdom.

Immunisation

Mr. Chapman asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on progress on the UNICEF programme for global immunisation; and what is the United Kingdom's contribution to it.

Mr. Chris Patten: UNICEF is seeking US$222 million for immunisation programmes in 56 countries. So far US$91 million has been pledged. We have contributed US$7·44 million—£4·93 million—this financial year for programmes in China, Zambia, Zimbabwe, Lesotho and Botswana. Our total contribution to UNICEF over the last year is £13·07 million.

ENERGY

Energy Efficiency Year

Dr. Michael Clark asked the Secretary of State for Energy (1) what was the amount of electricity saved during Energy Efficiency Year, expressed as a proportion of the total amount used;

(2) what was the value of electricity saved during Energy Efficiency Year.

Mr. Peter Walker: In spite of the considerable success of Energy Efficiency Year, electricity consumption went up in 1986 due to the increase in economic activity following the upturn in the economy. There is no doubt that substantial savings were made and will be made in the future as a result of Energy Efficiency Year. There are now over 10,000 energy managers compared with half that number but a few years ago. At the beginning of the last quarter of Energy Efficiency Year, applicants for surveys of commercial and industrial premises were 82 per cent. above the same period in the previous year. Energy survey grants have resulted in savings of over £250 million per year being identified. The energy efficiency demonstration scheme achieved its target, and savings of over £100 million will result. There has been a substantial increase in monitoring and targeting systems. At the end of the Year, such systems were in place in 200 major energy consuming sites.

On the consumer side, the industries providing the materials for improved energy efficiency all report substantial increases in sales.

During the Year there was an increase of 70 per cent. in homes insulated under the community programme. More than 100,000 homes were so insulated during the Year.

ATTORNEY-GENERAL

Land Registry

32. **Sir Peter Blaker** asked the Attorney-General if he has any plans to increase the speed with which the Land Registry is able to deal with applications for registration of land.

The Solicitor-General: A number of steps have been taken by the Lord Chancellor to shorten the time taken up in dealing with applications for registration. These include overtime, recruitment, opening new offices and improvements in practice and procedure. Additionally, during 1987 computerisation and further improvement in productivity are expected to lead to a reduction in stocks of 100,000 applications. This will result in improved levels of service.

Rape (Sentencing Policy)

34. **Mr. Peter Bruinvels** asked the Attorney-General what recent representations he has received about the provisions of clause 29 of the Criminal Justice Bill in so far as they extend his responsibilities in relation to sentences passed in rape cases; and if he will make a statement.

The Attorney-General: I have not received any specific representations at any time about the provisions of clause 29 of the Criminal Justice Bill in relation to rape cases.

Crown Prosecution Service

35. **Mr. Alex Carlile** asked the Attorney-General how many *(a)* barristers and *(b)* solicitors are currently employed by the Crown Prosecution Service; and if he will make a statement.

The Solicitor-General: On 1 February 1987, 315 barristers and 922 solicitors were employed by the Crown Prosecution Service.

Police National Computer

Mr. Cohen asked the Attorney-General when, pursuant to his answer of 23 January, *Official Report*, column *406*, inquiries into the alleged unauthorised disclosure of personal data from the police national computer in Essex will be completed.

The Attorney-General: The Crown Prosecution Service has recently received a report from the Essex police which is now under consideration.

Lonrho plc

Mr. Tim Smith asked the Attorney-General if he will arrange for further consideration to be given to the three opinions of counsel given to the Director of Public Prosecutions following the Department of Trade inquiry into Lonrho plc.

The Attorney-General: The Solicitor-General and the Director of Public Prosecutions have concluded that there is no justification to reverse the decision taken in 1978 not to proceed with a prosecution.

Miss Lorrien Finley

Mr. Peter Bruinvels asked the Attorney-General if he will ask the Director of Public Prosecutions to prosecute Miss Lorrien Finley of Reproductive Freedom International under the Surrogacy Arrangements Act 1985; and if he will make a statement.

The Attorney-General: The police have been carrying out extensive inquiries into the activities of Miss Finley since May 1986. The Director of Public Prosecutions has considered the results of those inquiries and is satisfied that to date there is insufficient evidence to justify the institution of proceedings for any offence contrary to the provisions of the Surrogacy Arrangements Act 1985. The police inquiries are continuing, however, and any further evidence that is brought to the attention of the police will be forwarded to the director for his consideration.

Legal Aid

Mr. Lawrence asked the Attorney-General what assessment he has made of the comparative cost of briefing solicitors and barristers for legal aid work in the criminal courts *(a)* in London and *(b)* elsewhere in England and Wales.

The Attorney-General: No assessment of the comparative cost of briefing solicitors and barristers for legal aid work in the criminal courts has been made. However, the Efficiency Commission, established in September 1986 by the Lord Chancellor to identify ways of improving the effiency of the legal profession in the Crown court, is considering how to compare actual and notional costs of advocacy in guilty pleas.

EMPLOYMENT

Enterprise Measures (Women)

Mr. Sheerman asked the Paymaster General, pursuant to his reply of 17 February to the hon. Member for Caerphilly (Mr. Davies), *Official Report*, columns *535-36*, in regard to the employment, training and enterprise measures run by his Department and the Manpower Services Commission since May 1979, if he will indicate how many women have benefited from each measure in each year since that date, expressing each in actual (absolute) and percentage terms.

Mr. Lee: The figures which are available for the number of women participating in the employment, training and enterprise measures run by my Department and the Manpower Services Commission since 1979 are as follows:

	YOP/ YTS	*CI*	*STEP/ CP*	*JRS*[4]	*EAS*
1979-80					
Number of women participants	103,872	2,721	[1]	[1]	—
Percentage of total participants	48	31	—	—	—
1980-81					
Number of women participants	176,400	2,612	[1]	[1]	—
Percentage of total participants	49	32	—	—	—
1981-82					
Number of women participants	259,910	2,917	[1]	[2]	—
Percentage of total participants	47	32	—	—	—
1982-83					
Number of women participants	249,780	2,921	[1]	[2]	[1]
Percentage of total participants	46	33	—	—	—
1983-84					
Number of women participants	148,671	3,049	30,912	5,371	4,037
Percentage of total participants	42	32	23	6	14·61
1984-85					
Number of women participants	173,800	2,925	37,122	4,781	9,401
Percentage of total participants	44	31	23	7	20·4
1985-86					
Number of women participants	177,760	3,007	53,064	3,814	14,529
Percentage of total participants	44	32	23	9	24·2
1986-87 (estimate)					
Number of women participants	158,400	[3]2,900	72,000	[3]2,825	[3]20,211
Percentage of total participants	44	32	24	11	26·4

[1] Figures are not available.
[2] Figures are available at disproportionate cost only.
[3] Figures are for February 1987.
[4] Previous figures were for entrants to the scheme. These figures are for the numbers of people being paid the Job Release Allowance. Figures for the number of women participating in the Scheme is only available in this form.

Figures are not available for the young workers scheme, the new workers scheme and the job splitting scheme. Survey evidence shows that in 1985 48 per cent. of jobs supported by the young workers scheme were filled by women. The new workers scheme replaced the young workers scheme in March 1986 and survey evidence is not yet available. It is estimated that since the scheme began 89 per cent. of participants in the job splitting scheme have been women. Figures are not available for all of the adult training programmes included in the previous reply.

Community Programme

Mr. Merlyn Rees asked the Paymaster General what was the number of authorised and filled places on the community programme on 31 December 1986 and 31 January 1987, respectively; what is the planned number of authorised and filled places in 1987-88; and if he will make a statement.

Mr. Lee: On 12 December 1986 and 31 January 1987 the number of filled places on the community programme was 247,607 and 247,531 respectively. The December figures were collected early due to the Christmas holiday period. For 1987-88 it is expected that the programme will operate at an average level over the year of about 245,000 filled places which will provide opportunities for around 300,000 entrants, about the same number as in the current year.

In order to ensure there are sufficient places available to replace the normal turnover in projects, the number of authorised places in any region may normally exceed the target for filled places by up to 15 per cent. The number of authorised places on 12 December 1986 and 31 January 1987 was 285,613 and 287,168 respectively.

Mr. Kennedy asked the Paymaster General what evidence he has on the relation between the regional cost per job on the community programme and the incidence of part-time and full-time positions, respectively, on the scheme; and if he will make a statement.

Mr. Lee: Regional variations in the cost per job on the community programme are not great. All costs fall within nationally applied limits on average wage levels and operating costs.

Regional differences in the incidence of full and part-time workers on the community programme are also relatively small and at 30 January 1987 the position was as follows:

Region	*Percentage of filled places which are:* *Full-time (35 hours or more)*	*Part-time (Less than 35 hours)*
London	18·5	81·5
South-East	25·4	74·6
South-West	23·7	76·3
West Midlands	28·6	71·4
East Midlands	27·0	73·0
Wales	25·5	74·5
North-West	26·8	73·2
Scotland	23·1	76·9
North-East	22·4	77·6
Yorkshire and Humberside	24·7	75·3
Great Britain	24·7	75·3

Variations in the incidence of part-time work stem from a number of factors including the locally prevailing hourly wage rates, the ratio of managers and supervisors to participant workers, the type of projects and the extent of which managing agents supplement wage payments available out of programme funds.

Mr. Kennedy asked the Paymaster General what information he has concerning the average cost per job on the community programme in *(a)* suburban, *(b)* inner city and *(c)* rural areas; if he has any plans to change the present method of funding for operating costs expenditure per participant place to take account of any disparities on cost per job variations across the regions of the country; and if he will make a statement.

Mr. Lee: The average gross cost per filled place year on the community programme is £4,450, excluding administration and marketing costs. No breakdown is available between suburban, inner city, and rural areas, although the Manpower Services Commission is planning to study the operation of the community programme in a sample of rural areas.

There are no plans to change the present method of funding operating costs expenditure.

Mrs. Peacock asked the Paymaster General if he will list the total number of people on the community programme in Batley and Spen for each year since its inception.

Mr. Lee: It is not possible to give the information in the form requested. However, the number of people on the community programme in the Bradford area, which includes the areas of Batley and Spen, are given in the table.

Year	*Number of Entrants*
1982-83	2,957
1984	3,285
1985	5,440
1986	7,799

Labour Statistics

Mr. Cohen asked the Paymaster General if, pursuant to his answer of 28 January, *Official Report*, column *277*, he will provide similar figures of unemployment in Enfield, North on the basis of the most recent ward boundaries.

Mr. Lee: The information requested is not available. The wards used as a basis of the unemployment figures are those used in the 1981 census of population. This enables us to calculate totals for travel-to-work areas, which are defined in terms of 1981 census wards because they reflect commuting patterns revealed by the census. It would be both confusing and expensive to calculate unemployment figures on both the 1981 wards and the most recent ward boundaries.

YTS

Mrs. Peacock asked the Paymaster General if he will list the total number of young people on the YTS in Batley and Spen in each year since its inception.

Mr. Trippier: The information is not available in the form requested. In the local authority district of Kirklees, which includes Dewsbury, Huddersfield, Batley and Spen Valley, the total number of young people who have joined YTS in each year since its inception is shown in the table.

Year	*Entrants*
April 1983—March 1984	2,835
April 1984—March 1985	3,151
April 1985—March 1986	3,344
April 1986—February 1987	3,164

Wool Textile Industry

Mr. Sheerman asked the Paymaster General how many men and women are currently being trained in the wool textile industry; and how many have been in training in each of the last 20 years.

Mr. Trippier: I shall reply to the hon. Member as soon as possible.

Mr. Sheerman asked the Paymaster General if he will give figures for the percentage improvement in productivity in the wool textile industry for those years for which information is available.

Mr. Lee: The information necessary to make reliable estimates is not available.

Mr. Sheerman asked the Paymaster General (1) if he will give the number of *(a)* full-time and *(b)* part-time workers in the wool textile industry for each of the last 20 years;

(2) how many *(a)* men and *(b)* women were employed in the wool textile industry in each of the last 20 years.

Mr. Lee: Estimates of the number of full-time and part-time male employees are available only from the censuses of employment which were held in June each year from 1971 to 1978, September 1981 and September 1984. Estimates of the number of full-time and part-time female employees are available only from censuses of employment up to June 1978, but are available quarterly for periods after that date.

The table gives, for the dates specified, the available information on employees in employment in the woollen and worsted textile industry in Great Britain. The Department's employment statistics are analysed according to the Standard Industrial Classification and the series is broken by the introduction of the 1980 SIC, which reclassified certain activities. The figures for June 1966 to June 1981 are for Minimum List Heading (MLH) 414 of the 1968 SIC, while those for June 1982 to June 1986 are for Activity Heading (AH) 4310 of the 1980 SIC.

The census of employment figures for September 1981 are given on both bases.

The estimates given in the table are subject to considerable potential estimation error due to the relatively small number of employees in the industry.

Employees in employment in the woollen and worsted industry in Great Britain
(a) Minimum List Heading 414 of the 1968 Standard Industrial Classification

	Males			*Females*			*All employees*		
	Full-time	*Part-time*	*All*	*Full-time*	*Part-time*	*All*	*Full-time*	*Part-time*	*All*
June 1966	n.a.	n.a.	80·0	n.a.	n.a.	85·0	n.a.	n.a.	165·0
June 1967	n.a.	n.a.	75·0	n.a.	n.a.	77·0	n.a.	n.a.	152·0
June 1968	n.a.	n.a.	73·0	n.a.	n.a.	73·0	n.a.	n.a.	145·0
June 1969	n.a.	n.a.	75·0	n.a.	n.a.	71·0	n.a.	n.a.	146·0
June 1970	n.a.	n.a.	70·0	n.a.	n.a.	64·0	n.a.	n.a.	134·0
June 1971	59·0	2·0	61·0	41·8	10·3	52·2	100·8	12·3	113·2
June 1972	56·6	1·8	58·4	38·8	9·8	48·6	95·4	11·6	107·0
June 1973	56·7	1·9	58·6	37·4	10·7	48·1	94·1	12·6	106·7
June 1974	53·6	2·1	55·7	34·1	11·3	45·4	87·7	13·4	101·1
June 1975	46·7	1·7	48·4	29·9	9·7	39·6	76·6	11·4	88·0
June 1976	44·2	1·5	45·8	27·1	8·7	35·8	71·3	10·2	81·6
June 1977	44·4	1·5	45·9	27·3	9·1	36·5	71·7	10·6	82·4
June 1978	42·3	1·3	43·7	26·1	8·5	34·6	68·4	9·8	78·3
June 1979	n.a.	n.a.	41·5	n.a.	7·5	32·3	n.a.	n.a.	73·8
June 1980	n.a.	n.a.	36·0	n.a.	5·7	27·4	n.a.	n.a.	63·5
June 1981	n.a.	n.a.	31·8	n.a.	4·9	22·3	n.a.	n.a.	54·0
September 1981	30·7	0·7	31·4	17·4	4·9	22·3	48·1	5·6	53·7

n.a. Not available.

Employees in employment in the woollen and worsted industry in Great Britain
(b) Activity heading 4310 of the 1980 Standard Industrial Classification

	Males			*Females*			*All employees*		
	Full-time	*Part-time*	*All*	*Full-time*	*Part-time*	*All*	*Full-time*	*Part-time*	*All*
September 1981	30·3	0·7	30·9	17·3	4·8	22·1	47·6	5·5	53·1
June 1982	n.a.	n.a.	28·5	n.a.	4·8	20·0	n.a.	n.a.	48·5
June 1983	n.a.	n.a.	26·4	n.a.	3·2	17·7	n.a.	n.a.	44·1
June 1984	n.a.	n.a.	25·1	n.a.	3·5	17·3	n.a.	n.a.	42·4
September 1984	24·8	0·4	25·2	13·4	3·6	17·0	38·2	4·0	42·2
June 1985	n.a.	n.a.	24·9	n.a.	3·5	16·8	n.a.	n.a.	41·7
June 1986	n.a.	n.a.	24·0	n.a.	3·2	16·4	n.a.	n.a.	40·4

n.a. Not available.

HOME DEPARTMENT

Victim Support Schemes

Mr. Soley asked the Secretary of State for the Home Department what proportion of the £2 million extra support for victim support schemes in 1987-88 is to be devoted to staff recruitment costs.

Mr. Mellor: Awards enabling schemes to employ salaried co-ordinators may include an element to cover contingent costs; but the amounts to be spent in this way on recruitment costs cannot yet be estimated.

Mr. Soley asked the Secretary of State for the Home Department what proportion of the £2 million extra support to victim support schemes is to be spent on recruiting regional support workers and additional staff in urban schemes.

Mr. Mellor: The new funding is to help individual local victims support schemes, primarily by enabling them to employ salaried co-ordinators. It will not be available to finance posts at a regional level, nor to pay for staff additional to main co-ordinators.

Mr. Soley asked the Secretary of State for the Home Department whether he will list each victim support scheme and the amount they are due to receive as a result of the £2 million extra grant in 1987-88.

Mr. Mellor: All victims support schemes affiliated to the National Association of Victims Support Schemes have been given an opportunity to apply for awards from the new funding, but no awards have yet been made.

Police (Complaints)

Mr. Tony Banks asked the Secretary of State for the Home Department if, pursuant to his answer of 5 March, *Official Report*, columns 696-8, regarding cases involving police officers settled out of court, he will give details of the nature of the complaint, the name of the complainant and the numbers and rank of the officers involved in each of the 52 cases; and in each case what subsequent action was taken against those officers involved.

Mr. Douglas Hogg: The nature of the complaint in each of these 52 cases was given in my reply on 5 March, at columns 696-8. Settlements of civil actions out of court are reached in confidence and I am unable for that reason to disclose the names of the complainants. I understand from the Commissioner of Police of the Metropolis that the other information can be obtained only at disproportionate cost.

Prison Disturbances (Report)

Mr. Soley asked the Secretary of State for the Home Department when the report of Her Majesty's Chief Inspector of Prisons on the prison disturbances in 1986 will be published.

Mr. Mellor: We intend to publish the results of Her Majesty's chief inspector's review as soon as we have received and studied his report, which is expected shortly.

Remanded Persons

Mrs. Golding asked the Secretary of State for the Home Department if he will make a statement about the conditions in which women on remand are being held in the cells of magistrates courts in the Metropolitan police area.

Mr. Mellor: We are conscious that court cells are not designed to hold prisoners for more than a few hours and that the facilities there leave much to be desired. The police, however, are doing all they can under difficult circumstances to provide the best possible conditions.

Metropolitan Police (Residential Properties)

Mr. Raynsford asked the Secretary of State for the Home Department how many residential properties are owned by the Metropolitan police in *(a)* the Greater London area and *(b)* the constituency of Fulham; and how many of these are currently vacant.

Mr. Douglas Hogg: I am informed by the Commissioner of Police of the Metropolis that, as at 2 March 1987, the Metropolitan police owned 3,203 residential quarters in the Metropolitan police district, of which 573 are vacant; 22 of these quarters, five of which are vacant, are in the constituency of Fulham.

Prison Department (Residential Properties)

Mr. Soley asked the Secretary of State for the Home Department whether he will list the number of one, two, three and four-bedroom flats or houses owned by the prison department in Hammersmith; and how many in each category are currently occupied.

Mr. Mellor: The information is as follows:

Flats/houses	*Number owned*	*Occupied*
One bedroom	10	10
Two bedroom	—	—
Three bedroom	37	24
Four bedroom	3	3

Twelve vacant flats are affected by a major structural defect which has made them unfit for occupation pending demolition as part of the redevelopment scheme for Wormwood Scrubs.

Mr. Soley asked the Secretary of State for the Home Department whether he will list, for the last year for which figures are available, the monthly occupancy rates of one, two, three and four-bedroom flats and houses owned by the prison department in Hammersmith.

Mr. Mellor: The information for the year ended 31 December 1986 is as follows:

	One bedroom	*Two bedroom*	*Three bedroom*	*Four bedroom*
January to May	—	—	24	3
June	—	—	24	2
July to November	—	—	24	3
December	10	—	24	3

Traffic Offences

Dr. Marek asked the Secretary of State for the Home Department, pursuant to his answer of 20 February, *Official Report*, columns *870-1*, what information his Department collects relating to the specific nature of offences as opposed to offenders, under the Road Traffic Acts in the metropolis.

Mr. Douglas Hogg: The details collected centrally on court proceedings are the same for all police force areas. Table 5 of "Offences Relating to Motor Vehicles, England and Wales, 1985, Supplementary Tables", shows the types of offence for which separate information was collected up to 31 December 1986 and for which the statistics are thought to be reliable. Details of the circumstances of offences are not collected centrally. More detailed information may be available locally, but the extent of local record keeping varies widely. As the result of a review in 1986 of the amount of detail on less serious motoring offences required to meet the needs of government, the costs of police forces and the details readily available to them, the number of types of motoring offences on which separate information is collected was reduced from 146 shown in table 5 to 64 from the beginning of 1987.

Drugs Misuse

Mr. Cohen asked the Secretary of State for the Home Department if, pursuant to his answer of 28 January, *Official Report*, column *248*, he has now received the report of the Advisory Council on the Misuse of Drugs on the adequacy of current controls.

Mr. Mellor: Yes. We are looking very carefully at the conclusions reached by the advisory council on the adequacy of existing controls on opium poppies.

Leeds Prison

Mr. Fatchett asked the Secretary of State for the Home Department what, on the most recent figures, is the daily average of prisoners offered employment in Leeds prison; and if he will make a statement.

Mr. Mellor: Information is not available in the form requested. The number of jobs currently available for convicted prisoners at Leeds is 421. On 6 March, the latest date for which figures are available, the actual number employed was 401. In addition, 10 to 12 remand prisoners are regularly employed on cleaning duties.

Prisoners (Transfer)

Mr. Cohen asked the Secretary of State for the Home Department when he expects to announce his response to the proposals for the Standing Advisory Commitee on Human Rights relating to transfer of prisoners to Northern Ireland.

Mr. Mellor: My right hon. Friend the Secretary of State for Northern Ireland wrote to the chairman of the Standing Advisory Committee on 20 January, informing him that the Government accepted, with slight modifications the committee's recent recommendation on this subject. A copy of the letter has been placed in the Library.

Asylum

Mr. Lawrence asked the Secretary of State for the Home Department what would be the approximate cost in money and manpower, based upon experience to date, of the thorough investigation of every asylum-seeker's case by his Department.

Mr. Waddington: Under current procedures all applications for asylum are thoroughly considered and investigated. It is not possible to say what the average cost of investigating an asylum application is. However, in 1985-86 the staffing costs of the central unit responsible for the consideration of the cases made by asylum-seekers and the representations received on those cases was estimated at over £780,000. This is only one element in the overall cost of our asylum procedures as part of immigration control.

Mr. Lawrence asked the Secretary of State for the Home Department if he will list the countries from which there are currently refugees seeking asylum in the United Kingdom.

Mr. Waddington: The numbers of applications for refugee status by nationality which were undecided at the end of 1985 were published in table 1 of Home Office Statistical Bulleting "Refugee Statistics, United Kingdom, 1985", issue 12-86. It is hoped to publish corresponding figures for 1986 around the end of April.

Metropolitan Police

Mr. Tony Banks asked the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis as to details of any 24-hour or part-day armed patrols deployed by the Metropolitan police in the last year, indicating the areas covered and the number and ranks of the officers involved.

Mr. Douglas Hogg: It would not be right to add to the information given in my reply of 2 March, as to do so could prejudice the arrangements made for the security of the diplomatic community.

Mr. Tony Banks asked the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis stating the number of persons who have been contacted by the Metropolitan police, in the last year, to confirm that photographs taken by the police had been destroyed in accordance with force procedures.

Mr. Douglas Hogg: No. Paragraph 4.1 of the code of practice for the identification of persons by police officers requires the police to notify an arrested person whose photograph is taken that it will be destroyed if he is prosecuted for the offence and cleared, or is not prosecuted, unless he admits the offence and is cautioned for it, and that he may witness its destruction. There is, however, no requirement on the police under the code to notify persons that their photographs have been destroyed.

Civil Defence

Mr. Tony Banks asked the Secretary of State for the Home Department if he will publish, for each shire and metropolitan county, and for the area covered by the former Greater London council, his Department's assessment of civil defence preparedness under each of the headings cited in schedule 2 of the Civil Defence (General Local Authority Functions) Regulations 1983, relating to plans, emergency centres and communications.

Mr. Douglas Hogg: No. These assessments were provisional and intended only for use in the bilateral discussions with individual local authorities. A general report on progress in the implementation of the 1983 regulations is in the Library.

New Patriotic Movement

Mr. O'Brien asked the Secretary of State for the Home Department what representations he has received on the activities in the United Kingdom of the New Patriotic Movement cult; and if he will make a statement.

Mr. Mellor: No representations have been received in the Home Office about the New Patriotic Movement.

Television Violence

Mr. Macfarlane asked the Secretary of State for the Home Department what investigations his Department has carried out through specific projects on violence on television and its effect on young persons; and if he will make a statement.

Mr. Mellor: The Home Office Research and Planning Unit has recently published a paper, "Television violence: a note on recent research"—Research Bulletin 22/1986—a copy of which is in the Library, which reviews the studies undertaken in recent years on the relationship of television violence to aggression. Original research is also sponsored by the broadcasting authorities which are responsible for keeping in touch with developments in this field.

Unification Church

Mr. O'Brien asked the Secretary of State for the Home Department what is the Government's policy concerning the admission into the United Kingdom of members of the Unification church, the Moonies, who are not British subjects; and if he will make a statment.

Mr. Waddington: Overseas nationals are not admitted to work in the United Kingdom as ministers of religion or missionaries of the Unification church. There is no general prohibition on the admission of members of the church if they meet the requirements for admission under other provisions in the Immigration Rules, HC 169 as amended.

Crime Statistics (Thurrock)

Dr. McDonald asked the Secretary of State for the Home Department if he will publish in the *Official Report* the number of burglaries for each year since 1979 to the latest available date in Thurrock, indicating in each year the clear-up rate for burglaries in Thurrock.

Mr. Mellor: The information collected centrally relates to police force areas. Numbers of burglaries recorded in each police force area are published each year in the Command Paper "Criminal Statistics, England and Wales"—table 2.5 of the issue for 1986, Cmnd. 10—and most recently in table 6 of the Home Office Statistical Bulletin issue number 4/87. Clear-up rates for offences of burglary recorded by the Essex police are given in the following table:

Clear up rate[1] for offences of burglary recorded by Essex police

	Number
1979	32
1980	37
1981	36
1982	32
1983	33
1984	33
1985	38
1986	33

[1] Burglaries cleared up as a percentage of the total number of burglaries recorded by the police in the year.

Immigration

Mr. Raison asked the Secretary of State for the Home Department if he will provide a breakdown of the immigration status on arrival in the United Kingdom of all those *(a)* granted refugee status or asylum and *(b)* refused it over the latest available 12 month period.

Mr. Waddington: [*pursuant to his reply*, 6 March 1987, c. *709*]: The available information is for the period October 1985-September 1986 and is given in the table. The figures relate to the date of decision and do not indicate the number of arrivals in the period indicated.

Number of persons[1]

Application status	*Decision taken*			
	Granted refugee status	*Refused asylum but granted leave to remain on exceptional grounds*	*Refused asylum*	*Total*
All decisions	460	1,680	770	2,910
Applied outside United Kingdom	30	10	10	50
Applied at port	30	560	20	600
Applied in United Kingdom of whom	410	1,110	740	2,260
Visitors	240	540	420	1,200
Students	110	410	230	760
Others[2]	50	160	80	300

[1] The figures are independently rounded and may not sum to the totals; they include dependants, who are categorised under the same status as the applicant.
[2] Includes some whose status is not recorded on the computer.

Terrorism

Mr. Parry asked the Secretary of State for the Home Department (1) how many persons have been detained on Merseyside under the Prevention of Terrorism (Temporary Provisions) legislation since 1974 to the latest available date; how many have been charged and how many found guilty under the Act; and if he will make a statement;

(2) how many exclusion orders have been made against persons from Merseyside under the Prevention of Terrorism (Temporary Provisions) legislation since 1974 to the latest available date.

Mr. Hurd [*pursuant to his reply*, 23 February 1987, c. *31*]: The number of persons detained since 1974 under prevention of terrorism legislation, by police force area, is published annually in Home Office statistical bulletin, copies of which are in the Library—table 4 of issue 2/87 gives figures up to the end of 1986. Figures are also presented for Great Britain on charges and their outcomes for those detained—tables 6 and 7 of the same bulletins. For individual police force areas, the available information on charges and their outcomes relates only to the period since 1 January 1979 and is given for the 467 persons so detained on Merseyside in the following table. Information on exclusion orders is not recorded in the form requested. The information which can be provided without disproportionate cost relates to the period 1 January 1979 to 31 December 1986, during which period 23 exclusion orders were made against persons detained by the Merseyside police.

Persons detained by Merseyside police under the Prevention of Terrorism (Temporary Provisions) Acts 1976 and 1984 and subsequent charges, by outcome

1 January 1979—31 December 1986

Type of charge	*Total charged*	*Outcome*			
		Not proceeded with	*Awaiting trial*	*Acquitted or not proven*	*Found guilty*
Persons charged under the Prevention of Terrorism Acts	21	—	1	—	20
Persons charged with conspiring to commit an offence under the above Acts	2	—	—	—	2
Persons charged under other legislation	13	3	—	2	8
Total detained and charged	36	3	1	2	30

National Security

Mr. Beith asked the Secretary of State for the Home Department how frequently national security has been invoked in immigration cases as a reason for removing or deporting individuals in each year since 1973.

Mr. Hurd [*pursuant to his reply*, 22 January 1987, c. *667*]: The information is not available in the precise form requested, nor for the whole period mentioned. In 1977 two individuals were deported on grounds of national security and between 1976 and 1983 there were no other deportations on those grounds. In 1984, 1985 and 1986 the figures for deportations on grounds of national security were six, 14 and 29 respectively.

Separate statistics of persons removed from the United Kingdom on grounds of national security are not available, but figures of persons refused leave to enter under rule 85 of the immigration rules on the Home Secretary's personal directions are as follows:

	Number
1976	7
1977	20
1978	29
1979	12
1980	8
1981	7
1982	6
1983	4
1984	7
1985	6
[1]1986	13
Total	119

[1] January-October.

Most, although not all, of the above refusals were on grounds of national security. The figures for the years 1976-84 may include a small number of cases in which removal from the country did not follow the initial refusal of entry.

TRADE AND INDUSTRY

Optica Aircraft

Mr. Evans asked the Secretary of State for Trade and Industry what is his policy on the export of Optica aircraft to South Africa.

Mr. Alan Clark: It is the Government's policy that civil trade with South Africa should, within the limits of our international obligations and undertakings, be determined by the commercial judgment of those engaged in it.

Communications Satellites

Mr. Cohen asked the Secretary of State for Trade and Industry if he will list all communications satellites *(a)* currently in orbit and *(b)* proposed.

Mr. Pattie: Attempting to list all the communication satellites either currently in orbit or in prospect would be a very major task. Confining the question to national satellites, there are currently no normally operational United Kingdom communication satellites, although some remain live in a technical sense. Looking to the future, the possibilities become too speculative unless the test is applied of a launch having been reserved already for a satellite which will be for the United Kingdom to register internationally. On this basis there are launch plans for up to three Skynet-4 defence communication satellites. Plans for two satellites for direct television broadcasting are also being prepared on a commercial basis.

Switchgear

Mr. Eastham asked the Secretary of State for Trade and Industry what assessment he has made of the effect on the United Kingdom engineering switchgear industry of the Central Electricity Generating Board's policy towards replacement of obsolete switchgear equipment; what support his Department gives towards research and

development in this field; what information he has on the level of capital investment in the switchgear industry; and if he will make a statement.

Mr. Giles Shaw: I shall reply to the hon. Gentleman as soon as possible.

Guinness plc

Mr. Cohen asked the Secretary of State for Trade and Industry how many staff of his Department are currently involved in the investigation in relation to Guinness plc; at what average daily cost; and if he will make a statement.

Mr. Howard: The investigation into Guinness plc is being carried out by inspectors in private practice who provide their own staff, and recover the costs from my Department. As part of their duties, staff in my Department are engaged on work associated with this and other investigations. It is not possible to identify such staff costs in relation to any particular investigation.

IC Gas (Share Dealings)

Dr. McDonald asked the Secretary of State for Trade and Industry if in the light of the shareholder and board level connections between GBL and Givert he will appoint inspectors under section 442 and section 446 of the Companies Act 1983 to investigate the ownership and dealings in shares in IC Gas; and if he will make a statement.

Mr. Howard: At present, I know of no reason for doing so, but I shall consider any information the hon. Member may have about this matter.

Export Licences

Mr. Foulkes asked the Secretary of State for Trade and Industry if he will list the number of export licences granted by his Department for military walkie-talkie radios in 1985 and 1986 giving the quantity in each case.

Mr. Alan Clark: It has been the policy of successive Governments not to make public information of this kind.

Mr. Foulkes asked the Secretary of State for Trade and Industry how many export licences were granted by his Department for Blowpipe missiles in 1985 and 1986 giving the quantity in each case.

Mr. Alan Clark: It has been the practice of successive Governments not to make public information of this kind.

Mr. Foulkes asked the Secretary of State for Trade and Industry how many export licences have been granted by his Department for military uniforms in 1985 and 1986 giving the quantity in each case.

Mr. Alan Clark: Military uniforms are not subject to export licensing under the Export of Goods (Control) Order 1985.

Contra Forces (Arms)

Mr. Tony Banks asked the Secretary of State for Trade and Industry if Her Majesty's Government have considered any application for a licence to supply British arms to the Contra forces in central America in the last two years.

Mr. Alan Clark: No export licence application with an end user identified as the Contra forces has been received.

Textiles

Mr. Sheerman asked the Secretary of State for Trade and Industry (1) if he will give the volume of imported wool textile products into the United Kingdom for each of the last 20 years expressed as a percentage of the total trade in such products;

(2) what percentage of United Kingdom exports was contributed by the wool textile industry in each of the last 10 years;

(3) what, in constant value prices, has been the level of *(a)* wool textile production of the United Kingdom and *(b)* imports of wool textile products in each of the last 20 years.

Mr. Alan Clark: I shall reply to the hon. Gentleman as soon as possible.

Animal Skins

Mr. Hancock asked the Secretary of State for Trade and Industry what information his Department has on the exports of trapped and farmed animal skins, by species, from the United Kingdom for the last year.

Mr. Alan Clark: The information is as follows:

United Kingdom exports of skins 1986

SITC division 21	*£'000s*
Bovine and equine	93,761
Calf	7,459
Goat	303
Sheep and lamb	56,293
Parings and other	3,918
Mink	54,474
Rabbit and hare	170
Persian, astrakhan, caracul, indian, chinese, mongolian and tibetan lambs	12,569
Sea-lions and seals (excluding whitecoat pups of harp seals and pups of hooded seals)	86
Sea-otters, nutria and beaver	1,103
Musk-rat and marmots	1,106
Wild felines	113
Other	45,400

Source: Overseas Trade Statistics.
Notes: Figures are provisional. Exports are on a fob basis.

Mr. Hancock asked the Secretary of State for Trade and Industry what information his Department has on the importation of skins from trapped and farmed animals, by species, into the United Kingdom and the European Economic Community for the last year.

Mr. Allan Clark: The available information is in the following table:

Imports of animal skins 1986

ECU '000

	European Community[1]	*United Kingdom*
Bovine, equine hides, raw	941,474	55,828
Calf and kip skins, raw	274,389	3,669
Goat and kid skins, raw	100,935	1,572
sheep and lamb	627,071	63,764
Parings and other	51,745	2,845
Mink	540,371	183,978
Rabbits and hares	8,305	21
Persian and other lambs	37,719	14,885
Seals and sea-lions	774	24
Sea-otters, nutria and beaver	14,518	2,213
Musk-rats and marmots	25,839	4,513
Wild felines	9,984	395
Others	279,642	67,641

Source: Eurostat.
Note: £1 is equivalent to about 1·5 ECU.
[1] Excluding Greece and Portugal.

EDUCATION AND SCIENCE

Bedfordshire Local Education Authority

Mr. John Carlisle asked the Secretary of State for Education and Science whether his Department monitored the loss of pay suffered by teachers employed by the Bedfordshire local education authority who withdrew their labour during the recent dispute; and if he will make a statement.

Mrs. Rumbold: No. It is for local education authorities to determine what deductions should be made when teachers break their contracts of employment.

Teachers (Appraisal)

Mr. Madel asked the Secretary of State for Education and Science how he intends to operate the system of teacher appraisal as demanded by the Education Act 1986 and the new conditions of employment for teachers following the decision of the National Union of Teachers and the National Association of Schoolmasters and the National Union of Women Teachers to boycott teacher appraisal pilot schemes; and if he will make a statement.

Mrs. Rumbold: I expect preparatory work and training for appraisal to go ahead in the summer term in the six pilot local education authorities with the assistance of consultants commissioned by the Department. It remains our objective to arrive at a national framework for teacher appraisal agreed by the teachers' associations and the local education authority employers. I hope that the trade unions concerned will have reconsidered their recent withdrawal by the time work has progressed to a point where actual appraisals of teachers would be conducted. I believe it is very much in the interests of teachers, from the standpoints of career development, job satisfaction and public recognition of their professionalism, that appraisal should be successfully brought into operation, as well as in the interests of education authorities and of pupils.

Ealing Green High School

Mr. Greenway asked the Secretary of State for Education and Science what action he proposes to take to satisfy himself as to whether the proposed sale by Ealing council of the Ealing Green high school playing fields at Clayton road, Ealing, for housing development, complies with the provisions of the Education (School Premises) Regulations 1981; what assessment he has made of the implications of this proposal for the provision of adequate facilities for competitive sports; and if he will make a statement.

Mr. Dunn: The Ealing education authority has a statutory duty to provide the minimum playing field area appropriate to the size of the school as laid down in the Education (School Premises) Regulations 1981. Provided these requirements are met, the authority is free to dispose of surplus land if it wishes. The authority is not required to inform my Department of its intention to dispose of land considered surplus, and my Department has received no formal complaints on the matter to suggest that the Secretary of State would be justified in intervening.

Academic Freedom

Mr. Amess asked the Secretary of State for Education and Science whether he has yet decided what action he will take following discussions about academic freedom with Ruskin college; and if he will make a statement.

Mr. Walden: In recent months, I have had a series of discussions and exchanges with Ruskin college on the question of academic freedom. In particular, I have discussed with representatives of the college a statement on academic freedom made by the college's executive committee. That statement is based on, and in general terms endorses, a paper prepared by the college's academic advisers. Copies of both have been placed in the library.

The Government welcome the college's affirmation of its commitment to the principle of academic freedom. But the academic advisers' paper gives insufficient basis for confidence that this principle will in fact predominate over other considerations. In particular, the suggestion in the paper that the feelings or convictions of some members of staff or students may in effect circumscribe the freedom of expression of other members of the staff, is unacceptable.

The Government are determined to sustain the free circulation of ideas and freedom of speech within the law in all publicly funded institutions of further and higher education. Like some other educational institutions, Ruskin college has its own traditions which the Government do not wish to call into question. But such traditions must be expressed within a clear framework of academic and intellectual freedom.

The Government therefore intend to seek an independent assessment. The Vice-Chancellor of the University of Essex, Dr. Albert Sloman, has agreed to lead a team of three members to carry our an inspection with the following terms of reference:

(1) to inspect the college under the terms of Regulation 24(2) of the Education (Grant) Regulations 1983 to ascertain what principles at present apply with regard to academic freedom and what means are adopted for ensuring that those principles are put into practice;

(2) to make recommendations to the Secretary of State as to the principles that should in future apply and the means that should be adopted for ensuring that they are put into practice.

I hope that this report will be completed in the coming months.

Copies of my exchange of letters with the principal of the college about this inspection have also been placed in the Library.

HOUSE OF COMMONS

Westminster Hall Cafeteria

Mr. Peter Bruinvels asked the Lord Privy Seal for what category of hon. Members' functions it is proposed to use the Westminster Hall Cafeteria; whether it is proposed that a charge will be made; what representations he received in advance of the resolution of the Services Committee favouring such a course of action; if he will seek to increase the time available for consultation before implementation of the proposal; and if he will make a statement.

Mr. Irving: I have been asked to reply.

The Refreshment Department proposes to use the Westminster Hall Cafeteria as a banqueting room

available to Members and Officers of the House on the same terms and conditions as for Banqueting accommodation elsewhere.

Full consultation took place with representatives of the regular users of the Westminster Hall Cafeteria before the Services Committee resolution of 17 February; and the General Purposes Sub-Committee of the House of Commons Whitley Committee have been invited to comment before the end of March. Subject to these and any other representations that may be received by that date, the Services Committee has agreed that the proposal may be implemented after the Easter Adjournment.

On all changes in the Refreshment Department, it is the policy of the Catering sub-Committee to have wide ranging consultations, and in this particular case consultations were commenced in December 1986.

Select Committees (Travel Costs)

Mr. Greenway asked the hon. Member for Berwick-upon-Tweed, as representing the House of Commons Commission, how much has been spent on travel *(a)* in the United Kingdom, *(b)* in Europe and *(c)* in the rest of the world, excluding Europe, by each Select Committee during the current Session; which countries were involved; how long each trip lasted; how many hon. Members attended part of each visit; how many did not take part in any visit; how many hon. Members attended for the totality of each visit; and if he will make a statement.

Mr. Beith: The information in respect of those Select Committees which have travelled is set out in the tables. The Commission relies on the Liaison Committee to examine applications for overseas travel from individual Select Committees and to advise on general principles concerning Select Committee travel.

United Kingdom visits: Session 1986-87

Committee and destination, dates of visit and estimated total cost	*Total length of visit in days*	*Number of Members taking part in part of the visit*	*Number of Members taking part in the whole visit*	*Number of Members not taking part in the visit*
Agriculture				
1. Shell Laboratories, Kent 3 December 1986 £82·00	1	0	3	8
2. Compton 29 January 1987 £85·40	1	0	3	8
3. Wye College, Kent 19 February 1987 £107·00	1	0	3	8
Education, Science and Arts				
1. Hertfordshire 11 February 1987 £95·70	1	0	8	3
2. Sheffield/Derbyshire 15-17 February 1987 £1,936·91	2	2	6	3
Energy				
1. Edinburgh 4-5 December 1986 £617·50	2	0	3	8
2. Aberdeen/Lerwick 16-19 February 1987 £3,559·07	4	0	4	7
Environment				
1. Thames Estuary 17 February 1987 Nilcost	½	0	7	4
2. North-West England 2-4 March 1987 £2,912	3	4	3	4
Home Affairs				
1. Feltham Youth Centre 10 December 1986 £178·02	1	0	7	4
2. Holloway Prison 28 January 1987 £103·50	1	0	6	5
Sub-Committee on Race Relations				
1. Heathrow Airport 16 February 1987 £78·66	1	0	3	2
2. Dover Port 2 March 1987 £143	1	0	3	2
Scottish Affairs				
Greenock 17 November 1986 £653·23	1	1	4	8
Social Services				
1. South West Durham 24 November 1986 £541·66	1	0	3	7
2. Birmingham 8 December 1986 £606·96	1	0	4	6
3. Department of General Practice, St. Mary's Hospital, Paddington 16 December 1986 £19·00	½	0	2	8
4. Edinburgh 11-12 March 1987 £2,395	2	2	4	4
Trade & Industry				
Midlands 2-5 March 1987 £2,104·70	4	9	0	2
Transport				
1. Birmingham & Doncaster				

Committee and destination, dates of visit and estimated total cost	Total length of visit in days	Number of Members taking part in part of the visit	Number of Members taking part in the whole visit	Number of Members not taking part in the visit
26-27 November 1986 £1,222	2	2	7	2
2. Glasgow & Settle/Carlisle Railway 2-4 December 1986 £2,317	3	3	4	3
3. PO Railway 11 March 1987 £9	½	0	6	5
Treasury & Civil Service				
1. City of London 10 December 1986 Nilcost	1	0	5	5
2. City of London 4 March 1987 £72	1	0	6	5

Overseas Visits: Session 1986-87

Committee and countries visited and dates of visit and estimated total cost	Total length of visit in days	Number of Members taking part in part of the visit	Number of Members taking part in the whole visit	Number of Members not taking part in the visit
Agriculture				
Brussels 12 February 1987 £1,255	1	0	5	6
Defence				
1. Oman, Diego Garcia, Hong Kong & US 24 November 1986 to 11 December 1986 £41,430	17	7	3	0
2. Denmark & Federal Republic of Germany 16-19 February 1987 £5,837	3	3	5	3
European Legislation				
1. Brussels 19-20 November 1986 £4,045	2	0	10	5
2. Luxembourg 16-17 February 1987 £4,450	2	0	10	5
Foreign Affairs				
Greece, Cyprus and Turkey 30 November 1986 to 10 December 1986 £15,270	10	2	5	4
Trade & Industry				
Sweden, Germany & France 18-26 November 1986 £11,525	9	4	5	2

Total estimated expenditure on UK travel: £19,839·31
Total estimated expenditure on travel within Europe: £42,382 (including Cyprus & Turkey)
Total estimated expenditure on travel outside Europe: £41,430

WALES

Schools (Vandalism)

Mr. Barry Jones asked the Secretary of State for Wales what estimate he has of the annual costs since 1979 of vandalism and arson in schools in Wales county by county; what measures he has taken to combat vandalism in schools in Wales; what liaison he has with the police in Wales on this subject; and if he will make a statement.

Mr. Wyn Roberts: The Department does not collect information on the cost of vandalism and arson in schools.

Last year my right hon. Friend the Secretary of State for Wales opened the all-Wales crime prevention seminar which was chaired by my hon. Friend the Parliamentary Under-Secretary of State and was attended by education interests. In addition, the Department has informed county councils that they will be asked shortly for reports on action taken on crime prevention as a consequence of the seminar. My right hon. Friend has recently approved applications for education support grant in 1987-88 and beyond from South and Mid Glamorgan for projects to promote social responsibility in their area.

Advice on relationships between the police and schools has been circulated to LEAs in the document "Liaison Between the Police and Schools," issued jointly by the Association of Chief Police Officers and the Society of Education Officers. Further guidance for LEAs and school governors on such relationships will be given in a circular on the provisions of the Education (No. 2) Act 1986 which will be issued by the Department shortly. In addition, senior officials of the Welsh Office are in regular contact with the four chief constables in Wales on matters of common interest.

Rail Electrification

Mr. Barry Jones asked the Secretary of State for Wales what plans he has to meet the Chairman of British Rail concerning the prospects of the electrification of rail routes in Wales; and if he will make a statement.

Mr. Wyn Roberts: Electrification of railway lines in Wales was one of the items discussed between my right hon. Friend and the chairman of British Rail at their meeting on 25 November last year. I understand that British Rail has no plans for electrification of services at present.

Roads

Mr. Barry Jones asked the Secretary of State for Wales what is his estimate of the completion date of *(a)* the Ruabon by pass and *(b)* the Conwy tunnel scheme.

Mr. Wyn Roberts: The contractor has indicated that he expects substantially to complete work on the Ruabon bypass by 22 May 1987, but that date is dependent on reasonable weather conditions in the intervening period.

Subject to no unforeseen difficulties, I expect the scheme for the A55 Conwy crossing to be completed in early 1991.

Transport Supplementary Grant

Mr. Barry Jones asked the Secretary of State for Wales if he will list the transport supplementary grant for Wales in each of the counties of Wales in the years 1980-86.

Mr. Wyn Roberts: Transport supplementary grant has been paid as follows:

£ million

	1980-81	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*1986-87*	*Total*
Clwyd	4·6	4·5	1·3	2·9	3·4	2·6	1·1	20·4
Dyfed	7·3	8·0	3·2	2·8	2·2	2·7	2·7	28·9
Gwent	4·8	8·5	10·4	9·0	7·9	3·1	2·5	46·2
Gwynedd	5·5	4·8	1·3	1·9	3·0	3·5	0·4	20·4
Mid Glamorgan	6·3	3·5	3·7	4·1	6·4	3·9	2·9	30·8
Powys	6·2	5·5	1·1	1·2	1·0	0·3	0·1	15·4
South Glamorgan	11·1	8·6	7·0	6·4	4·2	6·7	5·8	49·8
West Gamorgan	2·0	1·4	2·0	2·7	2·9	3·7	4·0	18·7
Total	47·8	44·8	30·0	31·0	31·0	26·5	19·5	230·6

Notes:
(1) Since 1982-83 TSG has been paid on capital expenditure only. Grant in respect of current expenditure was subsumed in the rate support grant.
(2) Since 1985-86 TSG has been paid only on schemes costing £5 million or more; other capital expenditure on transport and highways is covered by formula capital allocation.

Homelessness

Mr. Barry Jones asked the Secretary of State for Wales what proposals he has to tackle homelessness in Wales.

Mr. Mark Robinson: In addition to the significant increases in the allocations made to local authorities and to the Housing Corporation to help meet housing need in Wales, we have helped to secure the introduction of substantial private finance for housing association schemes in Wales. We have significantly increased our financial support for voluntary bodies working to help relieve homelessness in Wales. The Government are also preparing a guide for publication which will contain advice about the statutory rights of those who are homeless, and are financing research into the operation of the homeless persons legislation in England and Wales.

Housing (Waiting Lists)

Mr. Barry Jones asked the Secretary of State for Wales how many Welsh people were on the waiting list for rented council houses at the end of 1980, 1981, 1982, 1983, 1984, 1985 and 1986; and what measures he has to lessen these waiting lists.

Mr. Mark Robinson: Information about waiting lists for local authority accommodation is not held centrally.

Home Improvement Grants

Mr. Barry Jones asked the Secretary of State for Wales if he will publish the details of home improvement grants, numbers and cash value, for each local authority in Wales for the years 1984, 1985 and 1986.

Mr. Mark Robinson: The numbers and values of home improvement grants completed in the years requested are given in the following table:

Home Improvement Grants

	1984		*1985*		*1986*	
	Completed grants (No.)	*Completed grants (£'000)*	*Completed grants (No.)*	*Completed grants (£'000)*	*Completed grants (No.)*	*Completed grants (£'000)*
Aberconwy	207	674	204	552	155	741
Alyn and Deeside	274	643	131	472	134	423
Arfon	567	2,117	413	1,645	480	1,935
Blaenau Gwent	1,209	4,454	529	2,149	414	1,507
Brecknock	417	1,522	136	601	141	343
Cardiff	2,745	9,119	2,456	7,478	2,572	7,942
Carmarthen	1,398	5,648	358	1,505	518	2,129
Ceredigion	522	2,309	348	1,186	336	1,720
Colwyn	225	1,012	58	258	310	762
Cynon Valley	495	2,211	271	930	549	1,529
Delyn	196	634	150	438	179	449
Dinefwr	348	1,338	146	651	196	550
Dwyfor	457	1,713	125	415	186	683
Glyndwr	407	1,740	170	807	130	569
Islwyn	909	2,596	1,109	2,617	1,162	2,853
Llanelli	1,137	2,383	398	1,015	324	725

	1984		1985		1986	
	Completed grants (No.)	Completed grants (£'000)	Completed grants (No.)	Completed grants (£'000)	Completed grants (No.)	Completed grants (£'000)
Lliw Valley	438	1,652	257	865	416	1,287
Meirionnydd	996	3,489	547	2,018	241	840
Merthyr Tydfil	751	1,852	374	1,099	456	1,188
Monmouth	555	1,925	223	831	362	1,039
Montgomeryshire	527	1,947	142	457	158	490
Neath	840	2,376	284	848	506	501
Newport	852	3,094	486	1,479	822	2,593
Ogwr	1,361	3,086	859	2,634	855	2,417
Port Talbot (Afan)	175	437	186	386	317	703
Preseli	625	3,180	232	1,025	335	1,337
Radnor	209	706	142	440	102	257
Rhondda	3,288	9,888	1,973	6,416	2,066	6,598
Rhuddlan	55	90	34	56	63	108
Rhymney Valley	959	3,550	433	1,838	518	1,763
South Pembrokeshire	756	3,191	388	1,750	408	1,587
Swansea	2,094	6,926	1,974	6,547	1,474	5,356
Taff Ely	1,444	5,052	536	1,684	555	1,795
Torfaen	613	2,056	327	1,312	373	1,067
Vale of Glamorgan	1,007	3,373	328	1,160	460	1,604
Wrexham Maelor	120	428	112	381	90	292
Ynys Mon	800	3,249	313	1,275	208	759
Wales	29,978	101,663	17,152	57,221	18,571	58,443

Note:
The amount paid figures have been rounded to the nearest thousand. This results in a slight discrepancy between the sum of the constituent items and the total.

Education

Mr. Barry Jones asked the Secretary of State for Wales what representations he has had from teachers and parents concerning *(a)* a national curriculum, *(b)* student grants and *(c)* proposals on teachers' pay; and if he will make a statement.

Mr. Wyn Roberts: We have received five letters from members of the public regarding a national curriculum and 23 letters in the last six months about various aspects of student financial support. On 30 October my right hon. Friend the Secretary of State for Education and Science announced new proposals for teachers' pay, since when I have received 32 representations on this subject.

Education Association

Mr. Barry Jones asked the Secretary of State for Wales if he will list the amounts of cash given to the Welsh Education Association in Wales for each of the years since 1979; if he will give the information in cash real terms; and if he will make a statement.

Mr. Wyn Roberts: It has been assumed that the question refers to the Workers Educational Association. The grant paid to the two WEA districts in Wales since 1979 is as follows:

	Payments at current prices	Payments at constant (1985-86) prices
	£	£
1979-80	152,177	245,641
1980-81	190,221	258,829
1981-82	229,852	284,675
1982-83	245,098	283,088
1983-84	256,740	283,794
1984-85	268,853	284,992
1985-86	269,821	269,821

Provision for 1986-87 is £264,206.

Welsh Language

Mr. Kennedy asked the Secretary of State for Wales if, pursuant to his reply of 9 February to the hon. Member for Ross, Cromarty and Skye, *Official Report*, column *5*, he will express the per capita sum on Welsh language expenditure, inclusive of the moneys allocated through local education authorities and support for Sanel 4 Cymru; and if he will make a statement.

Mr. Wyn Roberts: Just over £100 per person on the basis of the 1981 census figure of Welsh-speaking resident population aged 3 years and over, or £18 per person on the basis of the latest estimate of total resident population.

FOREIGN AND COMMONWEALTH AFFAIRS

Visa System

Mr. Ralph Howell asked the Secretary of State for Foreign and Commonwealth Affairs what would be the estimated extra cost of introducing a visa system for foreign visitors and immigrants to the United Kingdom from all countries other than European Economic Community countries; what is the expenditure on the visa system at present in operation; and what are the estimated savings that could be expected in legal fees if such an overall system were operated.

Mr. Eggar: The information to answer the first part of my hon. Friend's question is not readily available and could be obtained only at disproportionate cost.

Following the introduction of visa regimes for nationals of India, Pakistan, Bangladesh, Ghana and Nigeria, the cost of issuing entry clearances worldwide is estimated to be £35 million in a full financial year. Two thirds of this is expected to be recovered through visa-fee income.

DEFENCE

Stornoway

Mr. Donald Stewart asked the Secretary of State for Defence if he has any plans to upgrade the present accommodation for Royal Air Force personnel at RAF Stornoway; and if he will make a statement.

Mr. Freeman: There is no specific date for the modernisation of the RAF married quarters at Stornoway, although it is hoped to tackle this in the early 1990s as part of the rolling programme for MQ modernisation.

Mr. Donald Stewart asked the Secretary of State for Defence if his Department still plans to have new married quarters built at the Stornoway North Atlantic Treaty Organisation base; and if he will make a statement.

Mr. Freeman: There are no current plans for any additional married quarters at RAF Stornoway, as the existing houses are expected to be able to cope with the planned manning levels.

Mr. Donald Stewart asked the Secretary of State for Defence if there has been any change in the overall cost of the North Atlantic Treaty Organisation development of Stornoway airport, as a result of phases 2 and 3 being telescoped; and if he will make a statement.

Mr. Freeman: I can advise the right hon. Member that the planned scope of the RAF Stornoway project remains unaltered and the estimated cost is still within the £40 million which my hon. Friend the hon. Member for Pendle (Mr. Lee), the then Parliamentary Under-Secretary of State for Defence Procurement, quoted on 21 June 1985 at column *243*.

Royal Ordnance plc

Mr. Robert Atkins asked the Secretary of State for Defence if any reasons were given to him by Trafalgar House plc for withdrawing its interest in purchasing Royal Ordnance plc; and if he will make a statement.

Mr. Archie Hamilton: The group chief executive of Trafalgar House wrote to my right hon. Friend indicating that, after detailed consideration of a comprehensive report, the board of directors had concluded that it should not make an offer for Royal Ordnance. He did not elaborate on its reasons.

Mr. Robert Atkins asked the Secretary of State for Defence if he will require any potential purchaser of Royal Ordnance plc to give an assurance that the company will not be broken up.

Mr. Archie Hamilton: The future shape of the company must be a matter for sensible commercial judgment. But a prospective purchaser's likely intentions will certainly be one of the factors we shall be taking into account in reaching a final decision.

Mr. Robert Atkins asked the Secretary of State for Defence what representations he has received from, and what consultations he has had with, trade unions in connection with the planned sale of Royal Ordnance plc.

Mr. Archie Hamilton: During the process of moving Royal Ordnance plc towards privatisation, Defence Ministers have had a number of exchanges of correspondence and meetings with the trades unions. A further meeting has been arranged between my right hon. Friend the Secretary of State and the trades unions today.

Mr. Robert Atkins asked the Secretary of State for Defence what procedures he has adopted to advise and consult the total work force of Royal Ordnance plc in connection with the planned sale of the company; and if he will make a statement as to his future policy intentions.

Mr. Archie Hamilton: With the Government's encouragement, the management of Royal Ordnance has gone to considerable lengths to keep the work force informed of developments on privatisation and will continue to do so. My right hon. Friend has also corresponded and held meetings with trade union representatives, as has my noble Friend the Minister of State for Defence Procurement.

Mr. Robert Atkins asked the Secretary of State for Defence if he will make a statement on the current position of Royal Ordnance plc.

Mr. Archie Hamilton [*pursuant to his reply*, 24 February 1987, c. *132*]: Firm proposals have been made by BAe and GKN for the acquisition of all the share capital of Royal Ordnance plc. These proposals, the terms of which must for the time being remain confidential, are currently being considered by the Government and their advisers. Further discussions will be held with the two companies.

Ferranti has decided not to make an offer for the share capital of Royal Ordnance.

Foxhunter

Mr. Robert Atkins asked the Secretary of State for Defence when he expects Foxhunter radar to be fully operational in Tornado F2/3 squadrons of the Royal Air Force; what delays have occurred in this contract; and what financial penalties will be incurred by the manufacturer.

Mr. Archie Hamilton: I refer to the reply I gave to my hon. Friend the Member for Crawley (Mr. Soames) on 22 January at column *727*.

Defence Projects

Mr. Cohen asked the Secretary of State for Defence if he will publish as much of the information contained in the major projects statement to the Committee of Public Accounts as is not classified.

Mr. Archie Hamilton: I refer to my reply to the hon. Member for Cynon Valley (Mrs. Clwyd) on 2 February at columns *516-17*.

RAF Bentwaters

Mr. Cohen asked the Secretary of State for Defence if discussions between Her Majesty's Government and the United States Government on the possible use of RAF Bentwaters for the storage of nuclear weapons have been concluded; and if he will make a statement.

Mr. Stanley: I have nothing to add to the reply I gave to the hon. Member for Edinburgh, East (Mr. Strang) on 14 July 1986 at column *428*.

US Air Force

Mr. Kennedy asked the Secretary of State for Defence if he will list in the *Official Report* all collisions involving United States Air Force F111 jets during the past decade in United Kingdom airspace.

Mr. Freeman: Two F111 aircraft collided over Tain range on 20 April 1979. This was the only collision involving such aircraft in United Kingdom airspace during the past decade.

THE ARTS

Business Sponsorship

Mr. Murphy asked the Minister for the Arts, if he will make a statement on the achievement of the Office of the Arts and Libraries since May 1979 in terms of business sponsorship of the arts.

Mr. Luce: Since 1979, successive Ministers for the Arts have taken initiatives to encourage a higher level of business sponsorship of the arts; these include setting up a Committee of Honour, establishing a programme of regional visits to meet local business men and the introduction in late 1984 of the highly successful business sponsorship incentive scheme which has already produced £11·12 million new money for the arts and 400 first time sponsors. We have also supported the expansion of the Association for Business Sponsorship of the Arts to provide regional administrators and an office in Scotland. All these initiatives have contributed to the increase in sponsorship nationwide from £4·6 million in 1979 to over £25 million in 1986 and the figure is still rising.

NORTHERN IRELAND

Terrorism

Mr. Alton asked the Secretary of State for Northern Ireland if he has evidence of the involvement of paramilitary organisations in alleged trafficking of drugs.

Mr. Scott: While persons who may have paramilitary links have been prosecuted for drug offences, there is no evidence of organised involvement in drugs trafficking by paramilitary groups.

Housing Stock

Mr. Mallon asked the Secretary of State for Northern Ireland what percentage of housing stock in the south region requires repairs estimated to cost over £2,500.

Mr. Needham: The Northern Ireland house condition survey 1984, published by the Northern Ireland Housing Executive, estimated that 26·5 per cent. of the total dwelling stock in the executive's south region requires repairs estimated to cost over £2,500.

Mr. Mallon asked the Secretary of State for Northern Ireland what percentage of the housing stock in the south region is regarded as unfit for human habitation.

Mr. Needham: The Northern Ireland house condition survey 1984, published by the Northern Ireland Housing Executive, estimates that 11·5 per cent. of the total dwelling stock in the executive's south region was recorded as unfit for human habitation as defined by article 46 of the Housing (Northern Ireland) Order 1981.

Mr. Mallon asked the Secretary of State for Northern Ireland what percentage of housing stock in the south region lacks the basic amenities.

Mr. Needham: The Northern Ireland house condition survey 1984, published by the Northern Ireland Housing Executive estimates that 10·8 per cent. of the total dwelling stock in the executive south region lacks at least one basic amenity.

Housing Waiting List

Mr. Mallon asked the Secretary of State for Northern Ireland what percentage of those on the housing waiting list in the south region are on the priority list; and how many of these have families.

Mr. Needham: This is a matter for the Northern Ireland Housing Executive. I understand from the chief executive that, at 28 February 1987, 8·04 per cent. of applicants on the housing waiting list in the south region were on the priority list. Details of how many applicants on the priority list had families are not readily available.

Homeless Persons

Mr. Mallon asked the Secretary of State for Northern Ireland if he will take steps to introduce to Northern Ireland legislation equivalent to the Homeless Persons Act 1977; and if he will make a statement.

Mr. Needham: It is the Government's intention to publish a proposal for a draft housing Order-in-Council this year which will contain homelessness provisions broadly corresponding to those contained in part III of the Housing Act 1985.

Housing Executive (Waiting List)

Mr. Mallon asked the Secretary of State for Northern Ireland how many people are on the Housing Executive accommodation waiting list in the south region at present.

Mr. Needham: This is a matter for the Northern Ireland Housing Executive. I understand from the chief executive that at 28 February 1987 there were 2,557 applicants on the Housing Executive's waiting ist in the south region.

Home Improvement Grants

Mr. Mallon asked the Secretary of State for Northern Ireland how much was spent on home improvement grants last year in the south region Northern Ireland Housing Executive; and what plans he has to increase the amount available to first time buyers.

Mr. Needham: In the last year some £8,980,934 was spent on home improvement grants in the Northern Ireland Housing Executive's south region.

The availability of home improvement grant is essentially related to the property and its condition and, whilst there is additional assistance available to low income housholds who qualify on the financial hardship grounds, I have no plans to provide any additional assistance for first-time buyers.

Unfit Dwellings

Mr. Mallon asked the Secretary of State for Northern Ireland how many unfit dwellings there are in Newry rural

housing district or Armagh rural housing district; and what steps he is taking to make grants available to relieve the situation.

Mr. Needham: I shall reply to the hon. Gentleman as soon as possible.

House Building (Newry and Armagh)

Mr. Mallon asked the Secretary of State for Northern Ireland how many houses are to be built in Newry housing district and Armagh district in the financial year 1987-88.

Mr. Needham: This is a matter for the Housing Executive in the first instance, but I understand from the chairman that in the 1987-88 financial year the Housing Executive expects to complete six houses in the Newry housing district and 23 houses in the Armagh housing district. In the same period, it is planned to start 96 houses in the Newry and Mourne district council area, 73 of which will be in the Newry housing district and 23 in the Armagh housing district.

Accommodation List (South Region)

Mr. Mallon asked the Secretary of State for Northern Ireland what percentage of those on the accommodation list in the south region have over 65 points.

Mr. Needham: This is a matter for the Northern Ireland Housing Executive. I understand from the chief executive that the information is not available in the precise form requested. However, at 28 February 1987 17·5 per cent. of those on the waiting list had over 60 points.

SCOTLAND

Barrhead (Ayr Road Route)

Mr. Allan Stewart asked the Secretary of State for Scotland what studies his Department has made of the consequences of the Ayr road route for traffic in Barrhead; and if he will make a statement.

Mr. Ancram: The Scottish Development Department and Strathclyde regional council are jointly engaged in a study of traffic movements in the south side of Glasgow and beyond. Preliminary results suggest that, as a consequence of the construction of the Ayr road route and of other road improvements, the flow of traffic on the A736 through Barrhead could reduce by almost 10 per cent.

Community Halls Advisory Service

Mr. Steel asked the Secretary of State for Scotland if he will make it his policy to ensure that the Scottish community halls advisory service receives independent funding from the Scottish Education Department.

Mr. Rifkind: This proposal will shortly be considered against competing applications for grant in 1987-88 from other voluntary organisations.

Water Authorities (Fish Stocks)

Mr. Colvin asked the Secretary of State for Scotland what information he has as to what action is being taken by water authorities in Scotland to rear fish to meet the restocking requirements of their rivers and waterways.

Mr. John MacKay: Water authorities in Scotland are the regional and islands councils. They do not have powers or duties to restock rivers and waterways with fish.

In Scotland district salmon fishery boards have power to stock the waters of their districts with salmon. They are not, however, required statutorily to report their restocking programmes.

The information available for 1983, the latest year for which comprehensive data are available, is that boards released some 12·7 million salmon at various stages of development. In 1985 some 4·3 million were released by 10 boards. This figure should be regarded as a minimum as not all boards made returns.

There are no comparable figures for freshwater fish.

"Crafts in Scotland"

Mr. Buchan asked the Secretary of State for Scotland if, with reference to the consultative paper "Crafts in Scotland" issued on 15 October by the Scottish Development Agency, the Scottish Arts Council, the Highlands and Islands Development Board and the Scottish Museums Council, he will state *(a)* how many consultative papers were circulated, *(b)* how many responses were received, *(c)* into what categories the responses were divided and *(d)* what action is now proposed in the light of the responses.

Mr. Lang: The consultation paper was distributed to a total of 3,260 craftsmen, of whom 129 commented. Of the 129 comments, 76 were either totally or broadly in favour of the proposals, 32 were totally against the proposals and 15 were considered not to be relevant. In respect of the conservation aspects of the consultation paper, six comments were received, all in favour of the proposal. A summary of the responses to the consultation paper has been submitted to my Department and is being taken into account, together with other representations received, in the consideration of the proposals which is currently in hand.

Smoke Control Areas

Mr. Michael Forsyth asked the Secretary of State for Scotland if he will list the local authorities in Scotland which have not designated smoke control areas; and what evidence he has of the level of bronchial respiratory diseases *(a)* in these areas and *(b)* in designated areas.

Mr. Ancram: District and islands councils are responsible for deciding whether to designate the whole or any part of their areas as smoke control areas. The authorities in Scotland which have not done so are: City of Aberdeen; Angus; Annandale and Eskdale; Argyll and Bute; Badenoch and Strathspey; Banff and Buchan; Berwickshire; Caithness; Clydesdale; Cumnock and Doon Valley; East Lothian; Eastwood; Gordon; Inverness; Kincardine and Deeside; Lochaber; Midlothian; Moray; Nairn; North East Fife; Orkney; Perth and Kinross; Ross and Cromarty; Shetland; Skye and Lochalsh; Stewartry; Sutherland; Tweeddale; Western Isles; Wigtown.

The boundaries of smoke control areas do not correlate with those of health boards, and it would not be practicable to relate health statistics to such areas.

Breast Cancer

Dr. Godman asked the Secretary of State for Scotland what is the average waiting time for women in the Argyll and Clyde health board area who have had tests for breast cancer to be informed of the results of the test; how long it takes for the requisite surgery to be carried out in those women in need of such surgery; and how these waiting times compare with waiting times elsewhere in Scotland.

Mr. John MacKay: This information is not available centrally.

Dr. Godman asked the Secretary of State for Scotland how many operations have been performed on women suffering from breast cancer in *(a)* the Argyll and Clyde health board area and *(b)* Scotland as a whole in each of the past five years.

Mr. John MacKay: The information requested is as follows:

	Argyll and Clyde Health Board	*Scotland*
1981	473	4,075
1982	398	4,657
1983	360	4,250
1984	321	4,292
1985	376	4,614

Dr. Godman asked the Secretary of State for Scotland how many women have died from cancer of the breast in *(a)* the Argyll and Clyde health board area and *(b)* Scotland as a whole in each of the past five years.

Mr. John MacKay: The information is as follows:

Deaths from cancer of the female breast[1]
Scotland and Argyll and Clyde Health Board area, 1981-85

Year	*Scotland*	*Argyll and Clyde Health Board Area*
1981	1,175	110
1982	1,228	131
1983	1,262	118
1984	1,242	125
1985	1,252	106

[1] International Classification of Diseases Code 174.

Mr. Ernie Ross asked the Secretary of State for Scotland how much of the £6 million announced by the Secretary of State for Social Services on 25 March for national breast cancer screening purposes will be allocated to Tayside health board in 1987-88.

Mr. John MacKay: As announced on 25 February, £1 million will be made available in 1987-88 to enable a start to be made in Scotland on the implementation of the Forrest report on breast cancer screening. We shall be discussing with health boards how this sum should be allocated.

Cervical Cancer

Dr. Godman asked the Secretary of State for Scotland what is the average waiting time of women in the Argyll and Clyde health board area who have had tests for cervical cancer to receive details of the test; how this waiting time compares with the average waiting time for such results elsewhere in Scotland; and if he will make a statement.

Mr. John MacKay: This information is not available centrally.

Dr. Godman asked the Secretary of State for Scotland how many operations have been performed on women suffering from cervical cancer in *(a)* the Argyll and Clyde health board area and *(b)* Scotland as a whole in each of the past five years.

Mr. John MacKay: The information requested is as follows:

	Argyll and Clyde Health Board	*Scotland*
1981	102	1,040
1982	92	875
1983	58	965
1984	110	1,023
1985	76	981

Dr. Godman asked the Secretary of State for Scotland how many women have died from cervical cancer in *(a)* the Argyll and Clyde health board area and *(b)* Scotland as a whole in each of the past five years.

Mr. John MacKay: The information is as follows:

Deaths from cervical cancer[1] *Scotland and Argyll and Clyde Health Board Area, 1981-1985*

Year	*Scotland*	*Argyll and Clyde health board area*
1981	201	15
1982	208	19
1983	213	19
1984	227	19
1985	214	19

[1] International Classification of Diseases Code 180

Argyll and Clyde Health Board

Dr. Godman asked the Secretary of State for Scotland what recent representations he has received about funding and staff shortages in the Argyll and Clyde health board.

Mr. John MacKay: My noble Friend the Minister of State has received one representation, about the funding of a cardiovascular screening project.

AIDS

Dr. Godman asked the Secretary of State for Scotland if he will make a statement on facilities for screening for AIDS in *(a)* the Argyll and Clyde Health area board, *(b)*Strathclyde, and *(c)* Scotland as a whole.

Mr. John MacKay: Anyone who wishes to be tested for the presence of HIV antibodies may arrange, either directly or through his or her general practitioner, to be tested, after appropriate counselling, either at a sexually transmitted disease clinic; or at Ruchill hospital, Glasgow; or the City hospital, Edinburgh. Clinics are located throughout Strathclyde and in the Argyll and Clyde health board area there is a clinic at Inverclyde Royal hospital in Greenock.

Ophthalmic Surgery

Dr. Godman asked the Secretary of State for Scotland if he will indicate the length of waiting time for ophthalmic surgery in the Argyll and Clyde health board area; and how this compares with waiting time for this type of treatment elsewhere in Scotland.

Mr. John MacKay: The mean waiting times (in days) for ophthalmic surgery in 1985, the latest year for which statistics are available, were as follows:

	Days
Argyll & Clyde	118
Ayrshire & Arran	66
Borders	40
Dumfries & Galloway	94
Fife	67
Fourth Vally	56
Grampian	191
Greater Glasgow	96
Highland	106
Lanarkshire	60
Lothian	103
Orkney	[1]
Shetland	[1]
Tayside	101
Western Isles	[2]
Scotland	99

[1] Included in the Grampian list.
[2] Included in the lists for Greater Glasgow and Highland.

Community Programme

Mr. Kennedy asked the Secretary of State for Scotland if he will provide a detailed breakdown of the number of full-time and part-time places, respectively, on the community programme in each of the local government regions in Scotland; if he will state the total expenditure on the community programme in each local government region in Scotland; and if he will make a statement.

Mr. Lang: I shall reply to the hon. Member as soon as possible.

Alwyn House, Fife

Mr. Kennedy asked the Secretary of State for Scotland what representations he has received on the proposed closure of Alwyn house, Fife; and if he will make a statement.

Mr. John MacKay: Representations have been received from 16 hon. and right hon. Members, North-East Fife district council, representative bodies and members of the public as well as from some of the trainees at Alwyn House. These have urged the case for retaining in Scotland the facilities currently provided at this establishment for the training and assessment of blind and partially sighted people for employment.

Any decision to close would be for the owners of the premises, Edinburgh and South-East of Scotland Society for the Welfare of the Blind, in the light of the resources available to them from statutory and voluntary sources. Interested parties are currently engaged in consultations and I understand that early closure may be in prospect unless a solution can be reached in relation to certain capital and revenue funding requirements. No grant assistance has been provided by my Department and no application for grant is before me.

Forestry Commission (Lock Hourn Estates)

Mr. Kennedy asked the Secretary of State for Scotland if he will make a statement concerning the conditions and circumstances surrounding the sale by the Forestry Commission of its Loch Hourn Estates and Glenely, with particular regard to *(a)* the historical balance and blend of crofting and forestry activity locally and *(b)* the extent to which cognisance was taken of the Government's stipulations on disposal of forestry assets vis-a-vis the maintenance of socially fragile communities.

Mr. John MacKay The sale of this plantation to an adjoining landowner was consistent with the Forestry Commission's aim of rationalising its estate. The sale in itself will not affect the historical balance beetween crofting and forestry in the area. The viability of the local community was considered carefully before a decision was taken to sell, but no redundancies will be necessary among the Commission's work force.

EEC Butter and Beef

Mr. Ernie Ross asked the Secretary of State for Scotland how much free European Economic Community butter in terms of tonnage has been distributed in Dundee since the current European Economic Community scheme was begun; and what is the corresponding tonnage for beef.

Mr. John MacKay: I understand from the charities involved that 18·5 tonnes of butter and two tonnes of beef have been requisitioned for Dundee, and that distribution is well advanced.

Mr. Ernie Ross asked the Secretary of State for Scotland what has been the tonnage of beef and butter distributed to date in Scotland in the current European Economic Community free food scheme; and what percentage of current European Economic Community intervention stocks of beef and butter in Scotland they represent.

Mr. John MacKay: My latest information is that 120 tonnes of beef and 2,000 tonnes of butter have been authorised for release. Quantities in intervention stores vary constantly, which would make any percentage measurement of uptake meaningless.

Mr. Ernie Ross asked the Secretary of State for Scotland what resources he has given to the Salvation Army, the Women's Royal Voluntary Service, and the Dundee resources centre for the unemployed to distribute free European Economic Community butter; and if he will increase these resources.

Mr. John MacKay: Community funds, in the form of standard payments, are available to cover the cost of packaging butter and its transport to the charities' main distribution points. Any other distribution costs fall to the charities themselves.

Rates

Mr. Maclennan asked the Secretary of State for Scotland whether, in determining the base rate for calculations under the formula specified in clause 4 the Abolition of Domestic Rates, Etc. (Scotland) Bill for the determination of the non-domestic rate, he intends to disregard any rate increase which may have been levied by local authorities following the imposition of rate support grant penalties.

Mr. Ancram: My right hon. Friend has the power, under the provisions of clause 3(5)*(a)*(ii) of the Abolition of Domestic Rates, Etc. (Scotland) Bill, to prescribe a base

rate for a local authority in respect of the financial year 1988-89. In considering whether and in what cases to exercise this power, he will be able to take into account, among other things, the extent to which the rate which any local authority have determined for that year may have been inflated to take account of its liability to pay grant penalties.

Seals

Mr. Hancock asked the Secretary of State for Scotland if he has any plans for a seal cull in the next year.

Mr. John MacKay: No. It was announced in May 1985 that there would be no culling of grey seals in Scotland until further notice. A further programme of research into the interaction of grey seals and fisheries is in hand, and the need for grey seal management will be reviewed in the light of the results of this research which is likely to take some time to complete.

Consultative Committee on the Curriculum

Mr. Pollock asked the Secretary of State for Scotland if he will announce the Government's decisions on the policy review of the Consultative Committee on the Curriculum.

Mr. John MacKay: I have today written to Sir James Munn, the chairman of the Consultative Committee on the Curriculum, to tell him of the Government's decisions on the recommendations of the policy review carried out last year and I have arranged for copies of the letter, its appendices and of the policy review itself to be placed in the House of Commons Library.

I have made clear to Sir James the high value I place on the work of the CCC and my appreciation of the commitment of both the voluntary participants in its activities and of the permanent staff of the Scottish Curriculum Development Service. The Government endorse the arguments in favour of continuing the CCC on broadly its present remit. I have, however, decided in principle that the management of the SCDS could be strengthened and the efficiency and effectiveness of both the CCC and the SCDS improved by incorporating both bodies into a single company limited by guarantee. Our aim is that this should be achieved in consultation with the new CCC by 1 August 1988, subject to agreement on a satisfactory basis for incorporation.

I have also decided that the organisation and the educational effectiveness of the SCDS could be substanitally strengthened by bringing it together into one unit with the support staff of the new CCC. Our preference is that the new organisation should continue to be located within the campus of a college of education. I have therefore asked the CCC to negotiate with the Northern college with a view to locating the combined body on its Dundee campus.

The campus has much to offer the new CCC including the fact that it is to become the open learning centre for the college of education sector and I believe that, among the available alternatives, it has the strongest claims. It will be of great value to the Northern college — and to Dundee — to have the opportunity of housing a major educational body such as the CCC.

The interests of staff will be taken into account in planning the reorganisation, which I would expect to be completed by 1 August 1989 at the latest.

Full details of the Government's response to the recommendations of the policy review are set out in the appendices to the letter to Sir James Munn. I believe that our decisions provide a sound basis on which the CCC and the SCDS can continue to make a major and highly relevant contribution to improving the curriculum for young people and to providing support to help teachers implement it.

NATIONAL FINANCE

Taxation

Mr. Meacher asked the Chancellor of the Exchequer if he will publish a table which sets out for a two child family on *(a)* half average earnings, *(b)* three-quarters average earnings, *(c)* average earnings, *(d)* one and a half average earnings, *(e)* twice average earnings, *(f)* five times average earnings and *(g)* 10 times average earnings, the increase, in net income, to be derived from (i) a 1p cut in the standard rate of income tax, (ii) an increase in personal allowance, over and above indexation, which incurred the same cost as a 1p cut in standard rate income tax, (iii) an increase in child benefit which incurred the same cost as a 1p cut in standard rate income and (iv) an increase in income tax thresholds which incurred the same cost as a 1p cut in the standard rate of income tax, in 1986-87.

Mr. Norman Lamont: Information based on full year direct revenue or expenditure cost at forecast 1987-88 levels is in the table. The income tax calculations assume that all the main personal allowances would be increased by the same percentage. Each of the measures would have a cost of about £1,300 million in a full year at 1987-88 income levels. The income tax changes are compared with the 1986-87 tax regime indexed according to the statutory provisions. It has also been assumed that the only income tax allowance or relief available to the married couple is the married man's allowance and that the wife has no earnings.

Increase in income after tax (£ per week) compared with indexation in 1987-88 for married man with two children

	Multiple of Average Earnings[1]						
	½	*¾*	*1*	*1½*	*2*	*5*	*10*
Increase derived from:							
(i) 1p cut in basic rate	0·41	0·97	1·54	2·68	3·44	3·44	3·44
(ii) 6 per cent. increase in personal allowances	1·23	1·23	1·23	1·23	1·69	2·54	2·54
(iii) Increase in child benefit							
£2·00 per week[2]	4·00	4·00	4·00	4·00	4·00	4·00	4·00
£2·60 per week[3]	5·20	5·20	5·20	5·20	5·20	5·20	5·20
(iv) 5 per cent. increase in income tax thresholds[4]	1·00	1·00	1·00	1·00	3·08	9·25	9·25

[1] Average earnings assumed to be £227·30 per week, an increase of 6·5 per cent. on 1986-87 in line with the assumptions used by the Government Actuary for reviewing National Insurance contributions (paragraph 3.02 of the Autumn Statement 1986).
[2] Assuming a corresponding change in supplementary benefit rates.
[3] Assuming no change in supplementary benefit rates.
[4] Including all higher rate thresholds.

Mrs. Roe asked the Chancellor of the Exchequer if he will list *(a)* the number of married women whose investment income was assessed to tax as that of their husbands' during the tax years 1982-83, 1983-84, and 1984-85, *(b)* the total gross income so assessed in each year and *(c)* the tax received thereon.

Mr. Norman Lamont: I shall let my hon. Friend have a reply as soon as possible.

Privatisation

Sir Philip Holland asked the Chancellor of the Exchequer if he will list in the *Official Report* the nationalised industries that have been privatised since June 1979; and what percentage of the public sector industrial undertakings in existence in June 1979 that represents.

Mr. Norman Lamont: Privatisation has reduced the proportion of GDP accounted for by the state sector of industry in 1979 by about one third. The nationalised industries which have been privatised since 1979 are:

Associated British Ports
British Aerospace
British Airways
British Gas
British Telecom
National Freight Corporation

Some businesses, which were formerly parts of nationalised industries, have also been privatised. These include Britoil, Enterprise Oil and British Shipbuilders' warship yards. Other state-owned companies which have been privatised include Amersham International, Cable and Wireless, and Jaguar.

Public Expenditure

Mr. Willie W. Hamilton asked the Chancellor of the Exchequer if he will publish in the *Official Report* a table showing, at 1980-81 prices, and using the gross domestic product market price deflator, public expenditure on education and science, housing, law and order and protective services in 1978-79 and in 1985-86, showing the percentage differences in each case.

Mr. MacGregor [*pursuant to his reply*, 5 March 1987, c. *645*]: The figures requested are given in the table:

Function	*Real terms*[1] *£ billion* *1978-79*	*1985-86*	*Percentage Change*
Education and science	13·1	12·9	−2
Housing[2]	7·0	4·2	−39
Law, order and protective services	3·4	4·6	36

[1] Cash figures adjusted to 1980-81 price levels by excluding the effect of general inflation as measured by the GDP deflator at market prices.
[2] Gross of receipts.
Source: Figures consistent with those underlying Chart. 1.11 in the 1987 public expenditure White Paper (Cm. 56, Volume I).

Value Added Tax

Mr. Grylls asked the Chancellor of the Exchequer (1) what is the percentage of the total cost in value added tax collection which is involved in collecting value added tax from businesses with a turnover of less than £50,000;

(2) what is the percentage of the total value added tax collected which comes from businesses with a turnover below £50,000.

Mr. Brooke [*pursuant to his rely*, 12 March 1987, c. *271*]: In 1985-86 approximately 3 per cent. (about £600 million) of the total net VAT collected came from businesses with an annual turnover below £50,000. It is not possible to make a reliable estimate of the cost of collecting VAT from particular groups of businesses. The total administrative cost to Customs and Excise of collecting all VAT, including the making of repayments, was £200 million in that year.

Oil Companies

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing for table 14.3 of the "Annual Abstract of Statistics, 1987" the amount provided each year for *(a)* depreciation, *(b)* the gross trading profits of oil companies and *(c)* the component parts of United Kingdom taxes on income.

Mr. MacGregor [*pursuant to his reply*, 13 March 1987, c. *319*]: Estimates of depreciation relevant to income arising in the United Kingdom are given in table 11.5 of "United Kingdom National Accounts 1986." This publication, which is available in the House of Commons Library, also contains the readily available analyses of United Kingdom taxes on income (tables 5.1 and 6.2). Figures for the gross trading profits of oil companies are not available.

TRANSPORT

Civil Aviation Authority

13. **Mr. Maclennan** asked the Secretary of State for Transport when he last met the chairman of the Civil Aviation Authority; and what subjects were discussed.

Mr. Michael Spicer: My right hon. Friend last met the chairman on 20 February. I meet him regularly. We discuss a range of matters of mutual interest.

Roads (West Sussex)

14. **Mr. Michael Marshall** asked the Secretary of State for Transport when he expects the current bypass schemes in west Sussex to start.

Mr. Peter Bottomley: Construction of the A27 schemes for the Havant-Chichester improvement and the Fontwell bypass has already begun. The start of works on three other A27 bypasses and two major A23 improvement schemes in west Sussex is subject to the completion of the statutory procedures. Construction of the Brighton bypass could begin next year.

Airports

15. **Mr. Brandon Bravo** asked the Secretary of State for Transport what steps he is taking to encourage local authorities to introduce private capital into their airports.

Mr. Michael Spicer: We are using our powers under the Airports Act 1986 to have the country's major local authority airports turned into Companies Act companies by 1 April. The Act empowers local authorities to sell their shares in airport companies. It will be for local authorities to decide whether to use this power, but I take every opportunity to persuade them of the advantages of doing so.

National Bus Company

16. **Mr. Stephen Ross** asked the Secretary of State for Transport if he will make a statement on the current situation relating to the disposal of the National Bus Company's subsidiaries.

Mr. Moore: The National Bus Company is making excellent progress: 28 companies have already been sold and I look forward to approving further disposals shortly. I am particularly pleased that 18 of the subsidiaries have been bought by their own managements and that employees are being given the opportunity to acquire shares in the businesses.

M25 (Traffic Flows)

17. **Mr. Dykes** asked the Secretary of State for Transport if he will give the results of his Department's latest monitoring exercises observing traffic flows on the M25 motorway.

Mr. Peter Bottomley: I refer my hon. Friend to the answer I gave my hon. Friend the Member for Leicester, East (Mr. Bruinvels) on Thursday 12 March, at column *286*.

Air Services

18. **Mr. Hayward** asked the Secretary of State for Transport if he will make a statement on the prospects for agreement on liberalisation of European air services at next week's meeting of European Community transport Ministers.

Mr. Michael Spicer: I hope that further progress towards liberalisation will be made next week when we will be giving our full support to the Belgian presidency's efforts to achieve this. The major sticking point remains the unwillingness of others to widen the availability of cheap fares. This must be satisfactorily resolved before an agreement can be reached.

Merchant Fleet

19. **Mr. Bruce** asked the Secretary of State for Transport what recent representations he has received concerning the size of the merchant fleet.

Mr. Michael Spicer: My Department is in regular contact with shipowners, the seafarers' unions and other representatives of the shipping industry who share my concern about trends in the world shipping market and its effect on our fleet.

Regional Airports

20. **Sir Anthony Meyer** asked the Secretary of State for Transport how many international destinations are served from regional airports now; and what was the figure for 1979.

Mr. Michael Spicer: Some 60 international destinations are served from regional airports in the United Kingdom, compared with about 40 in 1979. I greatly welcome this major increase in travel opportunities for the public.

Liverpool Street Station

21. **Mr. Freud** asked the Secretary of State for Transport what representations he has received on the future development of Liverpool street station; and if he will make a statement.

Mr. David Mitchell: I have had several representations from MPs in the last few weeks about the redevelopment of Liverpool street station. The redevelopment is a management matter for British Rail. They assure me that with the new track layout and signalling systems they will be able to cope with the forecast traffic.

Fishing Vessel Mhari L

Mr. Foulkes asked the Secretary of State for Transport what further consideration he has given to the circumstances surrounding the loss of the fishing vessel Mhari L in the light of the recent incident involving a United States submarine and the fishing vessel Summer Morn.

Mr. Michael Spicer: At the time the Mhari L disappeared there was considerable public speculation that a submarine was involved and the subsequent investigation into the loss considered this as one possibility. I am assured that no Royal Navy or United States Navy submarine was in the area at the time. Furthermore, divers found the wreck lying close to an underwater cable with its fishing gear caught on it.

Bradford (Transport Supplementary Grant)

23. **Mr. Waller** asked the Secretary of State for Transport what is the transport supplementary grant allocation for the city of Bradford metropolitan council for 1987-88.

Mr. Peter Bottomley: Bradford will receive £4,579,000 of transport supplementary grant for 1987-88. This is an increase of 38 per cent. over 1986-87. This substantial total reflects delivery of our commitment to maintain support for the construction of the city ring road with which the city council is making good progress.

Severn Crossing

24. **Mr. Fallon** asked the Secretary of State for Transport when he now expects to announce a decision on proposals for a second Severn crossing; and if he will make a statement.

Mr. Peter Bottomley: The Government decision to provide a second Severn crossing, to be a bridge across the English Stones, was announced in July 1986. As my right hon. Friend the Secretary of State for Wales told the House in the Welsh affairs debate on 2 March 1987,

planning of the project is going ahead with the intention of being in a position to provide the second crossing by the mid 1990s.

London Docklands Light Railway

25. **Mr. Ashdown** asked the Secretary of State for Transport what recent representations he has received concerning the London docklands light railway.

Mr. David Mitchell: I visited the Beckton area, which would be served by the proposed eastern extension of the railway, on 14 January to meet representatives of the local residents association and of the London Docklands development corporation. We have also received written representations from time to time about possible extensions to the railway, the most recent being from the London borough of Barking.

A45 (Crash Barriers)

26. **Mr. Lord** asked the Secretary of State for Transport what steps he has taken recently to re-examine the need for crash barriers on the A45 between Bury St. Edmunds and Ipswich; and if he will make a statement.

Mr. Peter Bottomley: The A45 is being reviewed following the initiative I announced in December for providing central safety fencing on the majority of dual carriageway trunk roads. As a first step, fences are to be added to a contract for structural maintenance between Stowmarket and Beacon Hill which is to be let shortly. A programme will be drawn up for additional fencing where justified, and as resources allow. The work will need to be spread over a period of years.

Lorry Traffic (London)

27. **Mr. Tony Banks** asked the Secretary of State for Transport what are the current arrangements for administering the traffic order banning vehicles over 40 ft in length from entering central London.

Mr. Peter Bottomley: Responsibility for this traffic order rests with those London boroughs which contain areas affected by the ban.

Newark A46, Relief Road

Mr. Alexander asked the Secretary of State for Transport (1) when the work on the Newark A46 relief road will commence;

(2) when the contracts for the construction of the Newark A46 relief road will go out to tender.

Mr. Peter Bottomley: Subject to the completion of statutory procedures, it is planned to invite tenders for A46 Newark relief road this May. I hope work will be able to start towards the end of the year. The construction period will be two and a half years.

Roads

Mr. Chapman asked the Secretary of State for Transport if he will publish in the *Official Report* a table showing for each county in England the estimated highways capital and highways maintenance expenditure for 1986-87.

Mr. Peter Bottomley: The information requested is in the following tables:

County	*Capital budget £ million* [1]	*Maintenance budget £ million* [2]
Avon	4·506	19·521
Bedfordshire	6·190	9·502
Berkshire	12·039	8·548
Buckinghamshire	5·666	12·408
Cambridgeshire	6·744	13·500
Cheshire	8·990	25·341
Cleveland	7·956	13·091
Cornwall	6·273	12·217
Cumbria	1·624	13·175
Derbyshire	7·168	19·606
Devon	11·230	29·294
Dorset	14·328	14·024
Durham	6·456	17·190
East Sussex	6·855	13·484
Essex	18·850	28·922
Gloucestershire	6·404	10·486
Hampshire	18·688	25·695
Hereford & Worcestershire	9·392	13·656
Hertfordshire	10·440	18·358
Humberside	7·353	21·917
Isle of Wight	2·200	3·124
Kent	30·151	29·040
Lancashire	17·907	33·062
Leicestershire	11·956	18·085
Lincolnshire	6·110	16·333
Norfolk	5·717	14·926
Northamptonshire	12·050	9·793
Northumberland	3·378	8·748
North Yorkshire	11·182	20·084
Nottinghamshire	10·537	19·213
Oxfordshire	4·492	9·349
Shropshire	4·643	9·577
Somerset	6·169	12·898
Staffordshire	11·144	17·688
Suffolk	7·554	13·438
Surrey	13·739	16·708
Warwickshire	3·564	10·171
West Sussex	11·008	13·939
Wiltshire	3·522	12·685

Sources:
[1] Authorities' 1986 transport policies and programmes.
[2] Authorities' return of expenditure and rates 1987.

Railways

Dr. Marek asked the Secretary of State for Transport if he will list in the *Official Report* railway lines which have been reduced to single track during each of the last seven years.

Mr. David Mitchell: I do not have this information. Decisions on singling of track are an operational matter for the British Railways Board.

National Bus Company Subsidiaries

Mr. Mason asked the Secretary of State for Transport how many National Bus Company subsidiaries have been sold and to whom; what price was paid; and if he will make it his policy to pay compensation to the passenger transport authorities for the assets they previously held.

Mr. David Mitchell: Twenty-eight National Bus Company subsidiaries have so far been sold, 18 of them to their own managements and 10 to outside purchasers.

The prices obtained in individual disposal are confidential while sales are in progress; a report will be made to the House in due course on the aggregate proceeds of sale.

I am not aware that any subsidiaries or former subsidiaries own assets previously held by passenger transport authorities or their executives for which due payment has not already been made.

Herald of Free Enterprise

Mr. Campbell-Savours asked the Secretary of State for Transport whether the carriage of toluene diisocyanite on the Herald of Free Enterprise at the time of her loss was in contravention of the Merchant Shipping Regulations 1981.

Mr. Moore: From the information available, I have no reason to doubt that the carriage of toluene diisocyanite on the Herald of Free Enterprise at the time of her loss was not in contravention of the Merchant Shipping (Dangerous Goods) Regulations 1981.

Mr. McQuarrie asked the Secretary of State for Transport (1) if he is satisfied with the type of lifejacket used aboard ferries such as the Herald of Free Enterprise which was involved in the Zeebrugge disaster; and if he will make a statement;

(2) how many lifejackets were carried aboard the Herald of Free Enterprise ferry; and what was the number of passengers and crew capable of being carried on the ferry;

(3) if, in the light of the Herald of Free Enterprise ferry disaster, he will examine the design of lifejackets available abroad the ferry; what information he has as to whether the existing design was satisfactory for those persons struggling in the flooded hull; and if he will make a statement;

(4) what instructions are issued to passengers on the location and use of lifejackets on board ferries such as the Herald of Free Enterprise which was involved in the Zeebrugge disaster; and if he will make a statement.

Mr. Michael Spicer: The type of lifejacket carried on the Herald of Free Enterprise was of an advanced design originally approved by my Department in 1978. It was recetnly retested and shown to comply fully with the requirements of the 1983 amendments to the international convention for the safety of life at sea, 1974 which entered into force on 1 July 1986. There is no evidence to suggest that the particular design of lifejacket is unsuitable for use on any United Kingdom ship, including ferries such as the Herald of Free Enterprise.

The Herald of Free Enterprise was provided with 1,505 lifejackets, of which 139 were specially designed for use by children. I have no reason to doubt that the ship carried these numbers at the time of the casualty. The ship was certified to carry a total number of 1,400 persons.

Insufficient evidence has been collected to date about the use of lifejackets on this incident to suggest that the design of these lifejackets should be examined. Persons wearing lifejackets in the water within the flooded hull would have been kept afloat. All current designs of lifejacket would have had to be removed to permit the wearer to pass through the small openings in the side of the ship when making an escape.

Under the Merchant Shipping (Musters and Training) Regulations, 1986, the attention of passengers on ferries must be drawn to the emergency instructions required to be posted in passenger cabins and displayed in muster stations and in other passenger spaces. Such instructions, illustrated as appropriate, give information on the location of muster stations, essential actions to be taken in an emergency situation, and the method of donning lifejackets. On this type of ferry, lifejackets for all persons on board are stowed in special lockers in or adjacent to the muster stations with a further five per cent. stowed on deck. The usual method of drawing the attention of passengers to the emergency instructions is by an announcement on the public address system on the ship's departure from port.

Mr. McQuarrie asked the Secretary of State for Transport if he will use the powers vested in him by the Safety at Sea Act 1986 to introduce by statutory instrument any necessary interim safety measures arising out of the Herald of Free Enterprise ferry disaster; and if he will make a statement.

Mr. Michael Spicer: My right hon. Friend said in the House on 9 March, at column 24, that he would not hesitate to use the powers vested in him and he will take such action as is necessary if any statutory measures are required.

Mr. Peter Bruinvels asked the Secretary of State for Transport, pursuant to the answer to the hon. Member for Leicester, East on 12 March, *Official Report*, column 283, what information he has as to the completeness and accuracy of the passenger returns made by the master of the Herald of Free Enterprise under the Merchant Shipping (Passenger Returns) Regulations 1960; and if he will make a statement.

Mr. Michael Spicer: In the circumstances of the loss of this vessel, it is not possible for me to answer the question.

Engineering Schemes

Mr. Wallace asked the Secretary of State for Transport if, pursuant to the answer to the hon. Member for Staffordshire, Moorlands (Mr. Knox), 26 January, *Official Report*, column 3, he will indicate what savings he expects in casualties and finance from the sum being set aside in his Department's 1987-88 programme for works on low cost/high return safety engineering schemes.

Mr. Peter Bottomley: It is not possible to estimate precisely the accident savings resulting from road schemes. National road schemes overall achieve an economic return of £1·50 for each £1 spent. Within this, accident savings are estimated to account for about £0·20 for each £1 spent.

We expect the low cost/high return safety and improvement schemes within the Department's small schemes programme to achieve a return in excess of the national average and for this return to be predominantly benefits from accident savings.

In 1986-87 we are spending over £35 million on the small scheme programme and we plan to increase the provision to £51 million in 1987-88.

Freightliners Ltd.

Mr. Wallace asked the Secretary of State for Transport whether he will seek to amend section 8 of the Railways Act 1974 to allow assistance to be given to Freightliners Ltd. to purchase new wagons for its fleet; and if he will make a statement.

Mr. David Mitchell: Assistance under section 8 of the Railways Act 1974 is already available to Freightliners Ltd., provided that it can meet the environmental and financial criteria which apply to all grant applications.

Mr. Wallace asked the Secretary of State for Transport what estimate he has made of the additional road ton mileage consequent upon the proposed closure by British Rail of eight Freightliner depots.

Mr. David Mitchell: On the basis of BR's forecasts, the extra road traffic will amount to less than half a per cent. of ton mileage carried by lorries in the United Kingdom, and will be mostly carried on motorways. There will be a reduction in lorry traffic in urban areas around depots.

Accidents (Investigation Programmes)

Mr. Wallace asked the Secretary of State for Transport, following the advice distributed to local authorities on pre-scheme safety checking in his Department's new manual "Accident Investigation and Prevention", what arrangements he is making with agent authorities for such checks on roads for which his Department has responsibility, particularly with those authorities who have no systematic accident investigation programmes.

Mr. Peter Bottomley: The Department's new accident investigation manual was published in December 1986. Copies have been sent to all local highway authorities. We pay full regard to the provisions of the manual in drawing up detailed plans with our agent authorities on safety and improvement schemes to be carried out in the Department's small schemes programme.

Cross-Channel Ferries

Mr. McQuarrie asked the Secretary of State for Transport if it is his intention to examine the need for emergency escape windows in cross-Channel ferries; and if he will make a statement.

Mr. Michael Spicer: Under the Merchant Shipping (Passenger Ship Construction) Regulations 1980 every main compartment designated for the use of passengers and crew must be provided with two means of entry and exit. To date, such arrangements have proved adequate. If, however, the investigations into the loss of the Herald of Free Enterprise show that additional means of exit or emergency escape windows are necessary on cross-Channel ferries, I will ensure that the appropriate measures are taken.

Paddington (Coach Terminal)

Mr. Gregory asked the Secretary of State for Transport if he will make a statement on the proposal to site a new London coach terminal in Paddington; when he proposes to announce a date for an inquiry into such a development; and if he will advise the number of representations made to date.

Mr. David Mitchell: I refer my hon. Friend to the answer I gave my hon. Friend the Member for Westminster, North (Mr. Wheeler) on 17 November last. I am still considering the most appropriate form of inquiry, and hope to make a further statement shortly. Since June 1985, when LRT was asked to carry out its study into future coach terminal requirements, we have received about 40 letters on the subject.

Motorway Crash Barriers

Dr. Glyn asked the Secretary of State for Transport if he has any plans to modify the strength of motorway crash barriers.

Mr. Peter Bottomley: There are no immediate plans to modify them. As with many aspects of roads and road safety, the Department has a programme of research and development on safety fences and barriers that may lead to changes in the future.

ENVIRONMENT

Local Authorities (Search Procedures)

Mr. Heddle asked the Secretary of State for the Environment if he has any plans to recommend to local authorities that they computerise their local search procedures.

Mr. John Patten: I am pleased to note that a number of computer firms are developing systems specially designed for local authority land charges and other records. I hope that local authorities will give serious consideration to the installation of such systems which will help them to give an improved service to home buyers.

New Towns

Mr. Murphy asked the Secretary of State for the Environment if he will outline the effects of Government policy since 1979 on the residents of new towns.

Mr. John Patten: Residents of new towns, like residents elsewhere, have benefited from the Government's economic, social and environmental policies implemented since 1979.

In the field of housing, tenants of new town development corporations have the same "tenants' charter" rights as we introduced for local authority tenants. Since 1979, more than 20,000 corporation tenants have bought their homes under our voluntary sale and right to buy policies. More than 8,000 people who might not otherwise have been able to afford home ownership have become owner-occupiers through new town shared ownership programmes. Some 25,000 homes, catering to a wide range of needs, have been built under licence by private developers for freehold sale.

Fruitful collaboration between new town development corporations and private industry and commerce has created job opportunities and contributed to the quality of life of the town's residents.

The purposes for which the development corporations were established have been substantially achieved in nine towns since 1979, and the corporations have been wound up in accordance with section 41 of the New Towns Act 1981. The remaining six corporations are also well on the way to completing their tasks, and we have proposed target dates for their wind-up.

Water Authorities (Price Increases)

Mr. Boyes asked the Secretary of State for the Environment if he will publish in the *Official Report* a table showing information available on the price increases to customers by each water authority for 1987-88.

Mr. John Patten: Water authorities make a return to the Department in March each year setting out details of

their charges for the following financial year. I will write to the hon. Member when returns for 1987-88 have been received and analysed.

Inner City Areas

Mr. Murphy asked the Secretary of State for the Environment if he will outline the effects of Government policy since 1979 on the residents of inner city areas.

Mr. John Patten: Since 1979 the Government have developed a range of programmes and initiatives to make inner cities more competitive and improve the quality of life of their residents. Some £3,350 million has been directed to inner city areas since 1979 through specific targeted programmes which are the responsibility of my Department, in addition to support through main programmes and other initiatives.

Since 1979 resources for the urban programme, the single most important instrument of Government support for the inner cities, have increased by 73 per cent. in real terms, from £93 million to £324 million. The urban programme supports about 12,000 inner city projects which encourage individual enterprise and business development, improve the environment and housing and support self-help by local communities.

Inner city residents have benefited from Government action to:

Encourage business and enterprise; specific initiatives developed since 1979 include urban development grant which is attracting nearly £450 million in private investment to support 232 projects which will provide more than 4,600 homes and nearly 24,000 jobs, urban development corporations in London and Merseyside docklands where public investment of over £400 million since 1981 is attracting private capital of over £1,600 million, providing several thousand new homes and sites for over 200 new firms.

Tackle dereliction; since 1979 over 24,000 acres of land have been reclaimed through derelict land grant, the resources for which have doubled in real terms. Some 25 per cent. of DLG resources are directed to inner city areas. 50,000 acres have been removed from the land registers of underused public land, which were introduced in 1981.

promote development; powers were taken in the Housing and Planning Act 1986 to pay urban regeneration grant to support development packages on larger urban sites.

lift controls; there are 23 enterprise zones in the United Kingdom in which developers and industrialists can benefit from capital allowances and abatement of rates. Simplified planning zones are being introduced in which developers would benefit from streamlined planning procedures.

improve housing; action has been taken to break up monolithic housing estates and restore tenure choice. Over one million public sector dwellings have been sold since 1979, and owner occupation has risen from 55 per cent. to 63 per cent. Since 1979 grants totalling £2,500 million have been given for home improvements, half of which are currently directed to inner city areas. Some 80 per cent. of support through the Housing Corporation for new projects is directed to designated inner city stress areas. Since 1985 special help has been available to local authorities through the Department of the Environment's estate action initiative to improve municipal estates and involve tenants more closely in their management and maintenance.

improve co-ordination of programmes; the Government set up city action teams in 1985 in the inner city partnership areas of London (Hackney, Islington and Lambeth), Newcastle-Gateshead, Manchester-Salford, Liverpool and Birmingham to oversee £700 million annual direct spending by the Department of the Environment, Department of Employment and the Manpower Services Commission and the Department of Trade and Industry. Inter-departmental task forces were set up in 1986 in eight small inner city areas to work with local communities in tackling unemployment and other urban problems.

Rates

Mr. John Carlisle asked the Secretary of State for the Environment if he will list in the *Official Report* the latest annual percentage increase or decrease in the rates of shire counties in England that has been notified to his Department.

Mr. Chope: Following is the available information:

Increases in County Precepts 1986-87 to 1987-88

	Per cent.
Avon	1·7
Bedfordshire	21·3
Berkshire	4·9
Buckinghamshire	8·7
Cambridgeshire	6·2
Cheshire	9·1
Cleveland	7·2
Cornwall	8·4
Cumbria	2·7
Derbyshire	12·4
Devon	7·3
Dorset	9·9
Durham	8·6
East Sussex	7·8
Essex	10·8
Gloucestershire	7·9
Hampshire	8·9
Hereford & Worcester	3·7
Hertfordshire	6·9
Humberside	10·7
Isle of Wight	10·0
Kent	4·7
Lancashire	8·2
Leicestershire	5·0
Lincolnshire	2·3
Norfolk	2·0
Northamptonshire	15·6
Northumberland	0·0
North Yorkshire	10·9
Nottinghamshire	7·8
Oxfordshire	15·8
Shropshire	7·6
Somerset	7·8
Staffordshire	7·0
Suffolk	7·1
Surrey	7·4
Warwickshire	7·9
West Sussex	4·8
Wiltshire	9·9

Housing (Portsmouth)

Mr. Hancock asked the Secretary of State for the Environment what proportion of the estate action programme will be allocated to Portsmouth.

Mr. John Patten: In a recent letter from the Department's south-east regional office, Portsmouth city council was reminded of the possibility of obtaining estate action resources in 1987-88, but so far no application has been received from the authority.

York PSA Office

Mr. Straw asked the Secretary of State for the Environment what decisions he has now reached on the reorganisation of the York PSA office.

Mr. Chope: The proposal to close York area office is still being considered. Although no final decision has been taken, I hope that it will be possible to announce one shortly.

Ozone Layer

Dr. David Clark asked the Secretary of State for the Environment what practical measures he is taking to ensure that the United Kingdom complies with its obligation as a signatory to the Vienna convention for the protection of the ozone layer to control activities likely to have harmful effects on the layer.

Mr. Waldegrave: The Vienna convention has not yet entered into force. However, the United Kingdom and other European Community member states agreed precautionary measures in 1980 to limit emissions of chlorofluorocarbons (CFCs) which have the potential to deplete the ozone layer. We are currently participating in negotiations of a protocol to the convention to control CFC emissions globally.

Housing (Tower Hamlets)

Mr. Shore asked the Secretary of State for the Environment how many houses and flats were completed in the borough of Tower Hamlets in each year since 1974; and how many of these, in each year, were houses and flats for sale.

Mr. Tracey: Completions of dwellings in Tower Hamlets reported by the borough and by the Greater London council appear in the following issues of "Local Housing Statistics", which are available in the Library:

Year	*Issue number*	*Table numbers*
1974	33	5,7
1975	37	5,7
1976	41	5,7
1977	45	5,7
1978	49	5,7
1979	53	5,7
1980-83	73	1,3
1984	77	1,3
1985	78	1,3

The borough has not made any reports for 1985 and 1986.

No completions have been reported of dwellings built by the public sector for sale in Tower Hamlets. Information received on private sector building does not distinguish dwellings for rent from those for sale.

Estate Action Grants

Mr. Tony Banks asked the Secretary of State for the Environment if he will list each authority which has applied for estate action grants; how much has been approved for each authority, which authorities have refused assistance; and how the refusal was communicated in each case to his Department.

Mr. John Patten: I shall write to the hon. Member.

Greater London Council

Mr. Tony Banks asked the Secretary of State for the Environment what is his final estimate of Greater London council expenditure in 1985-86.

Mr. Chope: The most recent returns to the Department indicate that the estimated total expenditure of the GLC in 1985-86, subject to closure and audit of the final accounts, was £619 million.

Planning Applications

Mr. Tony Banks asked the Secretary of State for the Environment if he will list all outstanding applications for consents from each authority abolished on 31 March 1986.

Mr. Chope: I shall answer this question shortly.

Mr. Macfarlane asked the Secretary of State for the Environment how many planning applications for developments in excess of 100,000 have been called in for consideration by him within the past 12 months.

Mr. Tracey: I take it that my hon. Friend is referring to applications for major retail developments. Thirty-three such applications for developments in excess of 100,000 sq ft were called in by my right hon. Friend the Secretary of State in the last 12 months.

Homelessness

Mr. Tony Banks asked the Secretary of State for the Environment, pursuant to his reply of 4 March, *Official Report*, column 867, if he will indicate the nature of the totally frivolous national issues he referred to in relation to expenditure identified in the Audit Commission report on London councils; and if he will make a statement.

Mr. Chope: Paragraph 36 of the Audit Commission occasional paper refers to the £20 million spent by the eight authorities concerned on women's rights, gay rights, local economic development and support for ethnic minorities.

Local Government Reform (Staff)

Mr. Tony Banks asked the Secretary of State for the Environment how many staff, transferred from abolished authorities, have received detrimental payments from the London residuary body; and how many are still awaiting payment.

Mr. Chope: I understand that the LRB has received some 1,130 eligible claims for compensation for financial detriment from former GLC employees. Of these 616 individuals are receiving interim payments, 126 have been notified that their entitlement for the current annual compensation period is nil, and the amounts payable to the remaining number have not yet been determined.

Mr. Tony Banks asked the Secretary of State for the Environment whether, pursuant to his reply of 16 February, *Official Report*, column *420*, all staff of authorities abolished by the Local Government Act 1985 with entitlement have received full redundancy payments.

Mr. Chope: I understand that some 200 out of over 6,000 claims for redundancy payments or compensation from former employees of the GLC and MCCs have yet to be settled in full. This includes disputed claims and those awaiting final adjustment.

Housing (Repossessions)

Mr. Winnick asked the Secretary of State for the Environment what information he has to a regional breakdown of repossessions in the last 12 months due to the inability of the borrower to pay the mortgage repayments on an owner-occupied dwelling, giving a breakdown by years of how long the mortgage had been in existence.

Mr. Tracey: The information is not available in the form requested.

Anti-fouling Paints

Mr. Ron Davies asked the Secretary of State for the Environment (1) if he will list those companies known to his Department to be currently producing products in which tributyl tin compounds are involved at some stage in the production process or the finished article;

(2) if he will provide figures relating to the scale of use of tributyl tin compounds in those products affected by his recent proposals for a ban on sales with the total current use of those compounds for all products in Britain;

(3) what information he has on the current uses of tributyl tin compounds in Britain and on those uses which he expects will be affected by his recent proposals on their sale for paint products;

(4) what information he has on scale of use of tributyl tin compounds in Britain, in total and by product type, for the latest year for which figures are available;

(5) if he will now make it his policy to ban the wholesale availability and use of tributyl tin compounds in Britain.

Mr. Waldegrave: I understand that less than 1,000 tonnes of tributyltin (TBT) compounds are used annually in the United Kingdom. Most of this is formulated into anti-fouling paint, 10 to 20 per cent. is used in timber treatment and less than 5 per cent. is used for other purposes. TBT products used as pesticides must be approved under the provisions of the Food and Environment Protection Act 1985 and anti-fouling products will have to be so approved from 1 July 1987. Copies of the list of approved products are available in the Library. All registered products give the active ingredient on their labels together with the manufacturer's name. The information available does not justify a ban on all uses of TBT. The bans which I announced on 24 February, at c. *202-3*, are specific and are justified by the evidence of damage to the aquatic environment from the use of TBT in anti-fouling paints used on small boats and its use in treating fish farming equipment.

Chlorofluorocarbons

Mr. Hancock asked the Secretary of State for the Environment if there is any recent evidence available to his Department on the damage to the ozone layer by the use of chlorofluorocarbons in aerosols and other equipment; and if he will make a statement.

Mr. Waldegrave: The Department is making a significant contribution through its research programme to study what is known as the Antarctic ozone hole and is keeping in close touch with the results of other relevant international work.

Mr. Hancock asked the Secretary of State for the Environment if he will introduce legislation to restrict the use of chlorofluorocarbons; and if he will make a statement.

Mr. Waldegrave: Any restrictions of the use of chlorofluorocarbons would be a matter for the European Community as a whole. There are no current EC legislative proposals but the Community is taking part in global negotiations for a CFC protocol to the Vienna convention for the protection of the ozone layer.

London and Metropolitan Government Staff Commission

Mr. Thurnham asked the Secretary of State for the Environment if he will make a statement about the future of the London and Metropolitan Government Staff Commission.

Mr. Chope: The commission has submitted a report on its work to my right hon. Friend the Secretary of State covering the period from August 1984 to October 1986. This report is being published today and a copy has been placed in the Library of the House.

Almost a year after the abolition of the Greater London council and the metropolitan county councils, the major part of the commission's work has been achieved. Although there is still a role for the commission in relation to the staff of the residuary bodies, its membership has been much reduced to reflect its contracting work load.

Nature Conservation

Mr. Hardy asked the Secretary of State for the Environment if he has any plans to revise his advice to local planning authorities on the subject of nature conservation and planning; and if he will make a statement.

Mr. Waldegrave [*pursuant to his reply*, 11 March 1987, c. *180*]: I expect to issue a revised circular soon following the analysis of the response to consultation with interested bodies.

Rushgrove House

Mr. Cartwright asked the Secretary of State for the Environment when his Department disposed of Rushgrove house, Woolwich, and to whom.

Mr. Chope [*pursuant to his reply*, 13 March 1987, c. *341*]: The sale of Rushgrove house, Woolwich, was completed on 27 January 1986. The property was purchased by Mr. H. S. and Mr. T. S. Deusi.

Capital Receipts (Leicester)

Mr. Janner asked the Secretary of State for the Environment what capital receipts the Leicester city council has been able to make use of in 1986-87 compared with 1979-80; and what percentage of its receipts from the sale of council houses it has been permitted to use for other housing purposes.

Mr. Chope [*pursuant to his reply*, 13 March 1987, c. *341*]: In 1979-80 Leicester city council reported that it had generated £1,283,000 capital receipts. Under the control system operating at that time, which focused on borrowing, all these receipts could be used to repay debt or to finance capital expenditure. The authority may have held unspent capital receipts from earlier years but the Department has no records about that.

Figures are only available for the first nine months of 1986-87. The authority has reported generating £9,630,000 receipts in that period. In addition the authority held accumulated capital receipts of £47,770,000 at the start of the year. The prescribed proportion rules allow Leicester city council to increase its prescribed capital expenditure in 1986-87 by £14,051,000 of the above receipts together with the prescribed proportion of the receipts it generates in the remainder of the year. The authority is free to use all the cash from its receipts to repay debt and to finance capital expenditure which is not prescribed.

The prescribed proportion for most housing receipts is 20 per cent., for housing land 30 per cent. and for receipts arising from low cost home ownership schemes 100 per cent. Receipts may be used for whatever services the authority chooses.

Sports Council

Mr. Madden asked the Secretary of State for the Environment what representations he has received from Yorkshire and Humberside about the Sports Council's grant in aid for 1987-88; and if he will make a statement.

Mr. Tracey: I shall answer this question shortly.

SOCIAL SERVICES

Members' Correspondence

Mr. Wigley asked the Secretary of State for Social Services why the letters of the hon. Member for Caernarfon of 26 September 1986 concerning the availability of natural medicines on the National Health Service was not answered until 27 January 1987; what is the average period for his Department's response to correspondence from hon. Members; whether he has sufficient staff in his Department to undertake his responsibilities; and if he will make a statement.

Mr. Fowler: I am sorry for the delay in replying to the hon. Member which was caused by control problems within my office. Ministers in my Department replied to nearly 30,000 letters from hon. Members in 1986 and we aim to respond to most within four weeks. I am satisfied that there is sufficient staff to deal with these letters. Many of the letters we receive do, however, require local inquiries to be made, such as with health authorities and local social security offices, and hon. Members would almost certainly get a quicker response if they wrote to the health authority chairman or local social security office manager first where appropriate.

Mr. Greenway asked the Secretary of State for Social Services why he has not yet replied to the urgent letter from the hon. Member for Ealing, North of 9 March; when he expects to do so; and if he will make a statement.

Mr. Newton: I wrote to my hon. Friend on 12 March.

National Insurance

Mr. Austin Mitchell asked the Secretary of State for Social Services whether he will provide an estimate of the loss to the national insurance fund from a reduction of one percentage point in the rate of contribution.

Mr. Major: It is estimated that a reduction of one percentage point in all the class 1 rates of National Insurance contributions in 1986-87 would cost the national insurance fund in a full year £1,470 million in respect of employees' contributions, and £1,630 million in respect of employers contributions.

Mr. Stevens asked the Secretary of State for Social Services when he expects to complete his quinquennial review of the contracted-out rebate on national insurance contributions.

Mr. Fowler: The contracted-out rebate reflects the cost to pension schemes of providing a guaranteed minimum pension for their members. That cost is decreasing with the lower average age of scheme members; and it is therefore generally acknowledged that the rebate should in future be lower than its present 6·25 per cent. I have decided to fix the rebate at 5·8 per cent. for the five-year period from 6 April 1988 including an additional margin of 0·4 per cent. for this period over and above the 5·4 per cent. suggested by the Government Actuary. This will cover the implementation of our pension reforms under the 1986 Act. The rebate will be divided 3·8 per cent. on employers' contributions and 2 per cent. on employees'. The rates at which pension schemes can buy their members back into the state scheme will be based on the 5·4 per cent. suggested by the Government Actuary. I am today laying his report before Parliament, together with the draft order and regulations to give effect to these decisions.

Mr. A. D. Banfield

Mr. Silvester asked the Secretary of State for Social Services if he is in a position to announce the outcome of the claim for compensation for a mustard gas injury incurred by Mr. A. D. Banfield of Chorlton, Manchester.

Mr. Lyell: Mr. Banfield's claim to compensation was referred to this Department at the end of January 1987 and a claim to war pension is being urgently considered.

Free Milk and Vitamins

Mr. Caborn asked the Secretary of State for Social Services how many women and children in Sheffield are in receipt of free milk and vitamins in the last year for which figures are available.

Mr. Lyell: I refer the hon. Member to my reply to the hon. Member for Sheffield Hillsborough (Mr. Flannery) on 2 March at column *495*.

Hospitals (Value)

Mr. Ralph Howell asked the Secretary of State for Social Services what is his estimate of the value of (1) the Hellesdon hospital, (2) the site of the Hellesdon hospital if that hospital were demolished, (3) St. Andrew's hospital at Thorpe, (4) St. Andrew's hospital site if the hospital were demolished, (5) the University of East Anglia site considered for a new 800-bed hospital and (6) the site adjacent to and west of Colney lane which is available for development.

Mrs. Currie: The East Anglian regional health authority estimates the existing use value of Hellesdon hospital on a depreciated replacement cost basis to be between £5 million and £6 million. No comparable estimate has been made for St. Andrew's. The authority estimates that the open market values of the two sites are about £25,000 per acre and £15,000 per acre, respectively, although the actual value would depend on the planning permissions that could be obtained and market forces. It would not be appropriate for estimates of the value of the other sites to be disclosed, as this could disadvantage the authority as a possible purchaser.

Maternity Payments

Mr. Soley asked the Secretary of State for Social Services how many women in Hammersmith claimed the maternity grant in the last year for which figures are available.

Mr. Major: Information is not available in the precise form requested. But in the 1986 calendar year the following numbers of claims to maternity grant were made at the Department's local offices which cover Hammersmith although the boundaries are not conterminous:

	Number
Acton	1,451
Chelsea	1
Notting Hill	742
Kensington	1

[1] Claims for these offices are dealt with at Aldershot out-station. A total of 3,085 maternity grant claims were received at that office but this number includes claims proper to other local offices.

Mr. Soley asked the Secretary of State for Social Services how many women in Brentford and Isleworth constituency claimed the maternity grant in the last year for which figures are available.

Mr. Major: Information is not available in the precise form requested. But in the 1986 calendar year, 1,451 claims for maternity grant were made at Acton and 3,096 at Hounslow, the Department's local offices which cover the Brentford and Isleworth constituency, although the boundaries are not conterminous.

Mr. Soley asked the Secretary of State for Social Services how many women in Crawley claimed the maternity grant in the last year for which figures are available.

Mr. Major: Information is not available in the precise form requested. But in the 12 months ending 31 December 1986, 2,081 claims for maternity grant were received at the Department's local office which covers Crawley, although the boundaries are not conterminous.

Mr. Soley asked the Secretary of State for Social Services how many women in Croydon, Central constituency claimed the maternity grant in the last year for which figures are available.

Mr. Major: Information is not available in the precise form requested.

The Croydon, Central constituency is covered by the Department's local office at Croydon, although their boundaries are not conterminous. Maternity grant claims proper to the Croydon local office are processed exclusively at Hastings out-station. The number of claims for maternity grant received there during the 1986 calendar year was 3,619.

Miss Bernadette Kenny

Mr. Cartwright asked the Secretary of State for Social Services whether he has received the report from the Greenwich health authority about the case of Miss Bernadette Kenny; and whether he has any plans to increase the current level of provisions for adolescent psychiatry in the Greenwich health district.

Mrs. Currie: We have not received a report and there is no reason for us to do so, although I have seen a copy of the letter which was sent by the district general manager of the Greenwich health authority to the hon. Member for Woolwich last November. This letter reported the outcome of the health authority's investigation into the care of Miss Bernadette Kenny.

The level of provision for adolescent psychiatric services in Greenwich is a matter for the district health authority to determine. I understand that, although the Greenwich health authority does not consider it viable to run its own inpatient adolescent psychiatric unit, it is actively trying to improve its links with other health authorities which provide this service.

NHS (Health Provision)

Mr. Pike asked the Secretary of State for Social Services if he will list in the *Official Report* those constituencies in England which have no National Health Service *(a)* hospitals and *(b)* community nursing premises within their boundaries.

Mrs. Currie: Information is not held centrally about the location of National Health Service facilities according to parliamentary constituency boundaries and the cost of compiling such information would be disproportionate.

AIDS

Mr. Cohen asked the Secretary of State for Social Services if he will give financial support to buddies schemes in the context of assistance given in caring for the victims of AIDS; and if he will make a statement.

Mr. Newton: We have not been asked to give support specifically for a buddy scheme, but the Department does give a grant to the Terrence Higgins Trust, which organises such a scheme as one of its activities.

Mr. Dobson asked the Secretary of State for Social Services what it is intended to do with the supplies of blood plasma held at the Elstree Laboratories which date from before the National Blood Transfusion Service started to take action to reduce the chances of AIDS being spread in blood supplies.

Mrs. Currie: I refer the hon. Member to my reply to the hon. Member for Wolverhampton, North-East (Mrs. Short) on 9 March at column *72*.

Mr. Mason asked the Secretary of State for Social Services what steps have been taken in *(a)* the Trent region and *(b)* Barnsley district general hospital to treat patients suffering from AIDS; what facilities have been established; how many have died of AIDS to date in *(a)* the Trent region and *(b)* Barnsley; how many are suffering with the disease; what is his estimate of AIDS carriers in these areas; and if he will make a statement.

Mr. Newton: At the end of February, the number of reported AIDS cases for the Trent region was 12, of whom seven had died. The other information requested is not available centrally. The right hon. Member may wish to make inquiries directly of the Trent regional health authority, bearing in mind that, in the interests of patient confidentiality, it may not be possible to provide all the information requested.

Mr. Wallace asked the Secretary of State for Social Services whether tests are carried out to ensure that AIDS is not passed on to any child conceived as a result of in vitro fertilisation.

Mr. Newton [*pursuant to his reply*, 2 March 1987, c. *501*]: The in vitro fertilisation technique may sometimes involve using donated semen. The Department of Health and Social Security/Royal College of Obstetricians and Gynaecologists guidelines issued to doctors and artificial insemination clinics last year will then apply. These recommend that all semen donors should be tested for the HIV antibody. Where the couple's own egg and semen are used in in vitro fertilisation, there is no particular reason to recommend testing unless other factors require it.

Board and Lodging Claimants

Mr. Meadowcroft asked the Secretary of State for Social Services, pursuant to his answer on Monday 9 March, if he will give the number of children belonging to

the 6,000 claimants who received supplementary board and lodging payments, and who were said to have dependent children.

Mr. Major: I shall let the hon. Member have a reply as soon as possible.

Housing Benefit

Mr. Cohen asked the Secretary of State for Social Services if, pursuant to his answer of 2 March, *Official Report*, column *495*, he will publish information submitted to him by local authorities of the costs they will need to incur in connection with the new housing benefit scheme.

Mr. Lyell: This information is not yet available. Local authorities' estimates of their costs in preparing for the reforms are still being received and collated.

Single Payments

Dr. Godman asked the Secretary of State for Social Services if he has any plans to increase assistance in the form of single payments to assist mentally handicapped people to set up home in their communities.

Mr. Major: The Government have already announced their intention to replace the existing single payments regulations in April 1988. Grants to promote community care will be made from the new discretionary social fund, in particular, to help people to re-establish themselves in the community following a stay in institutional or residential care. We plan to target help on vulnerable groups including mentally handicapped people and hope to be able to respond to their needs in a more flexible way then the present system allows.

Local Offices (Claims)

Dr. Godman asked the Secretary of State for Social Services what was the backlog of claims at the local offices of his Department in Greenock and Port Glasgow in January 1986, July 1986 and January 1987.

Mr. Lyell: The tables sets out the information requested about outstanding claims to social security benefits.

Benefits	*14 January 1986*	*27 July 1986*	*13 January 1987*
a. *Greenock*			
Sickness/Invalidity	284	150	28
Maternity Allowance	94	64	21
Retirement Pension	96	182	133
Severe Disablement Allowance	n/a	30	33
Supplementary Benefit	793	480	89
b. *Port Glasgow*			
Sickness/Invalidity	50	31	51
Maternity Allowance	22	15	19
Retirement Pension	34	19	43
Severe Disablement Allowance	n/a	8	10
Supplementary Benefit	148	111	59

Regional Cash Limits

Mr. Dobson asked the Secretary of State for Social Services if he will give the regional cash limits for both revenue and capital at the levels finally set after all adjustments made for each financial year from 1979-80 to 1986-87.

Mr. Newton: The information requested for 1979-80 to 1985-86 is shown in the table. Information for 1986-87 is not yet available.

Final Revenue and Capital Cash Limits[1]

£000s

Region	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*
Revenue							
Northern	331,760	442,422	483,312	524,176	553,972	588,093	618,849
Yorkshire	375,478	499,283	547,152	590,397	623,720	657,459	686,193
Trent	437,607	584,426	644,611	694,210	736,498	785,483	836,351
East Anglian	182,967	244,748	269,314	291,011	311,707	331,700	355,385
North West Thames	438,773	583,939	643,693	630,187	654,944	696,599	713,194
North East Thames	480,181	635,907	693,840	795,234	828,880	867,137	897,987
South East Thames	451,820	601,749	656,510	699,866	729,510	766,367	797,993
South West Thames	354,614	466,979	517,658	535,726	554,052	588,383	599,402
Wessex	268,318	351,050	390,364	424,173	440,120	479,603	504,701
Oxford	216,647	284,449	312,099	332,899	350,569	378,136	398,107
South Western	329,628	428,345	472,900	508,954	538,149	568,012	598,751
West Midlands	522,633	678,995	752,247	814,275	861,746	908,176	956,120
Mersey	283,802	369,217	406,198	437,494	457,275	481,787	501,459
North Western	456,855	601,857	675,155	730,416	763,336	807,578	848,196
Capital							
Northern	28,417	36,166	47,162	45,895	43,291	47,868	46,221
Yorkshire	32,709	41,332	51,221	49,850	52,359	56,384	69,933
Trent	45,328	50,598	63,313	65,863	65,120	67,532	72,459
East Anglian	22,823	27,091	31,671	31,305	23,256	27,026	29,918
North West Thames	23,316	32,846	37,503	45,522	44,703	45,879	59,606
North East Thames	30,830	46,701	53,285	56,890	58,759	66,043	63,263
South East Thames	24,544	34,084	41,567	44,228	51,944	47,295	47,572
South West Thames	21,201	32,065	32,856	35,429	34,697	31,169	40,901
Wessex	21,308	32,926	42,251	42,965	49,219	60,536	67,104
Oxford	12,665	17,414	26,307	25,959	30,032	26,521	23,112
South Western	22,388	31,888	41,375	46,819	52,077	60,449	59,871

Region	£000s 1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
West Midlands	33,179	50,700	59,823	62,021	68,524	85,371	103,001
Mersey	26,118	31,934	35,128	35,450	35,109	39,688	33,852
North Western	45,720	60,793	71,411	81,948	71,181	73,435	73,883

[1] inclusive of all in-year adjustments, carryforward from previous financial year, and in-year transfers between revenue and capital.

Mr. Dobson asked the Secretary of State for Social Services if he will give the regional cash limits for both revenue and capital as originally announced for each financial year from 1979-80 to 1987-88.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Benefits (Claimants)

Mr. Tony Banks asked the Secretary of State for Social Services (1) how many supplementary benefit claims were referred to the office of the Chief Adjudication Officer for investigation of a claimant's entry status in the 12 months to the end of October 1986; and if he will provide a breakdown of the nationalities of those claimants;

(2) how many of the total number of supplementary benefit claimants referred to the office of the Chief Adjudication Officer for investigation of entry status were referred from local offices of his Department in the London north and London south regions, respectively; and if he will provide a breakdown of the nationalities of those claimants.

Mr. Lyell: Information is not available in precisely the form requested. Between 21 October 1985 and 21 October 1986, 1,470 supplementary benefit claims by people from outside the European Community were referred to the office of the Chief Adjudication Officer; a breakdown of these by nationality is not available. During the same period 1,587 claims by European Community nationals were notified, the breakdown of these by nationality being:

	Number
Belgium	36
Denmark	62
France	403
Italy	804
West Germany	197
Luxembourg	1
Netherlands	46
Portugal	12
Spain	15
Greece	11

Separate figures for different regions are not readily available and could be provided only at disproportionate cost.

Mobility Allowance

Mr. Madden asked the Secretary of State for Social Services how many applications for mobility allowance on behalf of children who are physically or mentally handicapped have been refused in each year since 1983; what proportion such applications represented of the total numbers of applications approved in each year; and if he will make a statement.

Mr. Major: I regret that information is not available in the form requested. The available information about decisions given on initial claims during the years in question is as follows:

	Number of claims on behalf of children under age 15 which were disallowed (1)	Column (1) as a percentage of all claims decided all ages (2)
1983	714	0·7
1984	770	0·7
1985	1,447	1·1
1986	1,443	1·0

Meningitis

Mr. Simon Hughes asked the Secretary of State for Social Services (1) what factors he takes into account when deciding whether to provide funding for meningitis research; what plans he has to increase the number of different studies of meningitis for which he provides funds; and if he will make a statement;

(2) what initiatives he has taken to raise the level of public awareness of the symptoms of meningitis;

(3) what steps he takes to ensure that all cases of meningitis are reported to the communicable disease surveillance centre.

Mrs. Currie: I shall let the hon. Member have replies as soon as possible.

Handicapped People (Day Care)

Mr. Kennedy asked the Secretary of State for Social Services if he has plans to increase the current level of provision of day care facilities for those suffering from lack of hearing and other handicaps; and if he will make a statement.

Mr. Major: The provision of day care facilities is the responsibility of local authorities which are best placed to consider the local needs and priorities for such services.

Social Fund

Mr. Best asked the Secretary of State for Social Services (1) if he will consult and invite comments from those voluntary organisations which provide residential and other services for supplementary benefit recipients when he publishes his consultation document on the social fund; and if he will make a statement;

(2) if he will consult the voluntary organisations representing single parents, the homeless, the elderly, the disabled and the poor and invite their comments when he publishes his consultation document on the social fund; and if he will make a statement.

Mr. Major: It is our intention to send the draft guidelines on which social fund officers will operate the

social fund for comment or information to a limited number of organisations, which would cover all the interest groups identified, shortly.

Prescription Charges

Mrs. Peacock asked the Secretary of State for Social Services if he will make it his policy to ensure that patients prescribed combined preparations of conjugated oestrogens and norgestrel as a hormone replacement therapy are charged on the basis of a single prescription.

Mr. Newton: We have no plans to do so.

Benefits

Mr. O'Brien asked the Secretary of State for Social Services what will be the total income allowed for a 15-year-old child after 6 April 1987 to a family dependent on supplementary benefit.

Mr. Major: Nomally £15·60.

Mr. O'Brien asked the Secretary of State for Social Services what will be the total supplementary benefit paid to a 16-year-old child after 6 April 1987.

Mr. Major: The requirements of a supplementary benefit claimant depend on his or her individual circumstances; the amount of benefit payable is the amount by which those requirements exceed the claimant's income, subject to certain disregards. The majority of 16-year-old claimants will get benefit as follows:

Circumstances and normal weekly requirements

(a) A member of someone else's household. £18·75.

(b) As *(a)* but with a dependent child. £24·35 plus £10·40 for the child.

(c) A householder. £30·40 plus appropriate housing costs.

(d) A boarder. For limited periods which are subject to certain exceptions, an amount for the board and lodging charge plus any meals not included in the charge (subject to certain limits) and £10 for personal expenses. Claimants remaining in the same board and lodging accommodation after the limited period has run out would be paid as in *(a)*.

In certain circumstances, additional benefit can be paid to meet extra needs such as a special diet.

Dr. Godman asked the Secretary of State for Social Services what is the average weekly payment of supplementary benefit paid to claimants aged under 25 years in *(a)* Scotland, *(b)* Strathclyde region and *(c)* Greenock and Port Glasgow.

Mr. Lyell [*pursuant to his reply*, 26 February 1987, c. *396*]: The average weekly payment of supplementary benefit paid to claimants aged under 25 years in Scotland in December 1984—the latest available information—was £26·81.

Source: Supplementary Benefit Annual Statistical Inquiry 1984.

Mr. Frank Field asked the Secretary of State for Social Services (1) if he will make a statement on changes to regulations in the position of young people leaving school at Easter who claim supplementary benefit;

(2) when he will publish new regulations governing the position of young people leaving school this Easter who wish to claim supplementary benefit.

Mr. Major [*pursuant to his reply*, 12 March 1987, c. *297*]: We have today laid before the House the report of the Social Security Advisory Committee, and our response, together with regulations giving effect to our proposals. The main purpose of the regulations is to treat local authority custodianship allowances equally favourably with adoption allowances for supplementary benefit purposes; to restore the Government's policy that supplementary benefit should not be paid to school leavers entered for examinations; to ensure that supplementary benefit is not paid to children who have left school before they may legally do so; and to add to the group of young people who may receive supplementary benefit while they remain at school. The regulations also make a number of other changes which the SSAC either made no comment on or agreed need not be referred to them. We welcome the SSAC's endorsement of all the proposals we put to them. The changes we are making are designed to be consistent with the Government's policies for young people. We have always believed that they should be encouraged to finish their studies and take their examinations and should remain dependent on their parents while they do so. Benefit arrangements should not be such as to induce them to leave school early and become unemployed. Where they are disadvantaged, we see it as the Government's duty to help them complete their schooling. And we want to facilitate as much as possible the absorption into normal family life of children who do not have parents caring for them.

Surrogacy

Mr. Peter Bruinvels asked the Secretary of State for Social Services if he will now seek to amend the Surrogacy Arrangements Act 1985 so as to ban all commercial surrogacy arrangements, following the ruling in a case at Salford Crown court that surrogate twins should remain with their natural mother; and if he will make a statement.

Mr. Newton: The consultation document "Legislation on Human Infertility Services and Embryo Research" invites views by the end of June on a number of surrogacy issues. These will be taken into account in the legislation we intend to introduce in the next Parliament.

Mr. Peter Bruinvels asked the Secretary of State for Social Services if he will call for reports from the chairmen of each regional health authority as to the number of surrogate births which has taken place in National Health Service hospitals; if he will list each such birth according to when and where it is recorded as having taken place; and if he will make a statement.

Mr. Newton: No. Unless the expectant mother drew the attention of the hospital to the precise circumstances of her pregnancy, a health authority would not be able to identify surrogate mothers.

Mass Screening (Stonehouse)

Dr. Marek asked the Secretary of State for Social Services when he expects to receive the results of the mass screening programme undertaken at Stonehouse, Gloucestershire.

Mrs. Currie [*pursuant to her reply*, 18 February 1987, c. *723*]: Preliminary results announced in December indicated that the proportion of carriers of meningitis found in the population of Stonehouse was 11 per cent.

—similar to findings in the population at large. One per cent. were found to carry the B.15 strain of meningococcal meningitis, and were treated with antibiotics.

I am pleased to say that the researchers have now almost completed their analysis of the samples taken and hope to send the Department results within the next two months.

Medical Statistics (Barnsley)

Mr. Patchett asked the Secretary of State for Social Services how many medical and other services have been privatised at Barnsley district general hospital since 1979; and what effect this has had on the wages of existing ancillary workers at the hospital.

Mrs. Currie [*pursuant to her reply*, 12 March 1987, c. 298]: The tenders for domestic, catering and laundry services which have been subject to the competitive tendering process in Barnsley health authority have been let in-house and generated an estimated annual saving of £326,000 for development in health care in the district. Full details are not available centrally. The hon. Member may therefore wish to contact the chairman of the Barnsley health authority for the information he seeks and also for details of any contractual arrangements affecting individual patients.

Whooping Cough Vaccine

Mr. Ashley asked the Secretary of State for Social Services (1) what progress is being made with the development of a new whooping cough vaccine;

(2) when the decision was taken to postpone the trials of new whooping cough vaccines; on which vaccines there were to have been trials; for what reasons the trials were postponed; and if he will make a statement.

Mrs. Currie [*pursuant to her reply*, 13 March 1987, c. 327]: A sub-committee of the Medical Research Council's committee on development of vaccines and immunological products is supervising the development of a new whooping cough vaccine and is co-ordinating arrangements for clinical trials of that and similar vaccines.

Requirements under section 31 of the Medicines Act 1968 on the safe conduct of clinical trials must be satisfied before such trials can be carried out in the United Kingdom. Information about particular applications cannot be given for reasons of commercial confidentiality.

AGRICULTURE, FISHERIES AND FOOD

Milk

Mr. Hunter asked the Minister of Agriculture, Fisheries and Food how much milk has been produced by each European Economic Community country; what proportion of each European Community country's liquid milk has been converted into milk products; and what proportion of each European Community country's milk products has gone into intervention, in each year since 1979.

Mr. Gummer: Details of the quantities of milk produced in each member state of the European Community are contained in the "Agricultural Situation of the Community", a copy of which is available in the Library of the House. Information on the proportion of each member state's liquid milk production used for the production of milk products is not readily available. But table I shows the percentage of total milk utilisation (including imported milk) used for milk products (including fresh milk products and cream) by member state for the years 1979-85. Table II shows the percentage of each member state's production of butter and skimmed milk powder sold into intervention in each of the years 1979-86.

Table I

Percentage of total whole milk utilisation used for milk products by member state: 1979-85

Member State	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
Belgium	72	72	72	83	75	73	73
Denmark	85	83	85	85	85	86	84
Germany	80	80	80	77	80	78	76
France	68	71	70	70	72	71	70
Ireland	75	74	73	75	77	79	79
Italy	62	61	62	63	62	61	61
Luxembourg	77	77	74	73	69	69	69
Netherlands	87	85	93	95	95	93	93
United Kingdom	50	51	52	50	51	49	49
Greece	..	..	..	..	..	..	..

.. not available.

Source: EC dairy facts and figures.

Table II

Percentage of each member state's production of butter and skimmed milk powder (SMP) sold into intervention: 1979-86

Member state	*1979*		*1980*		*1981*		*1982*		*1983*		*1984*		*1985*		*1986*[1]	
	Butter	*SMP*	*Butter*	*SMP*	*Butter*	*SMP*	*Butter*	*SMP*	*Butter*	*SMP*	*Butter*	*SMP*	*Butter*	*SMP*	*Butter*	*SMP*
Belgium	29·7	6·2	3·7	10·0	0	8·1	3·8	19·4	26·7	44·6	17·5	-33·1	14·6	17·5	26·4	49·4
Denmark	1·3	0·1	0	0	0	17·3	2·3	24·9	8·1	62·7	0·6	0	10·8	16·7	6·0	53·8
Germany	34·1	21·3	19·1	12·1	0·8	23·5	11·0	30·4	32·7	44·2	32·9	35·9	27·1	28·8	31·6	43·0
France	6·0	0	2·0	1·3	1·3	3·7	4·9	3·9	21·7	10·6	16·7	3·0	13·4	4·2	20·8	8·1
Ireland	0	6·1	2·3	0	0	5·2	9·7	50·2	27·4	43·9	24·2	9·4	44·0	0	48·4	21·1
Italy	0	0	0	0	0	0	0·3	0	1·6	0	0·9	0	0·8	0	1·0	0
Luxembourg	37·5	31·8	22·5	0	1·4	24·8	0	37·4	3·7	36·7	12·0	23·1	13·1	0	9·4	30·8

[1] n/a

Member state	1979		1980		1981		1982		1983		1984		1985		1986[1]	
	Butter	SMP	Butter	SMP	Butter	SMP	Butter	SMP	Butter	SMP	Butter	SMP	Butter	SMP	Butter	SMP
Netherlands	11·9	3·6	1·9	1·4	0·1	11·1	7·3	27·2	38·4	47·8	33·6	21·1	37·2	14·1	44·7	46·9
United Kingdom	30·1	5·3	11·2	0·8	0·4	11·2	9·2	24·7	43·5	51·0	36·1	28·0	46·4	6·6	43·9	25·9
Greece	—	—	—	—	0	0	0	0	0	0	0	0	0	0	0	0

[1] Provisional.

Dairy Inspections

Mr. Best asked the Minister of Agriculture, Fisheries and Food (1) if he will set out in detail the different categories of costs which he has included in his assessment when fixing the charge for dairy inspection;

(2) what is the number of visits to each dairy farm in a year by inspectors he has assumed for the purposes of fixing the charge per visit.

Mr. Gummer: As my right hon. Friend explained in the debate which took place on 2 March, we have assessed the cost of the whole system. This includes the 45·7 man years which dairy husbandry advisory officers in the regions and in Wales spend on statutory work (including the management of statutory work), their travel and subsistence costs, the 1·5 man years which senior ADAS staff devote to this work, and the 28·4 man years which the Ministry's administrative staff in the regions and at headquarters devote to it. In addition, local and central overheads (accommodation costs and so on) have been calculated. The total (£1·8 million) was divided by the expected number of routine visits (approximately 20,000) resulting in a figure of £90. The figure of 20,000 includes routine visits to wholesale producers, on average once every two years, and visits to untreated licence holders which take place twice every 18 months.

Food from Britain

Mr. Tom Cox asked the Minister of Agriculture, Fisheries and Food what assessment he had made of the likely contribution from the farming industry to Food from Britain.

Mr. Gummer: Food from Britain has drawn up a marketing budget of £4·3 million for 1987-88. The Government will contribute £2·1 million and the food and agriculture industries the remainder. I anticipate that contributions from the various agricultural sectors will total about £1·7 million.

Intervention Food Stores

Mr. John David Taylor asked the Minister of Agriculture, Fisheries and Food if he will give details of quantities and types of food held within European Economic Community intervention food stores in Northern Ireland; and if he will list their locations.

Mr. Gummer: At 31 December 1986 intervention stocks in Northern Ireland were as follows:

	Tonnes
Beef	
Antrim	2,653
Ballymena	883
Belfast	1,697
Coleraine	570
Craigavon	10,400
Dungannon	473
Lisburn	3,927
Newry	111
Newtownabbey	6,266
Omagh	2,321
Portadown	32
Strabane	241
Butter	
Annalong	680
Augher	1,001
Ballymena	133
Banbridge	5,136
Belfast	2,500
Craigavon	1,543
Lisburn	2,067
Londonderry	1,051
Omagh	840
Portadown	2,731
Strabane	3,222
Whitehead	1,097
Coleraine	2,730
Skimmed milk powder	
Banbridge	5,446
Coleraine	512
Moneymore	248
Strabane	1,949

Mr. Clay asked the Minister of Agriculture, Fisheries and Food pursuant to his reply of Monday 2 March, *Official Report*, column 526, if he will give details of the precise location of European Economic Community intervention food stores in *(a)* Sunderland, *(b)* Gateshead, *(c)* Newcastle-upon-Tyne, *(d)* North Tyneside and *(e)* South Tyneside.

Mr. Gummer [*pursuant to his reply*, 6 March 1987, c. *732*]: It is not the policy of this Ministry to publish commercially confidential information.

Cattle (Republic of Ireland)

Mr. John David Taylor asked the Minister of Agriculture, Fisheries and Food why payments of monetary compensatory amounts due to Northern Ireland farmers for purchases of cattle in the Republic of Ireland during the months of August, September, October and November 1986 still remain unpaid; and if he will make a statement.

Mr. Gummer: Under Community regulations the monetary compensatory amounts to which the hon. Member refers are paid by the Irish authorities on receipt of proof that the cattle have arrived at their intended destination in Northern Ireland. Provision of this proof in documentary form is provided by Her Majesty's Customs and Excise. As the claims in question await payment by the Irish authorities I am not able to provide the information the hon. Member requires.

Environmentally Sensitive Areas

Mr. Home Robertson asked the Minister of Agriculture, Fisheries and Food whether he will make available, from the additional funds to be provided for environmentally sensitive areas in 1988, moneys to establish second-tier payments in the West Penwith and Pennine dales environmentally sensitive areas.

Mr. Donald Thompson: The possibility of a two-tier system for West Penwith and the Pennine dales was carefully considered with local farming and environmental interests. In both cases it was decided that a single tier would be more effective. The provision of additional funds does not affect this conclusion.

Mr. Ron Davies asked the Minister of Agriculture, Fisheries and Food if he will review the operation and effectiveness of the statutory orders designating environmentally sensitive areas after one year; and if, after consulting the Countryside Commission, the Nature Conservancy Council and other appropriate interests, he will consider laying amended orders.

Mr. Donald Thompson: We shall keep the operation and effectiveness of these orders under regular review and I hope that it will be possible to publish a first report during 1988. We cannot prejudge the likely findings or consequences of that report.

Mr. Ron Davies asked the Minister of Agriculture, Fisheries and Food what steps he will take to ensure that farmers in environmentally sensitive areas, who have entered into management agreements, comply with the requirements of the statutory orders designating such areas; and how many staff he will make available in each environmentally sensitive area to supervise the agreements.

Mr. Donald Thompson: The monitoring arrangements now being established in all ESAs will include checks on compliance with the terms of management agreements through a combination of ground inspections and aerial photography. It is not possible to separate the staff time devoted to this aspect of ESAs from other related duties. Nevertheless, I can assure the hon. Member that we will be making available sufficient manpower to ensure the effective operation of the scheme.

Mr. Ron Davies asked the Minister of Agriculture, Fisheries and Food if he will make it his policy that, in the event of a breach of a management agreement in an environmentally sensitive area, which results in damage to wildlife habitats, he will require the land to be restored to its former condition.

Mr. Donald Thompson: I shall reply to the hon. Member as soon as possible.

Mr. Ron Davies asked the Minister of Agriculture, Fisheries and Food if he will indicate, in relation to the steering groups to be established in each environmentally sensitive area *(a)* what role these groups will play, *(b)* which statutory and voluntary bodies will be represented on the groups, *(c)* how often the groups will meet, *(d)* what access the groups will have to information on the management agreements drawn up in the environmentally sensitive areas; and if he will make a statement.

Mr. Donald Thompson: The role of the Ministry management groups will be to co-ordinate discussion of the operation and effects of environmentally sensitive areas. It will be the responsibility of the Ministry officials in each area to operate their group in the way that is most responsive to local needs rather than follow a centrally imposed agenda or terms of reference.

Co-responsibility Levies

Sir Richard Body asked the Minister of Agriculture, Fisheries and Food what is the total amount of co-responsibility levies so far paid by milk producers in each of the countries in the EEC.

Mr. Gummer: The total amount of co-responsibility levy collected in each member state since 1977 (when the levy was introduced) up to 31 December 1985 is as follows:

	Million ECU
Belgium	116·177
Denmark	181·271
France	782·339
Germany	855·472
Greece	n/a
Ireland	177·688
Italy	192·738
Luxembourg	8·874
Netherlands	462·594
United Kingdom	586·242
	3,363·395

Source: EC Commission FEOGA Financial Report.

Food Aid

Mr. Tom Cox asked the Minister of Agriculture, Fisheries and Food if he will list the EEC food surplus items now being given away in the United Kingdom and the amounts.

Mr. Gummer: The surplus foodstuffs now being given away in the United Kingdom are:

Butter
Beef (in the form of prepared meals)
Whole milk
Semi-skimmed milk
Cheese
Concentrated butter

The most recent figures of releases from intervention stores represent 44,526,800 million packs of butter and 7,426,000 million portions of beef. Charitable organisations are purchasing milk, cheese and concentrated butter from commercial sources, and claims for 53,216 pints of whole milk, 20,704 pints of semi-skimmed milk, 839 tonnes of cheese and 12,000 kg of concentrated butter have so far been received by the Intervention Board for Agricultural Produce.

Mr. Cohen asked the Minister of Agriculture, Fisheries and Food what representations he has received on the distribution of free EEC butter to the needy in Waltham Forest; and if he will make a statement.

Mr. Donald Thompson: I shall reply to the hon. Member as soon as possible.

Freezer Trawlers

Mr. Wallace asked the Minister of Agriculture, Fisheries and Food when he expects to announce the allocation of the three further freezer trawler licences.

Mr. Gummer: When the Fisheries Ministers have had the opportunity for careful consideration of the applications received.

Mr. Wallace asked the Minister of Agriculture, Fisheries and Food what criteria he will apply in considering applications for the three further freezer trawler licences.

Mr. Gummer: I would refer the hon. Member to the reply which I gave to the hon. Member for St. Helens, North (Mr. Evans) on 17 February.

Mr. Wallace asked the Minister of Agriculture, Fisheries and Food what was the total number of applications for freezer trawler licences by 1 March.

Mr. Gummer: Thirty two applications have been received from 27 applicants.

Cereals

Mr. Wilson asked the Minister of Agriculture, Fisheries and Food what information he has on the price and availability of cereals for the United Kingdom livestock sector.

Mr. Gummer: Extensive information on the price of home-grown feed grains is published weekly by the Home Grown Cereals Authority. Supplies are sufficient to meet normal demand over the rest of the season, including usual commercial carry-over stocks.

Mr. Maclennan asked the Minister of Agriculture, Fisheries and Food what estimate he has made of the likely effect upon *(a)* the price of cereals and *(b)* the costs of other sectors of the industry of the recent export under licence of over one million tonnes of cereals; what representations he has received about this export and the effects of this trade in general on other sectors; and what response he has made.

Mr. Gummer: Ex-farm prices of bread and milling wheats are lower than a year ago; those for feed wheat and barley are at about last year's level and remain below the intervention price. I have received some representations about the level of cereals exports but it is no part of our policy to sit on grain surplus to the season's requirements in an attempt to prevent the normal seasonal rise in prices on our market. I congratulate the industry on its record achievement which will enable us to end the season with lower intervention stocks.

Alternative Land Use

Mr. Lawrence asked the Minister of Agriculture, Fisheries and Food if he will make available to right hon. and hon. Members at no cost copies of "Farming UK, Rural Enterprise and Development, Action for Rural Enterprise and Farm Woodland Scheme" so that right hon. and hon. Members may be able to distribute them to farmers in their constituencies.

Mr. Donald Thompson: I shall reply to my hon. Friend as soon as possible.

Anti-fouling Compounds

Mr. Rus Davies asked the Minister of Agriculture, Fisheries and Food (1) when he expects his Department's Advisory Committee on Pesticides to report on the problem of trubutyl tin compounds; and if he will make a statement.

(2) what are the latest available estimates of the scale of use of tributyl tin compounds in agriculture.

Mr. Donald Thompson: I shall reply to the hon. Member as soon as possible.

Sheep

Mr. Maclennan asked the Minister of Agriculture, Fisheries and Food what steps Her Majesty's Government are taking to ensure a greater degree of access to the French non-pedigree and pure breed markets for United Kingdom sheep producers; and if he will make a statement.

Mr. Gummer [*pursuant to his reply*, 6 March 1987, c. *733*]: In April 1986 the Government introduced a new form of animal health certification to cover the export of breeding sheep from the United Kingdom to France. This certification, which enables United Kingdom producers to gain access to this market, was agreed with the French authorities after lengthy and detailed discussions.

Salmon Advisory Committee

Mr. Townend asked the Minister of Agriculture, Fisheries and Food when he expects to receive the report from the Salmon Advisory Committee on the influence of predators, including seals, on salmon stocks.

Mr. Gummer [*pursuant to his reply*, 9 March 1987, c. *89*]: As I explained in my reply to the hon. Member for Linlithgow (Mr. Dalyell) on 21 November 1986, we asked the Salmon Advisory Committee, in its early stages, to examine, first, the availability of information on the status of salmon stocks in Great Britain and, secondly, influences on the level of those stocks, including predators. The committee met for the first time on 26 February, when it held a preliminary examination of the first of these issues. It will meet again on 7 April to continue this examination. The committee will report on the various stages of its work as they are completed. As the committee's work has only just started and the issues are complex it would not be reasonable to forecast completion dates at this stage.

Milk and Dairies Regulations

Mrs. Ann Winterton asked the Minister of Agriculture, Fisheries and Food how many visits per day he expects to be carried out on average by his Department's inspectors as statutory inspections carried out under the Milk and Dairies and Milk (Special Designation) (Charges) Regulations (S.I., 1987, No. 212); and how long he estimates an inspector's visit made under the milk and dairies regulations last on average.

Mr. Gummer [*pursuant to his reply*, 10 March 1987, c. *146*]: Dairy husbandry advisory officers achieve between three and four visits per day but this is an average. In practice, DHAOs aim to devote complete days to farm visiting (during which they normally cover five farms) after which between one third and one half of a day is required for writing up the results and preparing for the next block of visits. Five visits per day is equivalent to approximately one and half hours per visit, which includes travelling time.

Mrs. Ann Winterton asked the Minister of Agriculture, Fisheries and Food (1) if he will give details of *(a)* the proposed salary structure and anticipated average salary and *(b)* the total number of inspectors employed to carry out visits under the Milk and Dairies and Milk (Special Designation) (Charges) Regulations (S.I. 1987, No. 212) whole-time equivalent;

(2) how many further inspectors are to be employed by his Department to carry out visits under the Milk and Dairies and Milk (Special Designation) (Charges) Regulations (S.I., 1987, No. 212).

Mr. Gummer [*pursuant to his reply*, 10 March 1987, c. *146*]: The salary scales for the various grades of dairy husbandry advisory officers are as follows:

	£
Grade I	15,410-20,741
Grade II	12,595-15,893
Grade III	8,463-13,412
Grade IV	6,711-9,225

The complement for these grades is currently 104 and they are expected to devote 45·7 man hours (mostly at Grade III level) to statutory work in 1987-88.

I have no plans to increase these numbers.

Mrs. Ann Winterton asked the Minister of Agriculture, Fisheries and Food if he will estimate the number of farms which fall into the smaller farms category as defined by the Milk and Dairy and Milk (Special Designation) (Charges) Regulations (S.I., 1987, No. 212).

Mr. Gummer [*pursuant to his reply*, 10 March 1987, c. *146*]: According to 1986 census data, approximately 6,500 holdings and between one and 19 dairy cows and will therefore qualify for the lower rate of charge.

Dairy Cows

Mr. McLoughlin asked the Minister of Agriculture, Fisheries and Food if, further to his answer to the hon. Member for Derbyshire, West of 17 February, *Official Report*, column *604*, he will list those countries in Europe which pay compensatory allowances on dairy cows in designated less favoured areas, giving details of restrictions as to numbers and areas and variations in the levels of payments.

Mr. Gummer [*pursuant to his reply*, 12 March 1987, c. *302*]: The information requested of the payment of compensatory allowances on dairy cows in other member states has been provided by the European Commission and is as follows:

Payment of compensatory allowances on dairy cows in each member state

Member state	*Payment per cow*	*Restrictions*
France		
High mountain areas (above 1,200m)	98·99 ecu	maximum of 40
Other mountain areas	54·56 ecu	maximum of 40
Zone Piedmont	23·43 ecu	maximum of 20
Netherlands	52·80 ecu	maximum of 20
Belgium		
from 1-10	61·62 ecu	maximum of 20
11-20	41·13 ecu	maximum of 20
Luxembourg		
Part time farmers:		
1-10	48·00 ecu	maximum of 20 dairy cows (40 cows in total)
11-20	32·70 ecu	
Full time farmers: supplement of 22 ecu per cow		
Ireland		
from 1-8	42·00 ecu	applies only in most severely disadvantaged area
9-10	37·33 ecu	
Greece		
Mountain areas		
from 1-10	59·60 ecu	maximum of 30
11-20	44·95 ecu	maximum of 30
21-30	25·40 ecu	maximum of 30
Other LFA		
from 1-10	49·83 ecu	maximum of 10
Portugal		
Hill/Mountain areas (above 800m)		
1-10	96·00 ecu	maximum of 30
11-20	82·00 ecu	maximum of 30
21-30	75·00 ecu	maximum of 30
400-700 metres north of Tagus and 600-800 metres south of Tagus		
1-10	70·00 ecu	maximum of 20
11-20	60·00 ecu	maximum of 20
Remaining LFA		
1-10	60·00 ecu	maximum of 20
11-20	44·00 ecu	maximum of 20
Italy		
Payments made on dairy cows, but rate differs depending upon region and size of herd. Maximum varies between 10-29 cows.		
Germany		
Systems differ from region to region, but rate varies between 25-67 ecu per cow. Maximum of 20-40 cows in mountain areas.		
Spain		
Payments made in mountain areas only:		
Basic amount of 6,000 pesetas per cow adjusted as follows:		
	less than 5 cows	× 1·0
	6-10 cows	× 0·9
	11-20 cows	× 0·8
	21-25 cows	× 0·4

Notes: ecu—European Currency Unit.

Butter and Meat

Mr. Williams asked the Minister of Agriculture, Fisheries and Food (1) what representations he has received regarding the adequacy of Government advertisements and publicity intended to inform the public about the categories of people who qualify for European Economic Community butter and meat; and if he will make a statement;

(2) if he will clarify the criterion relating to disadvantage in other ways which applies to the categories of people who qualify for European Economic Community butter and meat.

Mr. Gummer [*pursuant to his reply*, 13 March 1987, c. *339*]: I have received some correspondence relating to the

detailed information given about the categories of people eligible to receive free food. My Department has issued several press releases and information notes briefing the public and to direct them to the charitable organisations which are arranging the distribution. The charitable organisations have received guidance on the question of eligibility. In addition to certain specific categories, the term "disadvantaged in other ways" has been used in the guidance to allow a degree of flexibility. The charities have been asked to use their common sense and discretion in interpreting it.

Agricultural Support

Mr. Ralph Howell asked the Minister of Agriculture, Fisheries and Food (1) if he will publish, on the same basis as the reply to the hon. Member for Norfolk, North on 14 May 1984, *Official Report*, columns 55-56, the net cost to the Exchequer of agricultural support as a percentage of gross domestic product in each year since 1960-61 and projections for 1987-88 and 1988-89;

(2) if he will state on a similar basis to his reply to the hon. Member for Norfolk, North on 21 May 1984, *Official Report*, column *349*, what was *(a)* the gross cost and *(b)* the net cost to the Exchequer of all agricultural support for each year since 1960 to 1985 including that forecast for 1986-87; and if he will also show the net cost as a percentage of gross domestic product in each case.

Mr. Gummer [*pursuant to his reply*, 13 March 1987, c. *339*]: The gross and net cost to the Exchequer of all agricultural support for each year since 1960-61 is given in the following table.

The net cost includes reimbursements from the Community under the CAP. It does not take account of the United Kingdom's contributions to the Community budget.

The table also includes the net expenditure in agricultural support in the United Kingdom expressed as a percentage of gross domestic product for each year since 1960-61, together with projections for 1987-88 and 1988-89.

Financial year	*Expenditure on Agricultural Support*		*Gross Domestic Product at Current Market Prices*	*(c) as a Percentage of (d)*
	Gross (b)	*Net (c)*	*(d)*	*(e)*
1960-61		263	26,180	1·01
1961-62		343	27,732	1·24
1962-63		310	29,106	1·07
1963-64		294	31,137	0·94
1964-65		264	34,102	0·77
1965-66		237	36,401	0·65
1966-67		229	38,918	0·59
1967-68		262	41,155	0·64
1968-69		269	44,616	0·60
1969-70		281	47,717	0·59
1970-71		257	52,839	0·49
1971-72		323	59,460	0·54
1972-73	267	266	66,958	0·40
1973-74	392	315	74,604	0·42
1974-75	495	325	89,242	0·36
1975-76	512	248	111,866	0·22
1976-77	378	198	130,615	0·15
1977-78	460	271	151,248	0·18
1978-79	538	209	172,495	0·12
1979-80	677	265	206,294	0·13
1980-81	1,012	406	237,046	0·17
1981-82	972	230	259,296	0·09
1982-83	1,432	609	283,583	0·29
1983-84	1,714	493	305,108	0·16
1984-85	1,706	502	324,894	0·15
1985-86	2,160	878	360,000	0·24
1986-87 (Forecast)	1,577	246	380,000	0·06
1987-88 (Forecast)	1,899	510	407,000	0·13
1988-89 (Forecast)	2,028	605	431,000	0·14

Sources:
(b) and *(c)* 1960-61 to 1986-87 Annual Review White Papers (Years 1982-83 to 1984-85 subject to correction)
1987-88 to 1988-89 The Government's Expenditure Plans 1987-88 to 1989-90 (Cm 56-II)
(d) 1960-61 to 1984-85 CSO Economic Trends Annual Supplement 1986 Edition
1985-86 and 1986-87 Autumn Statement (Cm 14)
1987-88 and 1988-89 Table 2.5 of Financial Statement and Budget Report 1986-87 (HoC No. 273)

JACNE

Mr. Meadowcroft asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the continuing responsibilities within JACNE.

Mr. Newton: I have been asked to reply.

I refer the hon. Member to my reply to the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) on 10 March, at column *169*.

Written Answers to Questions

Tuesday 17 March 1987

TRANSPORT

Traffic Management

Mr. Silkin asked the Secretary of State for Transport, how many environmental traffic management schemes which include or included a street closure have been submitted to his Department since April 1986; when his Department took power over designated and trunk roads from the Greater London council; and how many such schemes have been *(a)* accepted and *(b)* rejected, showing to which of the London boroughs the acceptance or rejection refers.

Mr. Peter Bottomley: We do not keep central records of local authorities' environmental traffic management schemes or street closures.

Since April 1986 I have approved 199 and objected to 13 of London boroughs' proposals notified to me under the designated road provisions in schedule 5 to the Local Government Act 1985. Designated road notifications involving street closures could be separately selected only at disproportionate cost.

Transport Services (South Africa)

Mr. Cohen asked the Secretary of State for Transport what contracts are in course of negotiation between London Regional Transport and United Transport International; what is his policy towards the participation in contracted-out transport services of firms operating similar services in South Africa; and if he will make a statement.

Mr. David Mitchell: Contracts involving London Regional Transport are matters for the parties concerned. The international affiliations of those seeking contracts from LRT is not a material consideration in the award of such contracts.

I understand that United Transport International operates bus companies widely in several countries in Africa, including South Africa and Zimbabwe.

Roll-on/Roll-off Ferries

Mr. Michael Morris asked the Secretary of State for Transport whether, as an interim safety measure for all roll-on/roll-off ferries, he will take steps to ensure that not only a warning light is fitted but also an audio signal in relation to loading doors.

Mr. Moore: As an interim measure my Department is recommending to all owners of roll-on/roll-off ferries that warning lights should be fitted on the bridge to show whether or not car loading doors are properly closed. This safety measure will be reviewed in the light of what emerges from the formal investigation.

Channel Tunnel

Mr. Chapman asked the Secretary of State for Transport what assessment he has made of the implications of the Channel tunnel for the transport infrastructure in the north of England and Scotland.

Mr. David Mitchell: British Rail is presently examining the scope for developing long distance services through the tunnel to all parts of the country. The Government will be ready to approve any commercially justified proposals by British Rail for infrastructure investment to facilitate such services when the time comes.

Zeebrugge Ferry Disaster

Mr. Peter Bruinvels asked the Secretary of State for Transport, pursuant to his reply to the hon. Member for Leicester, East on 12 March, *Official Report*, column 283, what steps he takes to satisfy himself as to the completeness and accuracy of returns of the numbers of passengers carried in ships; if he has any plans to seek to amend the Merchant Shipping (Passenger Returns) Regulations 1960 so as to require such returns to include details of passengers' names, addresses and nationalities; and if he will make a statement.

Mr. Moore: The returns are required primarily for Customs purposes (which are a matter for my right hon. Friend the Chancellor of the Exchequer) although they are later sent to my Department for the preparation of shipping statistics. A requirement to compile details of the names, addresses and nationalities of all ferry passengers would impose a considerable burden on the shipping companies, and an inconvenience to the travelling public without making any direct contribution to safety. Nevertheless I will consider the possibility further in the light of the disaster at Zeebrugge.

Shared Taxi Schemes

Mr. Hancock asked the Secretary of State for Transport if he will make a statement on the impact of shared taxi schemes since deregulation of buses.

Mr. David Mitchell: Deregulation is proving a success story across the country as a whole; services have been broadly maintained while many local authorities have achieved substantial savings in subsidy levels.

Innovation in forms of public transport is also being introduced. Over 150 towns and cities now have minibus services, and taxi operators are running some 55 local regular services. The Department will be introducing a shared taxi scheme in London later this year. I have no doubt that the taxi trade and the local authorities will then make increasing use of the new opportunities provided by the Transport Act 1985 for both regular local services and shared taxi schemes as a means of improving services for the public.

Shrewsbury Bypass

Mr. Conway asked the Secretary of State for Transport what representations he has made to have the notice of application to the High Court to quash in whole or part the orders made to authorise construction of the A5 Shrewsbury bypass heard at an early date; and if he will make a statement.

Mr. Peter Bottomley: Acting on my behalf the Treasury Solicitor has, after seeking and obtaining the agreement of the applicants to a joint approach to the court applied for an expedited hearing. This application to expedite will be determined on 18 March. I hope that the court will be able to hear this case at an early stage so as to bring to an end the continuing uncertainty.

Motorways (Lighting)

Mr. Peter Bruinvels asked the Secretary of State for Transport if, pursuant to his answer to the hon. Member for Leicester, East of 11 March, he will provide comparable figures for accident rates at night on lit sections of the motorways referred to; and if he will provide comparable figures in relation to *(a)* lit and *(b)* unlit sections in those years prior to 1985 for which figures are available.

Mr. Peter Bottomley: The following information is readily available.

	Night time accidents per kilometre	
	Lit sites	*Unlit sites*
M1		
1983	0·98	0·62
1984	1·28	0·64
1985	1·40	0·60
M6		
1983	0·68	0·49
1984	1·07	0·50
1985	0·67	0·47
M5		
1983	0·35	0·22
1984	0·52	0·43
1985	0·98	0·56

Night-time accidents are defined as those occurring between half an hour after sunset and half an hour before sunrise.

Car Horns

Mr. Gale asked the Secretary of State for Transport if he has any plans to seek to amend the legislation on the use of car horns between the hours of 11 pm and 7 am; if he has received any representations on this exclusion; and if he will make a statement.

Mr. Peter Bottomley: We cannot trace recent representations on this subject. We have no plans to amend the regulations.

Careline Service

Mr. Wallace asked the Secretary of State for Transport what recent discussions his Department has had with representatives of disabled groups concerning the careline service between Heathrow airport and the London rail terminals.

Mr. Peter Bottomley: An informal discussion was held on 4 February with the Disabled Persons' Transport Advisory Committee when proposals for London Regional Transport's careline service were being developed. The committee has since welcomed the new arrangements. We have also been in correspondence with a wide range of disability groups on this matter.

Transport Act 1974

Mr. Wallace asked the Secretary of State for Transport if he has any plans to review the current level of enforcement of section 7 of the Transport Act 1974; and if he will make a statement.

Mr. Peter Bottomley: We are awaiting views from all those we have consulted about our recent discussion paper "Pavement Parking—Curbing an Abuse".

Roads (Condition Survey)

Mr. Forth asked the Secretary of State for Transport when he will publish the results of the national road maintenance condition survey for 1986; and if he will make a statement.

Mr. Peter Bottomley: I am today publishing the report of the survey. A copy has been placed in the Library. The survey is one in an annual series sponsored jointly by the Department and local authority associations. It involves a sample survey of defects in all classes of road other than motorways.

The results of the survey indicate that, while conditions remain worse than when the survey started in 1977, recent deterioration has been concentrated on minor roads. In the case of trunk roads, for which the Department is responsible and which have been carrying a substantially increased volume of heavy goods vehicles, the previous trend of deterioration appears to have been halted. In the case of rural principal and classified roads, conditions are substantially what they were in 1977 when surveys started. There has been a significant deterioration since that year in the condition of urban principal roads. The condition of urban classified roads appears to be stable.

The Government have already committed themselves to a programme of works to catch up on the backlog of maintenance on national roads. Priority has been given to motorways (not covered by the survey) where the annual rate of renewal has doubled since 1979. In the current financial year we have also stepped up renewal of other trunk roads. It is too early for this to be fully reflected in survey results. We aim to eliminate the backlog of repairs on the trunk roads system as a whole by 1992.

In the case of local roads, we have increased provision for expenditure on maintenance by 13 per cent. for 1987-88, continuing a run of increases well above the rate of inflation. It is for local authorities to determine the priorities for spending the funds made available. We hope that they will give a proper priority to road maintenance.

With the funds available at national and local levels and the measures we are taking to secure efficient use of resources at both levels there is a good prospect in the next four to five years of eliminating the effects of past neglect and securing high standards of maintenance on the network as a whole.

London (Traffic Management)

Mr. John Hunt asked the Secretary of State for Transport when he expects to issue his traffic management guidance for London; and if he will make a statement.

Mr. Peter Bottomley: We hope to issue this shortly. Our aim will be to foster measures to handle London's existing traffic more efficiently, reliably and safely on the roads best suited for this purpose. This will be to the benefit of all road users, whether by public or private transport, in

vehicles or on foot. It will also offer new opportunities to divert traffic from unsuitable residential roads, and to create a better and safer environment for all.

ENVIRONMENT

Docklands

Mr. John Fraser asked the Secretary of State for the Environment if he will place in the Library a copy of his reply to a letter dated 23 February from the docklands consultative committee to his Department about urban development corporations and the docklands in London.

Mr. John Patten: Yes.

Derelict Land

Mr. Heddle asked the Secretary of State for the Environment, further to his answer of 27 February to the hon. Member for Mid-Staffordshire, *Official Report*, column *437*, regarding the number of schemes for which derelict land grants have been paid in Staffordshire for the last five years, if he will publish in the *Official Report* full details of the schemes which have attracted a grant in the Mid-Staffordshire parliamentary constituency.

Mr. John Patten: Statistics of derelict land grant totals for whole local authority areas are readily available. To produce similar totals for parliamentary constituencies which cover only parts of several local authorities would require disproportionate expenditure and would also divert staff from the priority task of processing current applications. I hope that the proposed computerisation of derelict land grant records will enable us to provide a better statistical service in the future.

Local Authority Rents

Mr. Tony Banks asked the Secretary of State for the Environment (1) if he will list in the *Official Report* the total rent roll for local authority dwellings in 1985-86 in each of the London boroughs, and the total rent roll for local authority dwellings in England as a whole;

(2) if he will list in the *Official Report* the arrears owed to each of the London boroughs in 1985-86 by *(a)* current tenants and *(b)* former tenants; and if he will list the arrears owed in local authority dwellings in England as a whole by *(a)* current tenants and *(b)* former tenants.

Mr. Tracey: The figures requested are available in the Library. I refer the hon. Member to the reply by my hon. Friend the Minister for Housing, Urban Affairs and Construction to my hon. Friend the Member for Mid-Staffordshire (Mr. Heddle), on 10 December 1986, at columns 188-89.

HIP Allocations

Mr. Simon Hughes asked the Secretary of State for the Environment if he will provide figures for the housing investment programme allocation for the London borough of Southwark for each year from 1978-79 to 1987-88 *(a)* at current prices and *(b)* at constant prices.

Mr. Tracey: Housing investment programme allocations and capital expenditure on housing for the London borough of Southwark for these years have been as follows:

£ million

	Cash terms		*Real terms (1985-86 prices)*	
	HIP allocation	*expenditure*	*HIP allocation*	*expenditure*
1978-79	47·685	47·301	89·951	89·227
1979-80	54·068	56·059	87·275	90·489
1980-81	41·747	42·166	56·804	57·374
1981-82	22·454	30·247	27·810	37·461
1982-83	41·472	46·474	47·900	53·677
1983-84	33·916	49·820	37·490	55·070
1984-85	30·967	37·015	32·826	39·237
1985-86	26·779	43·024	26·779	43·024
1986-87	31·767	[1]51·027	30·842	[1]49·541
1987-88	29·492	—	27·598	—

[1] Estimated by the authority.

The figures for total expenditure reflect the use the authority has been able to make of the various sources of capital spending power available to it including, since 1981-82 its receipts from the sale of assets.

Fish Farming

Mr. Colvin asked the Secretary of State for the Environment if he will issue a circular to planning authorities on the lines of that issued in Scotland, clarifying their locus, and emphasising the special relevance of water authority views on applications in respect of fish farms; and if he will make a statement.

Mr. John Patten: I have no plans to issue a circular of this kind. There is already a requirement on local planning authorities in England and Wales to consult the relevant water authority when they receive planning applications for fish farms which involve works or operations either in the bed or on the banks of a river, and to take account of any representations received in determining the application. Water authorities control discharges from fish farms under the Control of Pollution Act 1974. Certain abstractions for fish farming purposes require licences from the water authority under the Water Resources Act 1963 and the Government have expressed their intention of bringing all such abstractions under control.

Mr. Colvin asked the Secretary of State for the Environment what information he has as to what action

is being taken by water authorities in England to rear fish to meet the restocking requirements of their rivers and waterways.

Mr. Gummer: I have been asked to reply.

Information on the restocking of salmon by the regional water authorities in England and Wales is published annually in summary form by my Department's fisheries laboratory at Lowestoft. A copy of the latest publication "Salmon and Migratory Trout Fisheries Statistics for England and Wales, 1985" is being placed in the Library of the House. Information on restocking and on the rearing of fish for restocking purposes is also published by some water authorities in their annual reports to Ministers, which are also available in the Library of the House.

Water Pollution

Mr. Colvin asked the Secretary of State for the Environment what action has been taken by his Department in the light of the publication by the Thames water authority of the "Performance of Sewage Works — Annual Report 1985", with specific reference to the number of sewage works which failed to comply with their consents in 1985.

Mr. John Patten: The reports compiled by water authorities on the performance of their sewage treatment works in 1985 were voluntary and did not have to be submitted to the Department. However, all water authorities will be submitting formal reports for 1986 on the compliance of these works with consent conditions. Some have already been received and the rest are expected in the near future. We shall be examining the reasons for non-compliance and discussing with individual water authorities the action they propose to take to remedy the shortcomings identified in these reports. I envisage that Her Majesty's inspectorate of pollution — through its new water pollution inspection arm — will have an important role in this.

Elderly Persons' Dwellings (Poole)

Mr. Hancock asked the Secretary of State for the Environment why he overturned the decision of the inspector at the public inquiry concerning the planning application to build elderly persons' dwellings on land off Petersham road, Poole Dorset.

Mr. Tracey: The Secretary of State has not overturned any decision by an inspector relating to a proposal for elderly persons' dwellings on this site.

Commission for the New Towns

Mr. Murphy asked the Secretary of State for the Environment if he will make a statement on the achievements of the Commission for the New Towns since May 1979.

Mr. John Patten: The Commission for the New Towns is currently responsible for the assets and liabilities in 13 towns in England, nine of which have been inherited from former new town development corporations since 1979. The commission's main task, set out in the New Towns Act 1981 (as modified by the New Towns and Urban Development Corporation Act 1985) is one of disposal of property.

The commission has achieved total sales between 1979 and December 1986 resulting in income of some £624 million. Development projects initiated by new town corporations have been completed. The commission has been able to finance this investment entirely from the proceeds of the sale of assets and its revenue surplus.

The commission's disposals programme is an important component of the Government's policy for transferring assets from the public to the private sector and in promoting greater choice through competition. The disposals programme is currently running at approximately £140 million per annum.

Housing (Portsmouth)

Mr. Hancock asked the Secretary of State for the Environment what information he has as to how many empty council houses there are in the ownership of Portsmouth city council at the latest available date.

Mr. Tracey: Information on the council's housing stock within the city boundaries, including the number vacant, is contained in its HIP return, which is in the Library. For the total vacant, including overspill housing, the hon. Member should refer to the council's chief executive.

Mr. Hancock asked the Secretary of State for the Environment what information he has on the proportion of the money allocated to the Housing Corporation in the coming year to be given to Portsmouth.

Mr. Tracey: Allocations to particular local authority areas are a matter for the Housing Corporation. I understand that it has now allocated about 5 per cent. of the resources for new projects in its west region to schemes providing homes for rent and for sale in Portsmouth.

Ansell's Brewery Site (Birmingham)

Mr. Rooker asked the Secretary of State for the Environment how much derelict land grant has been paid in respect of the site of the former Ansell's brewery in Birmingham; and by how much this was affected by income from scrap.

Mr. John Patten: Birmingham city council has not yet submitted a claim for grant payment in respect of this site, although reclamation works totalling £300,000 have been approved for derelict land grant. The contract for this work stipulated that all salvaged building materials obtained from demolition or clearance (except items specifically excluded) should become the property of the contractor and it was therefore up to the contractor to make any such allowance in the tender price he submitted.

Notting Hill Trust

Mr. Greenway asked the Secretary of State for the Environment whether his Department has given a housing association grant to the Notting Hill Trust for the development of open land at the rear of Holsbury road east and Holsbury road west, Northolt, for houses and flats; and if he will make a statement.

Mr. John Patten: I am aware that housing associations are interested in developing part of this site, but no grant-funded schemes have been submitted to the Department.

European Pearl Mussel

Dr. David Clark asked the Secretary of State for the Environment whether he has plans to introduce measures to protect the European pearl mussel, margaritefera margaritefera.

Mr. Waldegrave: The Nature Conservancy Council has recently recommended protection for the pearl mussel (margaritefera margaritefera) following its quinquennial review of protected animals and plants covered by schedules 5 and 8 to the Wildlife and Countryside Act 1981. The Secretary of State is currently considering that recommendation in the light of representations received from other interested parties, with a view to announcing his decision by the summer.

Homeless People

Mr. Greenway asked the Secretary of State for the Environment (1) what information he has as to which local authorities *(a)* impose and *(b)* do not impose a test of previous local residence as a qualification for inclusion on the list of homeless people; what information he has as to the effect of such a test on the length of the list of homeless; and if he will make a statement;

(2) if he will introduce legislation to require local authorities to impose a test of previous local residence as a qualification for inclusion on the homeless list; and if he will make a statement.

Mr. Tracey: Section 67 of the Housing Act 1985 provides for the reference to another local authority of homeless people who have a local connection elsewhere in Great Britain. The detailed definitions of local connection and the operation of referral arrangements are the subject of an agreement between the local authority associations. Some 800 households a year are transferred between authorities on the basis of this agreement. No national breakdown by type of local connection is available, but we expect to obtain some information through the Department's research into homelessness. My right hon. Friend has no immediate plans to impose requirements in this field.

Ozone Layer

Dr. David Clark asked the Secretary of State for the Environment if he will make a statement about the current position of European Economic Community countries in the negotiations designed to formulate a protocol to protect the ozone layer under the Vienna convention.

Mr. Waldegrave: The Environment Council last November gave the Commission a mandate to participate in negotiations, along with EC member states, on the basis that existing Community measures were intrinsically sound but that some modifications might be required. At the Council on 19-20 March, at which I shall represent the United Kingdom, Environment Ministers will consider the Community's position for the next round of negotiations in April.

Richmond Terrace

Mr. Amess asked the Secretary of State for the Environment what are his current plans for the use of Richmond terrace and the new building on Richmond yard.

Mr. Chope: The Government have now decided that the majority of the space in Richmond terrace and in the new building on Richmond yard should be used to house the Secretary of State for Social Services and part of his departmental headquarters.

Planning Appeals

Mr. Macfarlane asked the Secretary of State for the Environment if he has any plans to reduce the time taken to process planning appeals referred to his Department; and if he will make a statement.

Mr. Waldegrave: The Government stated in their response to the fifth report from the Environment Committee, Session 1985-86, "Planning: Appeals, Call-in and Major Public Inquiries" (Cm. 43) that their principal objective with respect to the planning appeals system is to achieve a sharp reduction of the time taken in normal circumstances to reach a decision in all types of appeal, but without reducing the quality of decision. Many improvements in policy and procedure have already been made to achieve this objective. Detailed reviews over the last three years have identified necessary changes in legislation, guidance and administrative practice, some of which have already been implemented. Further changes are in train.

I shall write to my hon. Friend with details of the intended acceleration in the median times for deciding the various types of case.

Mr. Macfarlane asked the Secretary of State for the Environment if he will list the planning appeals currently awaiting his decision in the London and south-east region where his inspectors completed their reports in *(a)* September 1986, *(b)* October 1986, *(c)* November 1986, *(d)* December 1986 and *(e)* January 1987.

Mr. Waldegrave: The following section 36 planning appeals recovered for determination by the Secretary of State are currently with the Department's Greater London and south-east regional offices.

Inspector's report received	*Local planning authority*	*Proposed development*	*Location*
September 1986	Bracknell	Residential development	East of Wicks Green, Binfield
October 1986	Hillingdon	6 flats, 2 houses	Rickmansworth Road, Northwood
November 1986	Reigate and Banstead	Retail superstore	Reigate Road, Burgh Heath

Inspector's report received	Local planning authority	Proposed development	Location
December 1986	New Forest	Residential development	Testwood House Farm, Totton
	Tower Hamlets	4 buildings for office and industrial use	Wood Wharf, Business Park, Isle of Dogs
January 1987	Bracknell	Residential development	Warfield
	Tunbridge Wells	Retirement and starter homes	Furnace Lane, Horsmonden
	Westminster	Retention of blind over restaurant	23 Haymarket, SW1

Play Board

Ms. Harman asked the Secretary of State for the Environment if he will make a further statement on the future of Play Board.

Mr. Tracey: On 5 March Play Board resolved to withdraw from negotiation about the proposal that its role and functions be merged with the Sports Council, and to enter into liquidation. I am undertaking urgent discussions with the Sports Council about how best to take forward the Department's continuing support for children's play.

European Regional Development Fund

Mr. Pike asked the Secretary of State for the Environment if he will indicate the amount of money available for the last round of bidding under the European regional development fund textile non-quota measures.

Mr. Tracey: The Department is responsible only for the administration of non-quota measures for infrastructure projects within England. Out of a total of £21,529,000 originally made available for these measures over a five-year period, the sum of £11,218,235 remains to be allocated.

Truscon RD27 Houses, Liverpool

Mr. Wareing asked the Secretary of State for the Environment what further action he is taking in respect of Truscon RD27 houses in Storrington avenue, Liverpool, subsequent to the recent correspondence between his Parliamentary Under-Secretary of State and the hon. Member for Liverpool, West Derby.

Mr. Tracey: I shall answer this question shortly.

Thamesmead

Mr. Tony Banks asked the Secretary of State for the Environment what discussions have taken place between his Department and both the London residuary body and Thamesmead Town Ltd., regarding the terms of sale and a sale price for the land and buildings of Thamesmead; and what factors were taken into account when agreeing this price.

Mr. Chope: This Department has had full discussions with both the LRB and Thamesmead town regarding the terms of sale and sale price for the land and buildings at Thamesmead. In doing so, the Department has taken into account the need for the terms to be fair and reasonable to London ratepayers while allowing for the completion of the development of Thamesmead, the management of the housing and commercial property and the sale assets.

Mr. Tony Banks asked the Secretary of State for the Environment what will happen to the receipts from the sale of Thamesmead; how much of the total sale price will be paid initially by Thamesmead Town Ltd. to the London residuary body; and how further payments will be arranged.

Mr. Chope: Receipts from the sale of Thamesmead will go to the LRB for distribution in accordance with the Local Government Reorganisation (Capital Money) (Greater London) Order 1987. We shall make an announcement shortly on the terms of the sale.

Mr. Tony Banks asked the Secretary of State for the Environment if he will list in the *Official Report (a)* the number of both tenants and owner-occupiers as a percentage of the population of Thamesmead and *(b)* the percentage of both tenants and owner-occupiers who voted in favour of a trust headed by Mr. Clive Thornton in October 1985 in the poll organised by his Department.

Mr. Chope: The population of Thamesmead comprises about two thirds tenants and one third owner-occupiers: according to 1985 figures, 5,500 dwellings are tenanted and 3,000 owner-occupied. During the consultation exercise the Department gave a commitment that voting patterns would not be disclosed.

Fish Disease

Mr. Colvin asked the Secretary of State for the Environment if he will review the adequacy of his Department's inspection and other machinery in relation to the control of fish disease; and if he will make a statement.

Mr. Gummer: I have been asked to reply.

Legislative controls and the work of this Department in seeking to prevent the introduction and spread of fish diseases are kept under review. Important changes in the machinery for dealing with fish diseases were made as a result of the Diseases of Fish Act 1983, including a provision for the registration of fish and shellfish farming businesses which was implemented in 1985. Earlier this year controls on the import of ungutted salmon and trout came into operation to safeguard against the introduction of the serious fish diseases VHS (viral haemorrhagic septicaemia) and IHN (infectious haematopoietic necrosis).

Sports Council

Mr. Madden asked the Secretary of State for the Environment what representations he has received from Yorkshire and Humberside about the Sports Council's grant-in-aid for 1987-88; and if he will make a statement.

Mr. Tracey [*pursuant to his reply*, of 16 March 1987]: My right hon. Friend received a letter from the chairman of the Yorkshire and Humberside council for sport and recreation on 9 March expressing the council's concerns about the level of the Sports Council's grant-in-aid for 1987-88. When the Sports Council was told of the £6,372,000 increase in its grant for 1986-87—an uplift of 16 per cent. in real terms over the previous year—it was made clear to it that it could not expect a higher figure in 1987-88. Between 1979 and 1986 the council's grant has gone up by 42 per cent. in real terms. Its effective work has our continued strong support and confidence.

NORTHERN IRELAND

Housing Executive

Mr. John David Taylor asked the Secretary of State for Northern Ireland how many dwellings are owned by the Northern Ireland Housing Executive in the areas in which are located (i) Armagh and (ii) Dungannon; and how many householders in the categories of Housing Executive tenants, private tenants and owner-occupiers receive housing benefit in each of these two areas.

Mr. Needham: This is largely a matter for the Northern Ireland Housing Executive. I understand from the chairman that the total number of dwellings owned by the Housing Executive at 28 February 1987 is as follows:

	Number
Armagh district council area	4,517
Dungannon district council area	4,195

Details of the number of householders in receipt of housing benefit are as follows:

	NIHE tenants	*Private tenants*	*Owner-occupiers*	*Total*
Armagh district council area	2,991	302	1,913	5,206
Dungannon district council area	2,908	492	2,251	5,651

DEFENCE

Royal Ordnance Factories

Mr. Pike asked the Secretary of State for Defence if, pursuant to his answer of 24 February, *Official Report*, column *132*, he will make a statement on the position regarding privatisation of the royal ordnance factories.

Mr. Archie Hamilton: I refer the hon. Member to the answer I gave yesterday, at column *376*, to my hon. Friend the Member for South Ribble (Mr. Atkins).

Mr. Pike asked the Secretary of State for Defence whether he has received any recent representations regarding the privatisation of the royal ordnance factories.

Mr. Archie Hamilton: I refer the hon. Member to the answers I have given him today.

Mr. Pike asked the Secretary of State for Defence whether he has met trade union representatives to discuss the privatisation of the royal ordnance factories.

Mr. Archie Hamilton: Further to a number of meetings over the last few years between Ministers and the trades unions, my right hon. Friend the Secretary of State for Defence had a meeting yesterday with trade unions representatives to discuss the latest developments and to hear their views.

FOREIGN AND COMMONWEALTH AFFAIRS

Jazz Section, Prague

Mr. Alex Carlile asked the Secretary of State for Foreign and Commonwealth Affairs if he will make representations to the Government of Czechoslovakia concerning the current trial in Prague of five jazz musicians, charged with the unlicensed communication of ideas; and if he will make a statement.

Mr. Renton: When the sentences on five leaders of the Jazz Section were announced on 11 March I issued a statement underlining the grave concern to which they were bound to give rise, and expressing the hope that the sentences would be reconsidered on appeal in the light of Czechoslovakia's commitments under the CSCE Final Act. A copy has been placed in the Library of the House. Her Majesty's embassy has made our views clear to the Czechoslovak Foreign Ministry in Prague.

EMPLOYMENT

Community Programme

Mr. Merlyn Rees asked the Paymaster General what was the number of authorised and filled community programme places in the inner city task force areas on 31 December 1986 and 31 January 1987, respectively; what is the planned number of authorised and filled places in those areas in 1987-88; and if he will make a statement.

Mr. Kenneth Clarke: On 12 December 1986 and 31 January 1987 the number of filled places on the community programme in the eight inner city task force areas was 4,330 and 4,711 respectively. The December figures were collected early due to the Christmas holiday period.

Authorised places normally exceed the number of filled places in order to ensure that there are sufficient places available to replace the normal turnover in projects and to provide scope for increasing the range of projects funded in these areas of high priority. The number of authorised places on 12 December 1986 and 31 January 1987 was 5,638 and 5,608 respectively.

Current plans provide for an increase in the number of filled places in the eight inner city task force areas to 6,350 next year, in line with the priority given by the MSC to the

inner cities when allocating places on the programme. No targets are set for authorised places, although the number will also rise.

Small Workshops Scheme

Mr. Lawler asked the Paymaster General how many workshops were built with assistance from the small workshops allowance during its two years of operation.

Mr. Trippier: The small workshops scheme was in operation from March 1980 to March 1985. Comprehensive statistics on the number of workshops qualifying for tax relief under the scheme are not available. A review of the impact of the scheme was published by the Department of Trade and Industry in 1985. This concluded that from 1980 to 1983 the scheme had a major impact on the supply of workshops up to 2,500 sq ft in size, and that the private sector supply of such workshops was perhaps of the order of three times as great as it would have been without the scheme in this period. The extension of the scheme to March 1985 for workshops not exceeding 1,250 sq ft had had a further major net impact on supply.

Labour Statistics

Sir David Price asked the Paymaster General how many building trade workers were registered as unemployed in the Winchester-Eastleigh employment area at the latest convenient date; and how many vacancies were notified in the same trades.

Mr. Lee: The following information is in the Library. As a result of the change to a claimant-based unemployment count, statistics of unemployment by industry have not been available for local areas since May 1982, when there were 359 unemployed registrants at Winchester and Eastleigh jobcentres whose last employment had been in the construction industry (as defined by the 1968 standard industrial classification). On 7 November 1986, the latest date for which an analysis of vacancies by industry is available, the number of unfilled vacancies at Winchester and Eastleigh jobcentres in the construction industry (as defined in the 1980 standard industrial classification) was 36.

Mr. Nellist asked the Paymaster General what were the numbers of people under 25 years of age who were unemployed in Coventry in May 1979, June 1983 and at the latest available date.

Mr. Lee: Following is the available information, which is also in the library. The number of unemployed claimants aged under 25 years in the Coventry local authority area on 8 January 1987 was 9,164. The figure for July 1983 (not available for June) was 10,177. This comparison is affected by seasonal factors, and changes in the method of collection and compilation of the data. Statistics of unemployment for local authority areas are derived from the ward-based system and are available only from June 1983.

Mr. Nellist asked the Paymaster General if he will give the total number of employees in Coventry in May 1979, and at the latest available date, broken down by standard industrial classification division; and when he expects later figures to be available.

Mr. Lee: Employment statistics for local areas are available only for those dates when censuses of employment are taken. No census was taken in 1979 (or 1980) and the most recent figures are for September 1981; these are given in the table. More up-to-date census estimates for local areas, relating to September 1984, are expected to become available within the next month or so. Between censuses, employment statistics are based on small scale sample survey which cannot produce reliable results for areas smaller than the standard economic regions.

Employees in employment: Coventry local authority district. September 1981

Divisions of the Standard Industrial Classification 1980	*Number*
0 Agriculture, forestry and fishing	100
1 Energy and water supply	1,900
2 Extraction of minerals and ores other than fuels; manufacture of metals, mineral products and chemicals	3,400
3 Metal goods, engineering and vehicles	58,600
4 Other manufacturing industries	4,900
5 Construction	3,700
6 Distribution, hotels and catering; repairs	20,000
7 Transport and communication	3,700
8 Banking, finance, insurance, business services and leasing	7,600
9 Other services	36,000
0-9 All industries and services	139,900

Mr. Nellist asked the Paymaster General what is the number of people living in Coventry, the west midlands and nationally who have never worked since leaving school *(a)* all ages, *(b)* under 18 years of age and *(c)* 18 to 25 years of age.

Mr. Lee: Following is the available information, which is also in the Library. The table shows the numbers of unemployed claimants in the Coventry local authority district, the west midlands region and the United Kingdom of all ages who had not had a job since leaving full-time education, as at 8 January 1987, together with those aged under 18 years and those aged 18 years and over (not available for the 18 to 25 year age group).

Unemployed Claimants as at 8 January 1987

	Coventry local authority district	*West Midlands region*	*United Kingdom*
Under 18 years	778	9,880	89,190
18 years and over	2,559	25,213	200,018
All ages	3,337	35,093	289,208

Machines (Public Safety)

Mr. Madden asked the Paymaster General what safety regulations he has made since 1979 concerning machines located in public areas of shops, especially with regard to ensuring machines are securely fixed; and if he will make a statement.

Mr. Trippier: None. I am not aware of any particular reason for concern on this matter, but the hon. Member may wish to write to me.

Labour Force Survey

Mr. Fallon asked the Paymaster General when he will publish the results of the 1986 labour force survey.

Mr. Kenneth Clarke: My Department is publishing today the preliminary results of the survey, and revised

employment estimates incorporating those results, so that the latest figures can be given to hon. Members in the "Financial Statement and the Budget Report". A copy of the information being published, which will be reproduced in the April edition of the *Employment Gazette*, is being placed in the Library.

The 1986 results show that the number of those without a job, using a definition of unemployment which follows the recommended guidelines of the International Labour Organisation, still remains below 3 million.

NATIONAL FINANCE

International Debt

Mr. Austin Mitchell asked the Chancellor of the Exchequer (1) what information he has as to how much British banks will forgo in payments from Brazil during each month that the current suspension of interest payments continues;

(2) what information he has on sums which British banks received in interest payments on loans to Latin America by country in each of the past five years.

Mr. Ian Stewart: This information is not available.

North-West Region

Mr. Tony Lloyd asked the Chancellor of the Exchequer if he will estimate the effect of his Budget on the economy of the north-west region.

Mr. MacGregor: The Budget will be good for the economy of the north-west region, just as it will be good for the economy as a whole.

Departmental Manpower

Mr. Richard Shepherd asked the Chancellor of the Exchequer what was the number of staff in post in central Government Departments at 1 January.

Mr. MacGregor: At 1 January 1987 there were 599,421 staff in post in central Government Departments. Of these 506,688 were non-industrials and 92,733 industrials.

Civil List

Mr. Moynihan asked the Chancellor of the Exchequer if he will publish the total amount payable under the Civil List Acts to the royal family in the calendar years 1986 and 1987.

Mr. Lawson: The information on amounts payable to the royal family in the present and previous calendar year is as follows:

	1986 £	*1987* £
The Queen's Civil List	4,136,860	4,326,100
HM Queen Elizabeth The Queen Mother	359,100	375,300
HRH The Duke of Edinburgh	200,300	209,300
HRH The Princess Anne, Mrs. Mark Phillips	124,800	130,400
HRH The Duke of York	33,300	50,000
HRH The Prince Edward	20,000	20,000
HRH The Princess Margaret, Countess of Snowdon	121,500	127,000
HRH Princess Alice, Duchess of Gloucester	49,200	51,400
HRH The Duke of Gloucester	97,800	102,200
HRH The Duke of Kent	132,000	138,000
HRH Princess Alexandra, Mrs. Angus Ogilvy	125,800	131,500
Total	5,400,600	5,661,200
Refunded by Her Majesty The Queen	355,600	371,700
	5,045,000	5,289,500

Notes

1. These figures combine the sum directly payable from the Consolidated Fund with supplementation provided by the royal trustees via the Treasury Vote "Class XIX, Vote 12 Economic and Financial Administration (HM Treasury)".

2. The underlying increase is 4·5 per cent., though the actual increase in total is 4·8 per cent. This difference is due to the additional Civil List payment to HRH the Duke of York following his marriage on 23 July 1986.

3. The sum of £20,000 has been payable from the Consolidated Fund to HRH the Prince Edward since he attained the age of 18 on 10 March 1982. An order was made by Her Majesty under section 4 of the Civil List Act 1952 allowing the full amount to be paid to HRH the Prince Edward from 1 January 1987.

4. Her Majesty paid £355,600 into the Consolidated Fund in respect of payments made in 1986 to members of the royal family whose expenses are met under section 3 of the Civil List Act 1972. A similar payment of £371,700 will be made for 1987.

Cash Limits

Mr. Pawsey asked the Chancellor of the Exchequer if he will provide details of the cash limits set for 1987-88.

Mr. MacGregor: The cash limits on expenditure to be voted in Estimates are listed in the appendix of the "Summary and Guide to 1987-88 Supply Estimates" (Cm. 94), rounded to the nearest £1 million, and are shown precisely in the relevant booklets of Supply Estimates. The cash limits on local authority capital spending and other expenditure which is not voted are given in the table.

Cash Limits on expenditure not voted in Estimates 1987-88

Cash block	*Department*	*Description of expenditure*	*Cash limit £ million*
BOE1	Bank of England	Bank of England administration costs in respect of note issue, debt management and the Exchange Equalisation Account	86·5
DOE/HC1	Department of the Environment	Capital expenditure in England on housing financed through the Housing Corporation	637·0
DOE/LA1	Department of the Environment	Capital expenditure in England by local authorities on roads and transport, housing, schools, further education and teacher training, personal social services and other environmental services	2,834·1
DOE/NT1	Department of the Environment	Capital expenditure in England by new towns on housing, roads, commercial and industrial investment and certain water services	[illegible]–95·1

Cash block	Department	Description of expenditure	Cash limit £ million
DOE:UA1	Department of the Environment	External financing requirements of urban development corporations, and capital expenditure by local authorities and other bodies on the urban programme, the derelict land reclamation programme and other expenditure (including some inner cities initiatives)	403·4
HO:LA1	Home Office	Local authority public expenditure for capital projects on magistrates courts, probation and police service	131·2
HO:MP1	Home Office	Home Office expenditure by the Metropolitan police on manpower, pay, pensions, premises, transport and other running costs	929·1
NID1	Northern Ireland Departments	Services broadly analogous to Great Britain services covered by cash limits but including family practitioner services	2,425·9
SO:LA1	Scottish Office	Capital expenditure in Scotland by local authorities on roads and transport, water and sewerage, general services, urban programme, police and social work, schools, further education, teacher training, and arts and libraries	432·6
SO:LA2	Scottish Office	Capital expenditure in Scotland on housing by local authorities, new towns, and the Scottish Special Housing Association; on schemes financed by the Housing Corporation and commercial investment by new towns	567·6
WO:LA1	Welsh Office	Capital expenditure in Wales by local authorities, new towns and the Housing Corporation on roads and transport, housing, schools, further education and teacher training, personal social services, and other environmental services, and capital expenditure by the Land Authority for Wales	365·0
		Total	8,717·3

[1] All cash limits are net of receipts; receipts on this cash limit are expected to exceed capital expenditure in 1987-88, hence the negative limit.

VAT

Mr. Hirst asked the Chancellor of the Exchequer, pursuant to his answer of 19 December 1986, *Official Report*, column *742*, on the consultation document "VAT Input Tax: Origin and Scope of the Right to Deduct," when he expects to publish the draft regulations which will provide the new rules for partial exemption.

Mr. Brooke: Her Majesty's Customs and Excise issued draft copies of most of the proposed new regulations in early February 1987 to those who had responded to the consultation document. Following discussions between Customs and certain interested trade parties, some changes were made and the proposed regulations are now in their final draft form.: I have arranged for copies to be placed in the Library. The regulations themselves will be made and laid before the House on Tuesday 24 March, following approval by the House of the Budget resolutions.

HOME DEPARTMENT

Elections (Absent Votes)

Mr. J. Enoch Powell asked the Secretary of State for the Home Department what advice his Department will issue to returning officers regarding the attestation of applications on RPF 9 for absent votes by electors resident in the same qualifying address on grounds which are common to all the applicants.

Mr. Douglas Hogg: We have no plans to issue such advice. Under the Representation of the People Regulations 1986 each individual applicant for an absent vote at a particular election must have his application attested by a person who is aged 18 years or over, knows the applicant but is not related to him, and has not attested any other application in respect of that election.

Begam and Mariam Chummun

Mr. Ron Brown asked the Secretary of State for the Home Department what representations he has received from trade unions about the threatened deportation of Begam and Mariam Chummun; and if he will make a statement.

Mr. Waddington: Deportation orders were made against Begam and Mariam Chummun on 16 March 1982. Representations received about the cases included one from a branch of a trade union. The deportation orders were quashed in a judgment of the Divisional Court on 25 March 1986. The Treasury Solicitor subsequently lodged notice of appeal against this judgment with the Registrar of Civil Appeals. The appeal has not yet been heard: meanwhile, no action is being taken against Begam and Mariam Chummun.

British Citizenship

Mr. Madden asked the Secretary of State for the Home Department in what languages, other than English, the leaflet "Your Right to British Citizenship" is being printed; whether advertisements about the leaflet and the need for eligible people to apply for British citizenship by 21 December are being inserted in the British ethnic minority media; what other action he is taking to ensure those eligible to apply know of the need to apply before the end of 1987; and if he will make a statement.

Mr. Waddington: The leaflet is available in Bengali, Gujarati, Hindi, Punjabi, Urdu and Chinese. Advertisements have been placed in selected local newspapers and in ethnic minority newspapers published in this country. We will consider later in the year whether a further reminder is required. Every opportunity will continue to be taken through continuing contact with community organisations and representative bodies as well as public speeches to ensure that those who may be affected are aware of the provisions.

Immigrants (Detention)

Mr. Alex Carlile asked the Secretary of State for the Home Department if he will make a statement on the

arrangements for the detention of persons wishing to enter the United Kingdom; and what proposals he has for housing them on redundant ships.

Mr. Waddington: Persons awaiting further interview by an immigration officer or refused entry may be detained in control areas at ports and airports, in other approved detention accommodation (including that at Harmondsworth), or in prisons, remand centres, police stations, or (in the case of persons under 17) in a place of safety. The Home Office has been considering possible ways to supplement these arrangements, including use of a modern passenger ship moored in a dock area. The vessel under consideration would provide decent living accommodation with facilities for relaxation, recreation and visits. No decision has yet been taken.

State Security

Mr. Cohen asked the Secretary of State for the Home Department, pursuant to his reply of 23 February, *Official Report*, columns *34-35*, what steps he has taken to ensure that the information seized in relation to investigations surrounding project *Zircon* is used by the police only for the purposes mentioned in his answer.

Mr. Hurd: It is for the police to ensure that the procedures described in the answer which I gave to the hon. Member on 23 February are carried out.

Court of Appeal (Retrials)

Mr. Nicholls asked the Secretary of State for the Home Department what action he proposes to take in the light of the suggestion by the Court of Appeal in a recent judgment that it should be given wider powers to order a retrial.

Mr. Hurd: I have issued to interested organisations in the legal field a consultative paper seeking views on this issue by 17 April. A copy has been placed in the Library and further copies may be obtained from the Home Office.

Crime Statistics

Mr. Hancock asked the Secretary of State for the Home Department (1) if he will list the three police authority areas with the highest murder and attempted murder rates in each of the last three years;

(2) if he will list in the *Official Report* the three police authority areas with the highest rate of rape incidents in each of the last three years.

Mr. Mellor [*pursuant to his reply*, 26 February 1987, c. *346*]: In cases of homicide it is not always possible in the absence of a court decision to distinguish between offences of murder, manslaughter and infanticide. Attempted murders are too few in number to enable reliable rates for police force areas to be calculated and so are not included in this reply. The only available figures for rape also include attempted rape and aiding or abetting a rape. The following table gives number of offences of homicide and rape recorded in police force areas and average rates of offences per 100,000 population per year for the years 1983 to 1985 combined. Rates for individual years would be based on small numbers of offences which are subject to wide variation and can be misleading. Numbers of offences recorded in police force areas are published annually by type of offence in "Criminal Statistics, England and Wales, Supplementary Tables" (table S3.1 in volume 3 for the issue for 1985).

Offences recorded by the police 1983 to 1985

Police force area	*Number of offences recorded in the years 1983, 1984 and 1985*		*Offences per 100,000 population per year*	
	Homicide (excluding attempts)	*Rape (including attempts)*	*Homicide (excluding attempts)*	*Rape (including attempts)*
Avon and Somerset	38	103	0·9	2·5
Bedfordshire	22	67	1·4	4·4
Cambridgeshire	13	68	0·7	3·8
Cheshire	24	28	0·9	1·0
Cleveland	19	44	1·1	2·6
Cumbria	8	29	0·6	2·0
Derbyshire	23	60	0·8	2·2
Devon and Cornwall	41	75	1·0	1·8
Dorset	16	42	0·9	2·3
Durham	18	51	1·0	2·8
Essex	42	103	1·0	2·4
Gloucestershire	11	42	0·7	2·8
Greater Manchester	88	201	1·1	2·6
Hampshire	32	160	0·7	3·3
Hertfordshire	17	48	0·7	1·9
Humberside	23	104	0·9	4·1
Kent	52	78	1·2	1·7
Lancashire	48	57	1·2	1·4
Leicestershire	19	37	0·7	1·4
Lincolnshire	9	39	0·5	2·3
Merseyside	40	138	0·9	3·1
Metropolitan Police District and City of London	501	1,254	2·3	5·8
Norfolk	16	47	0·8	2·2
Northamptonshire	22	43	1·4	2·7
Northumbria	62	130	1·4	3·0
North Yorkshire	11	35	0·5	1·7
Nottinghamshire	33	80	1·1	2·7
South Yorkshire	46	131	1·2	3·3
Staffordshire	17	57	0·6	1·9

Police force area	Number of offences recorded in the years 1983, 1984 and 1985		Offences per 100,000 population per year	
	Homicide (excluding attempts)	Rape (including attempts)	Homicide (excluding attempts)	Rape (including attempts)
Suffolk	20	55	1·1	3·0
Surrey	8	39	0·4	1·7
Sussex	44	100	1·1	2·5
Thames Valley	60	155	1·1	2·8
Warwickshire	12	28	0·8	2·0
West Mercia	28	64	0·9	2·1
West Midlands	137	324	1·7	4·1
West Yorkshire	79	216	1·3	3·5
Wiltshire	13	55	0·8	3·4
Dyfed-Powys	12	47	0·9	3·5
Gwent	15	39	1·1	3·0
North Wales	17	43	0·9	2·3
South Wales	31	93	0·8	2·4
England and Wales	1,787	4,609	1·2	3·1

Sri Lankan Tamils

Mr. Michael Morris asked the Secretary of State for the Home Department what is the daily cost to public funds of looking after *(a)* the 58 Tamils claiming refugee status and *(b)* the six to whom limited rights of stay have been granted.

Mr. Waddington [*pursuant to his reply*, 23 February 1987, c. *28*]: The estimated daily cost is about £3,700. The eventual cost to public funds cannot be determined until the cases are resolved as expenses incurred in the custody, accommodation or maintenance of persons removed from the United Kingdom after refusal of entry may be recovered from the owners or agents of the ship of aircraft in which they arrived.

Crime (Wales)

Mr. Barry Jones asked the Secretary of State for the Home Department how many crimes were committed in Wales against the person, of criminal damage and of thefts from dwellings in *(a)* 1978 and *(b)* 1986; by what percentage the crimes increased or decreased; and if he will make a statement.

Mr. Mellor [*pursuant to his reply*, 9 March 1987, c. *30*]: Statistics of notifiable offences recorded by the police in Wales in 1978 are published in table 32 of the Command Paper "Criminal Statistics, England and Wales 1978", (Cmnd. 7670). Statistics for 1986 were published yesterday in "Home Office Statistical Bulletin 4/87". In 1986, police in Wales recorded 7,100 offences of violence against the person, 1,017 sexual offences, 28,874 offences of criminal damage, 18,216 burglaries in a dwelling, and 1,950 thefts in a dwelling.

Crimes of Violence

Mr. Holt asked the Secretary of State for the Home Department what are the average figures served for life sentences imposed for offences of murder in the years 1960, 1970, 1975, and each year from 1980 to 1985.

Mr. Mellor [*pursuant to his reply*, 3 March 1987, c. *538*]: The following table shows the readily available information on time spent under sentence in prison department establishments by those sentenced for murder. It also shows the numbers received in each year who were still in custody on 31 December 1986. The corresponding information for persons received in 1960 is not readily available.

Persons received into prison department establishments in the years 1970, 1975 and 1980 to 1985 under sentence for murder by year of reception under sentence, type of discharge and time spent under sentence in prison department establishments

Number of persons[1]

Year of reception under sentence and type of discharge	Number discharged by years under sentence[2]																Total discharged	Population in custody December 1986
	Up to 1	Over 1 up to 2	Over 2 up to 3	Over 3 up to 4	Over 4 up to 5	Over 5 up to 6	Over 6 up to 7	Over 7 up to 8	Over 8 up to 9	Over 9 up to 10	Over 10 up to 11	Over 11 up to 12	Over 12 up to 13	Over 13 up to 14	Over 14 up to 15	Over 15 up to 16		
1970																		
On licence	—	—	—	—	—	—	2	13	16	5	11	13	8	1	1	1	71	13
Other[3]	4	1	—	2	2	—	—	—	—	—	4	—	—	1	—	—	18	
1975																		
On licence	—	—	—	—	—	2	3	4	9	8	11	3	..	..	..	..	40	55
Other[3]	4	2	1	3	2	—	1	1	2	—	1	—	..	..	..	..	17	
1980																		
On licence	—	—	—	1	1	3	—	..	..	..	..	..	..	..	..	..	5	152
Other[3]	8	4	—	3	3	2	1	..	..	..	..	..	..	..	..	..	21	
1981																		
On licence	—	—	—	—	1	—	..	..	..	..	..	..	..	..	..	..	1	123
Other[3]	3	3	3	2	—	1	..	..	..	..	..	..	..	..	..	..	12	
1982																		
On licence	—	—	—	—	1	..	..	..	..	..	..	..	..	..	..	..	1	168
Other[3]	12	2	4	2	—	..	..	..	..	..	..	..	..	..	..	..	20	

Year of reception under sentence and type of discharge	Number discharged by years under sentence[1]																	Total discharged	Population in custody December 1986
	Up to 1	Over 1 up to 2	Over 2 up to 3	Over 3 up to 4	Over 4 up to 5	Over 5 up to 6	Over 6 up to 7	Over 7 up to 8	Over 8 up to 9	Over 9 up to 10	Over 10 up to 11	Over 11 up to 12	Over 12 up to 13	Over 13 up to 14	Over 14 up to 15	Over 15 up to 16			
1983																			
On licence	—	—	—	—	..	..	..	..	..	..	..	..	..	..	..	..	..	—	
Other[2]	6	3	2	3	..	..	..	..	..	..	..	..	..	..	..	..	..	14	122
1984																			
On licence	—	—	—	..	..	..	..	..	..	..	..	..	..	..	..	..	..	—	
Other[2]	8	5	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	15	148
1985																			
On licence	—	—	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	—	
Others[2]	9	6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	15	160

[1] Excluding any time spent other on remand in custody, in non-prison department establishments or following any subsequent recall.
[2] Including successful appeals, deaths and transfers to psychiatric hospitals or to outside England and Wales.
[3] Based on central records which are approximate.
.. Not applicable.

TRADE AND INDUSTRY

Westland plc

Mr. Dalyell asked the Secretary of State for Trade and Industry if he will appoint inspectors to examine allegations of a concert party involving dealings in the shares of Westland plc in 1985-86.

Mr. Howard: No. After due consideration, my right hon. Friend the Secretary of State for Trade and Industry reached a decision last year not to appoint inspectors to investigate and report on the membership of Westland under section 442 of the Companies Act 1985. No new information has become available since that time which would necessitate a review of that decision.

Carbon Tetrachloride and Methyl Chloroform

Dr. David Clark asked the Secretary of State for Trade and Industry (1) if he will give a figure for the annual industrial production in the United Kingdom of carbon tetrachloride;

(2) if he will give a figure for the annual industrial production in the United Kingdom of methyl chloroform.

Mr. Giles Shaw: I regret that this information is not available.

Chlorofluorocarbon-113

Dr. David Clark asked the Secretary of State for Trade and Industry if he will give a figure for imports to the United Kingdom of chlorofluorocarbon-113 in *(a)* 1984, *(b)* 1985 and *(c)* 1986.

Mr. Alan Clark: Imports to the United Kingdom of chlorofluorocarbon-113 for the three years in question are as follows:

	£ million
1984	1·0
1985	1·5
1986	1·3

Lonrho plc

Mr. Tim Smith asked the Secretary of State for Trade and Industry whether he has received any representations in relation to a possible breach by Lonrho plc of section 231 of the Companies Act 1985 in relation to its Liechtenstein subsidiaries, Northchart and Coronation.

Mr. Howard: Yes, representations have been received and are under consideration. The subsidiaries Northchart and Coronation are incorporated in Zimbabwe and South Africa, respectively, not Liechtenstein.

Steel Capacity

Mr. Wilson asked the Secretary of State for Trade and Industry if he will state the up-to-date comparative figures of percentage manpower and capacity cuts taken by other European companies/countries concerning steel capacity.

Mr. Giles Shaw: the most recent figures available from the Commission are as follows:

Hot rolled capacity (maximum possible production, thousand tonnes-year)

	MPP 1980	MPP 1 January 1986	Percentage change
FRG	51,883	45,192	−12·9
Belgium	16,028	13,098	−18·3
France	26,869	21,502	−20·0
Italy	36,877	30,389	−17·6
Luxembourg	5,215	3,920	−24·8
Netherlands	7,597	5,865	−22·8
United Kingdom	22,840	18,064	−20·9
Denmark	941	875	−7·0
Ireland	57	333	+484·0
Greece	4,317	5,016	+16·0
Total EC(10)	172,624	144,254	−16·4

Source: European Commission.

Changes in employment levels in ECSC production, thousand employees

	1980	1984	Percentage change
FRG	197·4	152·5	−22·7
Belgium	45·2	37·2	−17·7
France	104·9	85·1	−18·9
Italy	99·6	75·6	−24·1
Luxembourg	14·9	12·7	−14·9
Netherlands	21·0	18·7	−10·9
United Kingdom	112·1	61·9	−44·8
Denmark	2·2	1·5	−31·8
Ireland	0·7	0·7	—
Total EC(9)	598·0	445·9	−25·4

Source: European Commission, General Objectives Steel 1990.

No breakdown for individual companies is available.

Switchgear

Mr. Eastham asked the Secretary of State for Trade and Industry what assessment he has made of the effect on the United Kingdom engineering switchgear industry of the Central Electricity Generating Board's policy towards replacement of obsolete switchgear equipment; what support his Department gives towards research and development in this field; what information he has on the level of capital investment in the switchgear industry; and if he will make a statement.

Mr. Giles Shaw [*pursuant to his reply*, 16 March 1987, c. *362-63*]: The CEGB has, at the request of my hon. Friend the Parliamentary Under-Secretary of State for Energy, made available to the companies concerned details of its future ordering plans for high voltage switchgear. My Department continues to keep in touch with the companies about the implications of these plans for the future of the industry.

Since 1981 the switchgear companies have benefited from over £2·5 million assistance towards research and development. Information available to my Department about capital investment in the switchgear industry has been provided in confidence.

WALES

Fish Farming

Mr. Colvin asked the Secretary of State for Wales what information he has as to what action is being taken by water authorities in Wales to rear fish to meet the re-stocking requirements of their rivers and waterways.

Mr. Mark Robinson: Information on the restocking of salmon by the regional water authorities in England and Wales is published annually by the Ministry of Agriculture, Fisheries and Food fisheries laboratory at Lowestoft. A copy of the latest publication "Salmon and Migratory Trout Fisheries Statistics for England and Wales 1985" is being placed in the Library of the House.

Information on restocking and on the rearing of fish for restocking purposes in those parts of Wales which are within the Welsh water authority's area is published periodically by the Welsh water authority in its "Fisheries and Conservation Review," the latest edition of which is being placed in the Library of the House.

Highways (Expenditure)

Mr. Roy Hughes asked the Secretary of State for Wales if he will publish in the *Official Report* a table showing for each county the estimated highways capital and highways maintenance expenditure for 1986-87.

Mr. Wyn Roberts: The information provided in the following table relates to estimates of "Roads and Transport" capital and "Highways, Lighting and Road Safety" current expenditure for 1986-87. Local authorities do not provide the Department with estimates of highways capital and highways maintenance costs.

Highway and Transport Expenditure 1986-87

£'000

	Roads and Transport Capital (outturn prices) estimate	*Highways, Lighting and Road Safety Current (Nov. 1985 prices) budget*
Clwyd	6,700	8,704
Dyfed	7,848	13,374
Gwent	7,655	8,360
Gwynedd	5,430	8,272
Mid Glamorgan	10,643	12,138
Powys	2,317	7,403
South Glamorgan	17,223	7,367
West Glamorgan	10,137	6,259
Total	67,953	71,877

Further Education

Mr. Terlezki asked the Secretary of State for Wales what were the numerical and percentage increases in enrolments in non-advanced and advanced further education in Wales between 1979-80 and 1985-86.

Mr. Wyn Roberts: The information is given in the following table:

Course enrolments[1]

	1979-80	*1985-86*	*Change 1979-80 to 1985-86 Number*	*Percentage*
Non-advanced				
Full-time and sandwich	16,190	20,225	+4,035	+24·9
Part-time day	26,731	24,709	−2,022	−7·6
Evening only	19,286	20,936	+1,650	+8·6
Total	62,207	65,870	+3,663	+5·9
Advanced				
Full-time and sandwich	7,498	12,192	+4,694	+62·6
Part-time day	4,685	5,530	+845	+18·0
Evening only	959	1,518	+559	+58·3
Total	13,142	19,240	+6,098	+46·4

[1] Enrolments at maintained and grant-aided major establishments of higher and further education outside the university sector in Wales. As at November of each academic year.

Cash Limits

Mr. Best asked the Secretary of State for Wales if he proposes to make any changes to his Department's cash limits in the current year.

Mr. Nicholas Edwards: Yes. The cash limit on class XVII, vote 2, is being reduced by £1,452,000 to £44,048,000. This reduction largely arises from a lower requirement for public dividend capital by the Welsh Development Agency.

Also, the cash limit on class XVII, vote 5, is being reduced by £5,660,000 to £180,602,000. This reduction largely reflects the fact that spending on the trunk road programme has fallen below provision, mainly on account of a lower rate of spend than forecast on schemes under construction.

These savings are being used to offset in part the increased expenditure arising from winter supplementary increases in class XVII, votes 3 and 6, and winter and spring supplementary increases in class XVII, votes 1 and 7.

PRIME MINISTER

State Security

Q66. **Mr. Dalyell** asked the Prime Minister if she has any plans to change the responsibility for prosecution policy for offences under the Official Secrets Act.

The Prime Minister: No.

Hooliganism

Q69. **Mr. Freud** asked the Prime Minister if she will give the percentage of offenders charged with hooliganism in English courts in 1986 who were unemployed.

The Prime Minister: There is no offence of hooliganism in English criminal law.

Foreign Visits (Cost)

Mr. Skinner asked the Prime Minister what is the latest figure for the cost of her foreign visits since May 1979.

The Prime Minister: I refer the hon. Member to my reply to the hon. Member for Newham, North-West (Mr. Banks) on 23 February, columns *53-54*.

Press Office

Mr. Cohen asked the Prime Minister what new equipment has recently been installed in her press office; and for what purpose.

The Prime Minister: A computer system comprising seven terminals, two printers and a processor, together with fully supporting software has recently been installed. The system will help in the preparation of press releases and in the filing and retrieval of information. The arrangement follows a pilot project in a number of Government Departments, sponsored by the Government Information Service and the Central Computer and Telecommunications Agency.

Engagements

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for Tuesday 17 March.

Mr. Greenway asked the Prime Minister if she will list her official engagements for Tuesday 17 March.

Mr. Janner asked the Prime Minister if she will list her official engagements for Tuesday 17 March.

Mr. Leigh asked the Prime Minister if she will list her official engagements for Tuesday 17 March.

Mr. Marlow asked the Prime Minister if she will list her official engagements for Tuesday 17 March.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty The Queen.

ENERGY

Nuclear Waste

Mr. Mikardo asked the Secretary of State for Energy what was the annual cost of the energy industry, in the last year for which the figure is available, of the storage of high-level nuclear waste; what is the projected cost of the disposal of this waste; and to what extent these costs will be borne by the consumer.

Mr. Goodlad: Most of the high-level waste arising from the reprocessing of irradiated fuel is stored at Sellafield. BNFL charges its customers for this service.

BNFL's own costs for the treatment and storage of high-level waste in 1985-86 were £10 million.

The generating boards make provision in their annual accounts for future treatment, storage and eventual disposal of the intermediate and high-level wastes stored at Sellafield. At the end of 1985-86 the accumulated provision made by the CEGB stood at £338 million, and that made by SSEB, for which my right hon. and learned Friend the Secretary of State for Scotland is responsible, stood at £88 million. These costs form part of the boards' total fuel cycle costs which are borne by the consumer.

A small volume of highly active wastes, resulting mainly from research and development on fast reactors, is stored by the UKAEA at Dounreay. The operational costs of storage in 1985-86 are estimated at £20,000. The costs of storage and eventual disposal fall to the Department of Energy under the terms of the appropriate programme letters with the authority.

The Government's policy on the disposal of waste arising under BNFL reprocessing contracts with overseas customers was set out in my reply to the hon. Member for Great Grimsby (Mr. Mitchell) on 2 May 1986 at column *502*.

Subsidence Compensation

Mr. Heddle asked the Secretary of State for Energy when he proposes to respond to the report of subsidence compensation review committee on the repair and compensation system for coal mining subsidence damage.

Mr. David Hunt: The Government's response to the Waddilove report will be published shortly.

Power Stations

Dr. Michael Clark asked the Secretary of State for Energy if he will indicate the amount of coal required to

run a coal-fired power station of 2,000 MW for 20 years, and the volume of spoil and ash which would be associated with both the coal mining and coal burning.

Mr. David Hunt: A 2,000 MW coal-fired power station could be expected to consume some 100 million tonnes of coal, some of which normally would be produced by opencast methods, over a 20-year period. The volume of ash which could be expected to arise would be of the order of 16·5 million cu m. The volume of spoil which could be expected to be produced from a modern colliery supplying such a power station would be of the order of 14 million cu m.

Severn Barrage

Dr. Michael Clark asked the Secretary of State for Energy if he will estimate the generating capacity of the proposed Severn barrage.

Mr. David Hunt: The generating capacity proposed by the Severn tidal power group in its published report for the Cardiff-Weston line is 7,200 MW estimated to produce an average annual output of 14·4 Terawatt hours.

Tidal Power

Dr. Michael Clark asked the Secretary of State for Energy which sites, other than the Severn estuary, are being considered by his Department for tidal power generation.

Mr. David Hunt: The Department is giving 50 per cent. support to the Mersey Barrage company's current £800,000 study of a barrage in that estuary. Preliminary surveys of three possible small scale sites have been made by consultants and reports of these have been published and placed in the Library of the House. A further preliminary survey of all other feasible small scale sites on the west coast of the United Kingdom is in progress.

Windmill Power

Dr. Michael Clark asked the Secretary of State for Energy what estimates his Department has made of the area required to build a farm of windmills capable of producing 2,000 MW.

Mr. David Hunt: An installation of 2,000 MW would probably spread over a number of separate sites. It is estimated that the total land area required might be up to between 200 and 250 square miles although there is still considerable uncertainty about this.

Chernobyl Disaster

Mr. Rowe asked the Secretary of State for Energy when he expects the national steering committee to report on its evaluation of existing emergency plans in the light of the Chernobyl disaster; and if he will make a statement.

Mr. Goodlad: I refer my hon. Friend to the reply given to my hon. Friend for Stafford (Mr. Cash) on 18 December 1986, column *612*.

Energy Research

Mr. D. E. Thomas asked the Secretary of State for Energy if he will update the answer to the hon. Member for Meirionnydd Nant Conwy of 14 July 1986, *Official Report*, column *386*, relating to energy research; if he will provide a breakdown of the sub-total of non-nuclear, non-renewable research and development for each of the years mentioned; and if he will also update the figures to 1985-86.

Mr. David Hunt [*pursuant to his reply*, 13 March 1987, c. *317*]: The table gives a breakdown of R, D&D expenditure by the Department of Energy.

	£ millions					
	1980/1	*1981/2*	*1982/3*	*1983/4*	*1984/5*	*1985/6*
Nuclear R, D&D	186·2	205·4	214·8	203·8	196·2	189·6
Non Nuclear R, D&D Total	33·2	46·1	40·2	40·0	40·8	45·4
of which:						
Oil & Gas Production Technology	3·7	4·3	3·2	4·5	4·4	5·7
Oilfield Delineation and Safety	14·2	15·8	13·0	14·2	15·1	18·0
Coal	2·7	4·6	3·0	3·0	0·7	0·6
Energy Efficiency[1]	1·4	4·1	6·8	7·0	6·6	8·4
Renewables:[2]						
Wind	0·8	0·9	2·5	2·5	4·8	5·4
Wave	3·3	4·4	3·1	1·0	0·4	0·4
Geothermal Aquifer	1·7	2·6	1·5	1·8	1·1	0·3
Geothermal HDR	0·6	5·6	3·0	2·9	4·6	3·5
Solar	0·9	0·7	1·4	0·9	0·5	0·7
Biomass	0·3	0·4	0·7	0·3	0·2	0·3
Tidal	1·4	0·4	0·0	0·0	0·3	0·1
ETSU Services	2·2	2·3	2·0	1·9	2·1	2·0
	11·2	17·3	14·2	11·3	14·0	12·7

[1] Figures for energy efficiency include demonstration scheme expenditure.

[2] These figures for research development and demonstration into renewable sources of technology exclude external contributions to the programmes which are included in the response to the hon. Member for Barnsley, East (Mr. Patchett) on 10 December 1986 at column *199*.

EDUCATION AND SCIENCE

School Transport

11. **Mr. Colin Shepherd** asked the Secretary of State for Education and Science what is his intention with respect to the implementation of section 53 of the Education (2) Act 1986.

Mr. Dunn: Section 53 was brought into effect on 7 January of this year. It is intended to clarify the interpretation of section 55(1) of the Education Act 1944.

Scientific Research and Development

12. **Mr. Tony Lloyd** asked the Secretary of State for Education and Science what has been the increase in spending by his Department on scientific research and development since 1979.

Mr. Walden: From 1979-80 to the current financial year 1986-87, spending on scientific research and development through the science budget and recurrent grant to universities has increased from about £700 million to over £1·2 billion in cash terms. Overall this represents an increase in real terms over the period of 6 per cent.

48. **Mr. Soames** asked the Secretary of State for Education and Science what representations he has received about his Department's expenditure on scientific research.

Mr. Walden: Further to the reply of my right hon. Friend the Member for Leeds, North-East (Sir K. Joseph) of 6 May 1986 to my hon. Friend at column 11, we have received an additional 105 representations.

Special Education Schools

14. **Mr. Amess** asked the Secretary of State for Education and Science how many special education schools there are in *(a)* England and *(b)* Essex.

Mr. Dunn: The number of maintained and non-maintained special schools including hospital schools, in England and Essex in January 1986, was 1,493 and 42 respectively.

Student Grants

15. **Mr. Canavan** asked the Secretary of State for Education and Science how many representations he has received over the past 12 months about the level of student grants; and if he will make a statement.

Mr. Walden: In the 12 months from March 1986 to February 1987 about 1,850 representations have been received relating in one way or another to the level of student grants. In addition, over 100 organisations or persons have submitted evidence in response to the invitation of the review of student support.

34. **Mr. Nicholas Baker** asked the Secretary of State for Education and Science what representations he has received on the implications for further education student numbers of the differences in the treatment for taxation purposes of students supported by grants and those supported by parental contributions.

Mr. Walden: None.

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what has been the total cost to the Exchequer of student maintenance grants in each year since 1970 expressed in the following ways *(a)* cost terms, *(b)* indexed, using 1979 as 100 (real terms), *(c)* including fees and *(d)* real terms (cash).

Mr. Walden [*pursuant to his reply*, 19 February 1987, c. *746*]: The information is as follows:

Expenditure on student maintenance and fees 1970-71 to 1984-85

England and Wales

Academic years	*Total expenditure on student maintenance*[1]			*Total expenditure on student maintenance and fees*[1]		
	£ million cash	*in 1984-85 real terms*[2] *(£m)*	*real terms indexed (1979-80 = 100)*	*£ million cash*	*in 1984-85 real terms*[2]	*real terms indexed (1979-80 = 100)*
1970-71[3]	93	442	76·4	116	551	59·5
1971-72	107	468	81·0	133	581	62·7
1972-73	108	439	76·0	135	548	59·2
1973-74	114	412	71·3	142	513	55·4
1974-75	151	447	77·3	182	538	58·1
1975-76[4]	190	469	81·1	253	624	67·4
1976-77[5]	227	495	85·6	308	671	72·5
1977-78[5]	281	544	94·1	479	926	100·0
1978-79	328	570	98·6	543	944	101·9
1979-80	396	578	100·0	634	926	100·0
1980-81	467	590	102·1	774	977	105·5
1981-82	519	603	104·3	889	1,034	111·7
1982-83[6]	557	609	105·4	797	871	94·1
1983-84	595	622	107·6	847	886	95·7
1984-85	579	579	100·2	843	843	91·0

[1] Covers expenditure on mandatory, full-value and lesser value discretionary awards. Prior to 1975-76 no minimum awards or fees were paid in respect of teacher training courses outside university departments of education.
[2] Applying the GDP deflator on an academic year basis.
[3] The maintenance element of expenditure on lesser value awards has been estimated.
[4] HND and Dip HE courses became designated courses in 1975-76.
[5] Up to 1976-77 minimum awards expenditure was included in fees; from 1977-78 it was included in maintenance.
[6] The change in the trend of expenditure on maintenance and fees between 1981-82 and 1982-83 reflects the reduction in tuition fees.

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science if he will publish in the *Official Report* a table showing for each year since 1962 *(a)* the value of student grants inside and outside London, *(b)* the real value when compared with the rise in retail prices, *(c)* the real value when compared with the rise in rents/accommodation costs, *(d)* the real value when compared with the rise in average earning, *(e)* the total value of student grants as a percentage of gross domestic product and *(f)* the real value when compared with the increase in book prices, all indexed using 1962 as a base.

Mr. Walden [*pursuant to his reply*, 25 February 1987, c. *243-244*]: The total value of student maintenance[1] in England and Wales as a percentage of the United Kingdom gross domestic product[2] has been as follows (item e):

Academic years	*Per cent.*
[3,4]1962-63	0·10
[3,4]1963-64	0·11
[4]1964-65	0·12
[4]1965-66	0·16
[4]1966-67	0·17
[4]1967-68	0·18
[4]1968-69	0·19
[4]1969-70	0·17
[4]1970-71	0·17
1971-72	0·17
1972-73	0·15
1973-74	0·14
1974-75	0·15
[5]1975-76	0·16
[6]1976-77	0·17
[6]1977-78	0·18
1978-79	0·18
1979-80	0·18
1980-81	0·19
1981-82	0·19
1982-83	0·19
1983-84	0·19
1984-85	0·17

Notes to Table:

[1] Covers expenditure on mandatory, full-value and lesser-value discretionary awards. Based on revised figures, which include expenditure on teacher training prior to 1969-70; and expenditure on courses in University Departments of Education from 1969-70 to 1974-75.

[2] GDP based on the academic year.

[3] Maintenance expenditure on teacher training has been estimated.

[4] The maintenance element of expenditure on lesser-value awards has been estimated.

[5] HND and Dip HE courses became designated courses in 1975-76.

[6] Up to 1976-77 minimum awards expenditure was included in fees, from 1977-78 it was included in maintenance.

School Buildings

16. **Mr. Stephen Ross** asked the Secretary of State for Education and Science what number and proportion of unpublished reports of recent inspections of primary schools by Her Majesty's inspectors contain adverse comment about the state of school buildings; and if he will make a statement.

Mr. Dunn: I refer the hon. Member to my reply earlier today to the hon. Member for Brecon and Radnor (Mr. Livsey).

School Governors

17. **Sir John Farr** asked the Secretary of State for Education and Science if he will take steps to augment and further enhance the duties and responsibilities of school governors.

Mr. Dunn: The Education (No. 2) Act 1986 enhances and entrenches the functions of school governing bodies. As it is being implemented, the Government will be considering proposals for further measures to strengthen the effectiveness of schools.

Secondary Schools (Sixth Forms)

18. **Mr. McLoughlin** asked the Secretary of State for Education and Science what representations he has received on the future of sixth forms in secondary schools.

Mr. Dunn: My right hon. Friend receives such representations from time to time, usually in connection with proposals to reorganise post-16 education made under sections 12-13 of the Education Act 1980.

Young Persons (Education)

19. **Mrs. Golding** asked the Secretary of State for Education and Science what plans he has to provide extended education opportunities to those young people who currently leave school and then YTS and become unemployed.

Mrs. Rumbold: The Government's expenditure plans enable LEAs and colleges to respond to the needs of employers and students, including unemployed people, with a wide range of full-time and part-time courses. Initiatives such as YTS, replan and the new job training scheme represent a concerted effort to increase the education and training opportunities available to unemployed people.

City Technology Colleges

20. **Mr. Alton** asked the Secretary of State for Education and Science what is the approximate number of teachers now expected to be employed by the first city technology college in each of the first four years of operation; and if he will make a statement.

Mrs. Rumbold: The numbers of teaching staff to be employed in the first four years and thereafter are for the governing body to decide. However, a college offering the kind of curriculum set out in "A New Choice of School" could be expected to employ 60-70 teaching staff once fully operational.

50. **Mr. Simon Hughes** asked the Secretary of State for Education and Science what departmental expenditure will support the establishment of the first city technology college at Solihull; and if he will make a statement.

Mrs. Rumbold: Following the recent generous offer of sponsorhsip for the Solihull city technology college by Hanson Trust, efforts to raise additional sponsorship locally are under way. My right hon. Friend will review the necessity and scope for any support for capital expenditure from public funds once the outcome of this exercise is known. It has always been envisaged that CTC running costs would be met through a grant from the Department.

30. **Mr. Spencer** asked the Secretary of State for Education and Science if he will make a statement on recent progress regarding the city technology colleges.

41. **Mr. Dykes** asked the Secretary of State for Education and Science if he will make a statement on the current steps being taken to promote the formation of the proposed new city technology colleges.

Mr. Kenneth Baker: I refer the hon. Members to the reply I gave earlier today to the hon. Member for Montgomery (Mr. Carlile) and my hon. Friend the Member for Erith and Crayford (Mr. Evennett).

Road Safety

21. **Mr. Janner** asked the Secretary of State for Education and Science whether he will establish a road safety campaign in schools; and if he will make a statement.

Mrs. Rumbold: The provision of road safety education in schools is a matter for local education authorities and the schools themselves. The Department issued guidance on the subject in 1979 in a booklet "Safety at School: General Advice". My right hon. Friend will give careful consideration to possible further action in the light of the work of the interdepartmental group on road safety.

Unemployed Persons

22. **Mr. Sheerman** asked the Secretary of State for Education and Science what plans he has to improve the availability of education for the unemployed.

35. **Mrs. Clwyd** asked the Secretary of State for Education and Science what plans he has to remove restrictions on education and training for the adult unemployed.

Mr. Walden: I cannot usefully add to the replies given earlier today and on 2 December at column *745* by my hon. Friend the Member for Mitcham and Morden (Mrs. Rumbold) to the hon. Member for Newcastle-under-Lyme (Mrs. Golding), and on 20 January by my hon. Friend the Member for Dartford (Mr. Dunn) to the hon. Member for St. Helens, North (Mr. Evans) at column *498*.

Adults (Literacy)

23. **Mr. Maclennan** asked the Secretary of State for Education and Science what number and proportion of adult illiterates in the population will receive training in basic skills of literacy this year from provision made or supported by his Department's spending; and if he will make a statement.

Mr. Walden: The Department funds the adult literacy and basic skills unit to encourage the development and improvement of adult basic skills provision in England. It is local education authorities and voluntary organisation who provide tuition locally within the framework of the education service. Between them they are likely to provide tuition for some 121,000 adults to help improve their literacy during a year.

National Curriculum

24. **Mr. Leigh** asked the Secretary of State for Education and Science what representations he has received in favour of a national curriculum.

Mrs. Rumbold My right hon. Friend has received just over 100 representations in favour of a national curriculum, from members of the public and others.

High Technology Graduates

25. **Mr. Fatchett** asked the Secretary of State for Education and Science what plans he has to expand the number of high technology graduates to meet current and future skills shortages.

Mr. Walden: The number of science and engineering graduates last year was some 30 per cent. higher than in 1979. Measures already in train, including the engineering and technology programme, are likely to generate a further seven per cent. increase by 1990. Further initiatives will be considered in the light of the economy's developing need for graduates in particular disciplines.

Universities (Research and Development)

26. **Mr. Hirst** asked the Secretary of State for Education and Science what proportion of Britain's university research and development effort is supported currently by industry, business and educational foundations; and what was the comparable proportion in 1978-79.

Mr. Walden: About 13·5 per cent. in 1984-85 the latest year for which all relevant figures are available. Comparable figures are not available for 1978-79.

27. **Mr. Ashley** asked the Secretary of State for Education and Science which organisations and institutions have complained to him about the decline in research in universities; and what steps he is taking to reverse the decline.

Mr. Walden: My right hon. Friend has received representations from a number of organisations and individuals about provision for research in universities. The Government have made available additional resources both for universities' recurrent grant and through the science budget. Our policy is to encourage those resources to be used selectively, in support of excellence.

Training Standards Advisory Service

28. **Mr. George Howarth** asked the Secretary of State for Education and Science what plans he has to link the work of Her Majesty's inspectors with that of the training standards advisory service.

Mrs. Rumbold: Her Majesty's inspectors and the Manpower Services Commission already have a constructive working relationship in respect of youth training scheme provision and their respective interests in it. Discussions are taking place about how links can be continued and developed further when the training standards advisory service begins its work in earnest.

King Edward's Foundation Schools

29. **Mr. Roger King** asked the Secretary of State for Education and Science if he has received any proposals from Birmingham over the future of Birmingham's King Edward's foundation schools.

Mr. Dunn: My right hon. Friend has received no such proposals from the Birmingham local education authority.

AIDS

31. **Mr. Duffy** asked the Secretary of State for Education and Science when the video campaign in schools on the dangers of AIDS will begin; and if he will make a statement.

Mr. Dunn: My right hon. Friend announced on 6 March his intention to commission, from the BBC's production centre at the Open University, a resource package for schools about AIDS, which will include video material and is intended for use with pupils in the 13-16 age-range. The package will become available to schools during this summer.

Teachers (Pay and Conditions)

32. **Mr. Patrick Thompson** asked the Secretary of State for Education and Science how many representations he has received following his statement on teachers' pay on Monday 2 March.

42. **Mr. Yeo** asked the Secretary of State for Education and Science what representations he has received regarding the pay offer to teachers announced on 2 March.

Mr. Adley asked the Secretary of State for Education and Science what representations he has received about teachers' pay and conditions following his statement of 2 March.

Mr. Kenneth Baker: Since my statement on 2 March I have received around 100 letters from hon. Members and almost 500 letters from members of the public on teachers' pay and conditions.

43. **Mr. Madel** asked the Secretary of State for Education and Science whether, pursuant to his statement on 2 March, *Official Report*, column 591, he has yet received any approach from teachers trade union leaders on the question of future negotiating rights in the profession; and if he will make a statement.

Mrs. Rumbold: My right hon. Friend received a letter from the general secretaries of the three largest teacher associations last week asking that direct negotiation be restored before 1 April 1988. In his reply he stated that it remained his view that a breathing space and experience of the operation of the interim advisory committee are needed before decisions can be reached about the right permanent arrangements. The Government wish to move towards new permanent arrangements but continuing disruption in schools can only delay this process.

45. **Mr. Andrew MacKay** asked the Secretary of State for Education and Science when he last met representatives of the National Union of Teachers to discuss teachers' pay and conditions.

Mrs. Rumbold: My right hon. Friend last met representatives of the NUT on 21 January to discuss teachers' pay and conditions of employment. He has since met Mr. Jarvis on more than one occasion when this subject has been discussed.

Competitive Sport

33. **Mr. Galley** asked the Secretary of State for Education and Science what steps he is taking to ensure that adequate facilities and opportunities to participate in competitive sport are available for pupils in schools.

Mrs. Rumbold: The Government attach importance to competitive sport in schools and wish all pupils to have opportunity to participate. Following a seminar in November 1986, which was hosted by our Departments, my hon. Friend the Minister for Sport announced on behalf of the Department of the Environment and the Department of Education and Science that a study was being commissioned of the place of sport in the school curriculum. The results of this study will be available to a new group which is being formed as a result of that seminar and which will be based on the physical education advisory panel of the Sports Council. Details of the group's membership and terms of reference will be announced shortly. My right hon. Friend will consider further action in the light of the group's work.

Scottish Universities (Funding)

36. **Mr. Wallace** asked the Secretary of State for Education and Science whether he intends to meet the chairman of the University Grants Committee to discuss the funding of Scottish universities.

Mr. Walden: The funding of Scottish universities is not specifically on the agenda for any future meeting between my right hon. Friend and the chairman of the University Grants Committee.

Violence in Schools

37. **Mr. Lord** asked the Secretary of State for Education and Science what recent steps he has taken to ascertain the effect of television violence on the level of violence is schools; and if he will make a statement.

Mrs. Rumbold: In April 1983, my Department published the report of a study by a group of teachers of the impact of television on pupils and of the values it conveyed. The report expressed concern about the cumulative effect on young people of the frequent presentation of violence, while accepting that research evidence was inconclusive.

Grammar Schools

38. **Mr. Alan Howarth** asked the Secretary of State for Education and Science what representations he has received on the position of grammar schools.

Mr. Dunn: My right hon. Friend receives representations about grammar schools from time to time, generally in connection with proposals for the closure of such schools made under section 12 of the Education Act 1980, and particularly about comparative performance between those local authorities that retain selection and those which have not.

Church Schools

39. **Mr. Peter Bruinvels** asked the Secretary of State for Education and Science what representations he has received on the future of church schools.

Mr. Dunn: My right hon. Friend has received a number of general representations about the future and worth of church schools within the maintained system. He has also received representations on behalf of individual church schools.

Bradford

40. **Mr. Madden** asked the Secretary of State for Education and Science if he will make additional resources available to Bradford to meet the district's education service needs.

Mr. Dunn: The main source of Government support for revenue expenditure on local authority education is rate support grant, which is the responsibility of my right hon. Friend the Secretary of State for the Environment. The only powers available to my right hon. Friend the Secretary of State for Education and Science to pay grants to local authorities are powers under the Education Support Grants Regulations 1984 and the Education Training Grants Regulations 1987. Authorities have been informed of the grants they can expect to receive in 1987-88 under these regulations. My right hon. Friend has no plans to pay additional grant to Bradford. He is considering the authority's representations about their allocation of capital expenditure for 1987-88.

Nursery Education

44. **Mr. Pike** asked the Secretary of State for Education and Science whether he has any proposals to extend the provision of nursery education.

Mr. Dunn: Our plans for expenditure on education allow for provision attributable to the under-fives to continue within broadly the same totals as today. It is for the local education authorities to determine the scale and nature of such provision in their areas in the light of their relative priorities and their assessment of local needs.

GCSE

46. **Mr. Ashdown** asked the Secretary of State for Education and Science what steps he has taken to monitor the quality of general certificate of secondary education provision in schools; and if he will make a statement.

Mrs. Rumbold: We are monitoring the GCSE in its early years, and discussions are currently being held with the GCSE examining groups and teachers' associations as part of this exercise. In addition, Her Majesty's inspectorate is conducting its own monitoring exercise which involves:

(a) focusing on GCSE issues and classroom practice during normal school and subject specialist visits;
(b) termly discussions with LEA officers, inspectors and advisers;
(c) annual analysis of LEAs' expenditure policies; and
(d) an evaluation of GCSE in-service teacher training.

Pupil-Teacher Ratios

47. **Mr. Colvin** asked the Secretary of State for Education and Science what are the pupil-teacher ratios for primary and secondary schools in Hampshire.

Mr. Dunn: The pupil-teacher ratios for maintained primary and secondary schools in Hampshire in January 1986, the latest date for which figures are available, were 23·5 and 16·8 respectively.

Special Needs

49. **Sir Russell Johnston** asked the Secretary of State for Education and Science what steps he has taken towards securing improved arrangements for non-educational provision identified in statements of special needs made under the Education Act 1981; and if he will make a statement.

Mr. Dunn: Most of the non-educational provision identified in statements involves the provision of health services, which are the responsibility of my right hon. Friend the Secretary of State for Social Services. Advice to district health authorities and local education authorities, issued jointly by the Departments of Education and Science and Health and Social Security, makes it clear that the best means of collaboration for each area needs to be settled locally and stresses that inter-authority and inter-professional co-operation and collaboration are essential for effective assessment under the provisions of the Education Act 1981.

My right hon. Friend is aware of the problems in this field. He will be taking these into account in his review of the provisions of the Education Act 1981, which will be carried out in the light of the findings of recent research and of the inquiry by the Select Committee into special education.

Capital Expenditure Allocations (Lancashire)

51. **Mr. Robert Atkins** asked the Secretary of State for Education and Science what further representations he has received about capital expenditure allocations for Lancashire.

Mr. Dunn: My right hon. Friend has received representations from hon. Members and Friends and their constituents. He has also received and acceded to a request from the Lancashire county council to meet an all-party delegation.

Career Education and Guidance

52. **Mr. Lawler** asked the Secretary of State for Education and Science what provisions are being made to ensure that secondary school students are given the appropriate career education and guidance.

Mrs. Rumbold: Primary responsibility for provision of career education and guidance rests with individual local education authorities. However, following from the White Paper "Working Together", my right hon. Friends the Secretaries of State for Education and Science and Employment are planning a new initiatve designed to improve the effectiveness of provision. Details will be announced shortly.

Plant Breeding Institute and National Seed Development Organisation

53. **Dr. Bray** asked the Secretary of State for Education and Science if he will reconsider the privatisation of the Plant Breeding Institute and National Seed Development Organisation, in view of the resignation of the director, Professor Peter Day, and 60 of the staff.

Mr. Walden: No. An information memorandum, offering PBI/NSDO for sale, will be issued shortly. Moreover the impression the hon. Member gives of substantial resignations from PBI is misleading. I understand that the director, currently aged 58, has 16 years previous working experience in the USA and has now decided—following a successful period at the PBI

—to return to take up a prestigious new appointment. Of the 64 staff who have left the PBI in the last three years, half were voluntary premature retirements and redundancies and the others reflect natural turnover in a work force of some 250. Over the same period 54 staff have been recruited to PBI, mostly on short-term contracts. Overall, these changes reflect a relative shift in the balance of work from plant breeding and crop science towards growth in plant biotechnology.

Microcomputers

Mr. Pawsey asked the Secretary of State for Education and Science if he will make a statement on the reasons for the difference between primary and secondary schools in the contribution made to teaching by microcomputers; and what plans he has to improve the situation in secondary schools.

Mrs. Rumbold: The 1985 survey of microcomputers in schools found that a higher proportion of primary heads than of secondary heads reported that microcomputers had made a significant contribution to teaching in their schools. This may reflect differences in the content and delivery of the curriculum as between the two phases—making the potential contribution more readily grasped in the primary context — and it may also reflect the practical circumstances which obtained at the time of the survey. The potential contribution in secondary schools is being increasingly widely recognised and the Government see no reason of principle to suppose that the potential is less in secondary schools than primary.

Continuing Education (Self-Financing)

Mr. Dalyell asked the Secretary of State for Education and Science what discussions he has had with the vice-chancellor of the Open University about the self-financing aspects of continuing education; and if he will make a statement.

Mr. Walden: My right hon. Friend has not discussed this subject with the vice-chancellor. The Open University's continuing education programme is intended to be self-financing. However, the Government recognised that some pump-priming funds for the university's professional, industrial and commercial updating (PICKUP) activities were required, and between 1982-83 and 1984-85 made available loans totalling £2·5 million; they also provided a grant of £0·3 million in 1984-85. The loans were converted to grant in April 1986 in order to assist the development of the continuing education programme.

Inter-University Research Centres

Mr. Dalyell asked the Secretary of State for Education and Science what study he has made of the proposal by Professor G. W. J. Mitchell FRS, chairman of the Science and Engineering Research Council, on 5 November 1986 for the study of inter-university research centres in increasingly expensive fields such as mass spectrometry, X-ray crystallography and amino-acid sequencing a copy of which has been sent to him; and if he will make a statement.

Mr. Walden: While my right hon. Friend is aware of this suggestion made by Professor Mitchell in a lecture to the Royal Society last November, he has yet to receive any formal proposal. My right hon. Friend understands that the general concept is to be discussed by the appropriate bodies responsible for supporting university and polytechnic research and he looks forward to receiving their advice.

Undergraduates (Statistics)

Mr. Freud asked the Secretary of State for Education and Science if he will list the number of *(a)* male and *(b)* female undergraduates at the universities of Oxford, Cambridge, York and Kent in each of the years from 1980 to 1986.

Mr. Walden: The information is given in the following table. Figures for 1986 are not yet available.

Full-time and part-time undergraduates

Academic year beginning	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
(a) Male						
Oxford	6,380	6,161	5,972	5,927	5,831	5,836
Cambridge	6,739	6,741	6,501	6,353	6,135	6,217
York	1,509	1590	1,609	1,538	1,528	1,587
Kent	2,083	2,221	2,193	2,170	2,126	2,138
(b) Female						
Oxford	3,001	3,275	3,429	3,527	3,691	3,783
Cambridge	2,781	2,971	3,106	3,153	3,345	3,483
York	1,340	1,347	1,354	1,311	1,307	1,286
Kent	1,550	1,691	1,714	1,719	1,761	1,781

Students (Financial Support)

Mr. Marlow asked the Secretary of State for Education and Science which is the first year in which he anticipates a new system of student financial support can be introduced.

Mr. Walden: The date of introduction of any new system of student support would depend on how it differed from the present sytem, and in particular on what legislation might be necessary.

OVERSEAS DEVELOPMENT

Developing Countries (Debt)

Mr. Kirkwood asked the Secretary of State for Foreign and Commonwealth Affairs if he will list in the *Official Report* the extent of indebtedness of all developing countries for the latest year for which figures are available; and to what extent each sum is made up of debts owed to *(a)* United Kingdom commercial banks and *(b)* Her Majesty's Government.

Mr. Ian Stewart: I have been asked to reply.

The extent of indebtedness of developing countries as at 31 December 1985 is listed in section II, table 2, of "OECD External Debt Statistics (1987)." The exposure of United Kingdom commercial banks to developing countries at the same date is listed in the "Bank of England Quarterly Report (September 1986)." Copies of both publications are available in the House of Commons Library. Amounts owed by these countries to Her Majesty's Government are compiled as at the end of each financial year and excluding pre-1945 claims for compensation are owed exclusively to the Overseas Development Administration. The principal amount owed to the ODA by each country as at 31 March 1986 is as follows:

Country bilateral loans outstanding at 31 March 1986

Country	*£ million*
Antigua	0·2
Barbados	0·6
Belize	6·7
Bolivia	0·3
Brazil	3·5
British Virgin Islands	2·5
Cameroon	0·1
Cayman Islands	1·1
Costa Rica	3·2
Cyprus	0·4
Dominica	4·1
Ecuador	7·4
Fiji	2·9
Grenada	2·1
Guyana	25·0
Honduras	3·1
Ivory Coast	0·2
Jamaica	44·3
Jordan	30·8
Laos	—
Malaysia	18·3
Malta	2·5
Mauritius	10·5
New Hebrides	0·2
Nicaragua	0·6
Nigeria	5·6
Paraguay	4·2
Peoples Democratic Republic Yemen	4·2
Peru	4·2
Philippines	5·5
St. Kitts-Nevis-Anguilla	1·0
Senegal	1·0
Seychelles	9·4
Singapore	10·4
Solomon Islands	3·6
Swaziland	12·7
Thailand	1·5
Tonga	2·1
Tunisia	0·5
Turkey	83·9
Vietnam	0·2
Zambia	45·2
Zimbabwe	23·5
Total	392·6

SCOTLAND

Population Statistics

Mr. Coombs asked the Secretary of State for Scotland if he will list the Scottish regions in order of percentage growth in electorate since 1981; and what has been the percentage growth and actual figures in each case.

Mr. Lang: The information for the Scottish regions and islands areas for the period 1981-87 is set out in the table.

Region-islands area	Local government electorate 1981	1987	Increase	Percentage increase
Grampian region	359,151	391,115	31,964	8·9
Highland region	140,922	151,641	10,719	7·6
Orkney Islands area	14,142	14,975	833	5·9
Dumfries and Galloway region	108,276	113,970	5,694	5·3
Shetland Islands area	15,600	16,367	757	4·9
Fife region	254,545	266,585	12,040	4·7
Western Isles islands region	22,695	23,685	990	4·4
Borders region	78,878	81,963	3,085	3·9
Central region	204,207	211,944	7,737	3·8
Lothian region	580,283	599,036	18,753	3·2
Tayside region	297,116	303,808	6,692	2·3
Strathclyde region	1,809,773	1,819,132	9,359	0·5

Colleges of Education

Mr. Ron Brown asked the Secretary of State for Scotland what recent representations he has received from the Church of Scotland about Scottish colleges of education; and if he will make a statement.

Mr. John MacKay: The education committee of the Church of Scotland wrote on 23 February to my right hon. and learned Friend about the composition of the governing bodies of the colleges of education, about which my Department consulted last year. The composition of the governing bodies from 1 April is prescribed in schedule 1 of the Colleges of Education (Scotland) Regulations, which were made on 2 March and laid before Parliament on 11 March.

Dee Corporation

Mr. Allan Stewart asked the Secretary of State for Scotland what assessment he has made of the employment implications for Scotland of the recent reorganisation announced by the Dee Corporation; and if he will make a statement.

Mr. Rifkind [*pursuant to his reply*, 6 March 1987, c. *717*]: I understand that the Dee Corporation is offering for sale, as a going concern, all 18 Shoppers Paradise stores in Scotland, and 10 of the smallest Fine Fare stores. The employment in these 28 shops is around 450.

I understand further that the Dee Corporation is planning to open, by the end of June this year, nine new stores in Scotland, employing at least 1,750 persons. Thus, the net employment in Dee Corporation stores in Scotland is expected to rise substantially.

KMS Ltd

Mr. Foulkes asked the Secretary of State for Scotland if his Department at any time over the past five years has had contracts with KMS Ltd.

Mr. Lang [*pursuant to his reply*, 10 March 1987, c. *147*]: I have no record of any contract being placed with KMS Ltd in the last five years.

SDA (Scott Lithgow)

Dr. Godman asked the Secretary of State for Scotland how much the Scottish Development Agency paid for the land recently acquired from Scott Lithgow shipyard.

Mr. Lang: The financial details of the recent acquisition by the Scottish Development Agency of land at Scott Lithgow are commercially confidential and in accordance with normal practice are not being made public.

SOCIAL SERVICES

Pensioners

Mr. Deakins asked the Secretary of State for Social Services how many pensioners were in receipt of social security payments in Brighton and Leicester, respectively, in 1986; how many of those will be required to pay 20 per cent. of their rates bill under the provisions of the Social Security Act 1986; what will be the average weekly payment by such pensioners towards rates on the assumption that their rate liability will be unchanged from 1986-87; and how many such pensioners will be paying rates for the first time when the new requirement comes into force.

Mr. Lyell: The numbers of pensioners in receipt of supplementary pension in the areas covered by Brighton and Leicester local offices are as follows:

	Number
Brighton	7,119
Leicester	18,303

Information on the number of pensioners in receipt of housing benefit in the areas of Brighton and Leicester local authorities is not available. However the total numbers of rate rebate recipients for 1985-86 for each area were as follows:

	Number
Brighton	24,037
Leicester	46,046

These figures are likely to include many of the supplementary pensioners mentioned in the previous figures.

The sample data used for illustrative purposes in the technical annex to the White Paper "Reform of Social Security" (Cmnd. 9691) are not broken down by specific areas. It is, therefore, not possible to analyse the potential effect of a minimum contribution to rates by all households as requested.

AIDS

Mrs. Dunwoody asked the Secretary of State for Social Services when he intends to reply to the application for a grant from the organisation Streetwise; and what research has been undertaken by his Department into homelessness and the extent to which the AIDS virus is being spread by male prostitutes.

Mr. Newton: A preliminary discussion has taken place with Streetwise and a further meeting with officials has been arranged to discuss their grant application. The Department is not supporting any research into the extent to which the AIDS virus is being spread by male prostitutes.

The following studies into homelessness have been funded by the Department:

Completed

Homeless newcomers to London 1974-1976

Evaluation of the Great Chapel Street Medical Centre 1978-1981

Evaluation of the Plymouth Night Shelter 1982-1985

In progress

Evaluation of pilot schemes for the delivery of primary health care to the homeless.

Mr. Deakins asked the Secretary of State for Social Services if, in future publicity about AIDS, he will emphasise that condoms are available free at family planning clinics.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Mr. Steel asked the Secretary of State for Social Services if he will take steps to allow patients infected by the human immuno deficiency virus from blood products manufactured by the National Health Service protein fractionation centre in Edinburgh to claim compensation.

Mr. John MacKay: I have been asked to reply.

There is no scheme to compensate those who allegedly suffer adverse effects as a result of medical treatment. Negligence established by the courts is the basis of liability for most medical injuries; and compensation may be awarded by the courts in cases where negligence has been proved.

Mr. E. W. Parish

Mr. Mudd asked the Secretary of State for Social Services if he will arrange for a reply to be sent to the hon. Member for Falmouth and Camborne in response to a letter passed to his hon. and learned Friend the Member for Mid-Bedfordshire (Mr. Lyell) on 4 December 1986, from Mr. E. W. Parish, of 7 Treglenwith Road, Camborne, Cornwall.

Mr. Lyell: I replied to my hon. Friend today.

National Insurance

Mr. Austin Mitchell asked the Secretary of State for Social Services whether he will publish in the *Official Report* a table showing the number of men and women paying national insurance contributions at the full rate and at each other rate, together with the estimated cost in each case of exempting the first £2,335 of income in calculating the employee's contribution liability.

Mr. Major: The information on the average number of class 1 contributors in 1986-87 is as follows:

Employees' not contracted out Contribution Rates	*Great Britain: Millions*		
	Males	*Females*	*Total*
Per cent.			
5·00	0·3	1·1	1·4
7·00	0·6	1·5	2·1
9·00	10·5	3·6	14·1
Optants 3·85	—	1·2	1·2
Total	11·4	7·4	18·8

The estimated reduction in yield in a full year from exempting the first £2,335 of income from employees' class 1 contributions is as follows:

Employees' Contribution Rates	*£ billion (Great Britain) (1986-87)*
Per cent.	
5·00	0·2
7·00	0·3
9·00	2·9
Optants 3·85	0·1
Total	3·5

Notes:

In assessing the effect of exempting the first £2,335 of income from employees' contributions, it has been assumed that employees would not pay primary class 1 contributions on the first £44·75 of their weekly earnings.

In deriving these estimates, it has been assumed that the contracted-out rebate would apply to the contribution rates of contracted-out employees on earnings between £44·75 and £285 per week (the upper earnings limit).

All estimates are based on the assumptions used in the report by the Government Actuary on the drafts of the Social Security Benefits Up-rating (No. 2) Order 1986 and the Social Security (Contributions, Re-rating) (No. 2) Order 1986 (Cm 24).

Maternity Payments

Mr. Tom Cox asked the Secretary of State for Social Services how many single payments for maternity items were made to women in Tooting in the last year for which figures are available.

Mr. Lyell: I regret that the information requested is not collected by individual local offices and could be obtained only at disproportionate cost.

Free Milk and Vitamins

Mr. Tom Cox asked the Secretary of State for Social Services how many women and children in Tooting are in receipt of free welfare milk and vitamins in the last year for which figures are available.

Mr. Lyell: I refer the hon. Member to my reply to the hon. Member for Sheffield, Hillsborough (Mr. Flannery) on 2 March at column *495*.

Benefits

Mr. Frank Cook asked the Secretary of State for Social Services (1) how many supplementary benefit claimants live in hostels and are treated as boarders by each of his Department's local offices of Stockton, Hartlepool, Middlesbrough, Eston and Redcar;

(2) how many supplementary benefit claimants live in private nursing or residential homes and are treated as boarders by each of his Department's local offices of Stockton, Hartlepool, Middlesbrough, Eston and Redcar;

(3) how many supplementary benefit claimants are being assessed as board and lodgers in each of his Department's local offices of Stockton, Hartlepool, Middlesbrough, Eston and Redcar.

Mr. Lyell: I regret that the information requested is not collected by individual local offices and could be obtained only at disproportionate cost.

Mr. Frank Cook asked the Secretary of State for Social Services what monitoring procedures he has established in order to assess the effects of the changes to the Supplementary Benefit Single Payment Regulations introduced in August 1986; what effects are are being monitored; what findings are currently available; and if he will make a statement on the effects of the changes upon claimants.

Mr. Major: Information on the effects of the August 1986 changes on expenditure under individual single payment regulations will be obtained from the May 1987 annual statistical enquiry as it is only the ASE which provides a breakdown of expenditure by regulation number (e.g. regulation 12—bedding).

Separate data, from Management Information Statistics collect information on the total single payment decisions and amounts paid, but do not record the individual regulation number, apart from payments made under regulation 30. The information in the table is taken from the latest available MIS statistics.

Supplementary Benefit single payments

(1) *MIS periods*	*(2)* *Number of decisions* '000	*(3)* *Number of refusals* '000	*(4)* *Number of awards* '000	*(5)* *Amount paid* £ million	*(6)* *Regulation 30 awards included in column (4)* '000	*(7)* *Regulation 30 included in column (5)* £ million
27 August 1986 to 10 February 1987*	2,660	1,052	1,608	129	20	1·6

* Provisional figures.

Electoral Statistics

Mr. Coombs asked the Secretary of State for Social Services if he will list the 20 largest parliamentary constituencies by electorate, with their electorates; and what is the average constituency electorate on the current register.

Mrs. Currie: I refer my hon. Friend to the reply given to him by my predecessor on 3 June 1986 at column *527*. Information from the 1987 register will not be available until the end of April 1987.

Emphysema

Mr. Lofthouse asked the Secretary of State for Social Services (1) if he will give the names of the individuals who gave oral evidence to the Industrial Injuries Advisory Council with regard to their investigations into emphysema among mineworkers;

(2) what organisations gave oral evidence to the Industrial Injuries Advisory Council during the investigations into emphysema among mineworkers;

(3) what organisations gave written evidence to the Industrial Injuries Advisory Council during the investigations into emphysema among mineworkers;

(4) on what date the Industrial Injuries Advisory Council started taking evidence about emphysema among mineworkers;

(5) when he expects to receive the report of the Industrial Injuries Advisory Council on its investigations into emphysema among mineworkers.

Mr. Major: The Industrial Injuries Advisory Council's investigation is still in progress. The council first invited evidence by a press notice issued on 17 January 1985. I understand that it hopes to submit its report later this year.

GPs (Retirement Payments)

Mr. Willie W. Hamilton asked the Secretary of State for Social Services if he will publish in the *Official Report* a table showing what payments a general practitioner in the National Health Service receives on retirement, assuming that his length of service was 30 and 40 years, respectively and that he earned average general practitioner's earnings.

Mr. Newton: I shall let the hon. Member have the information that is available as soon as possible.

EC (Retirement Pensions)

Mr. Willie W. Hamilton asked the Secretary of State for Social Services if he will publish in the *Official Report* a table showing the basic retirement pension in each European Economic Community country, the respective contribution rates as a percentage of average earnings and the pension as a percentage of average incomes.

Mr. Major: I shall let the hon. Member have a reply as soon as possible.

Local Offices (Claims)

Mr. Nellist asked the Secretary of State for Social Services what was the backlog of claims at the Gosford street and Park court offices of his Department in Coventry in January 1986, July 1986 and January 1987, respectively.

Mr. Lyell: I shall let the hon. Member have a reply as soon as possible.

Christmas Bonus

Mr. Nellist asked the Secretary of State for Social Services if he will list for each year since its introduction the value of the Christmas bonus for pensioners at *(a)* 1973 and *(b)* 1987 prices.

Mr. Major: As the Christmas bonus was introduced in December 1972, its value expressed at 1972 prices in December of each year is shown in column 1 of the table. Column 2 shows the value in December 1986 prices.

	Value of the Christmas bonus (£)	
	(1)	*(2)*
	1972 prices	*1986 prices*
1972	10·00	44·29
1973	9·04	40·05
1974	7·59	33·62
1975	Not paid	
1976	Not paid	
1977	4·71	20·86
1978	4·35	19·25
1979	3·71	16·42
1980	3·22	14·26
1981	2·87	12·73
1982	2·73	12·07
1983	2·59	11·46
1984	2·48	10·96
1985	2·34	10·37
1986	2·26	10·00

Body Appliances

Mr. Wainwright asked the Secretary of State for Social Services when he expects to publish the terms on which contractors to the National Health Service will supply body appliances.

Mrs. Currie [*pursuant to her reply*, 5 March 1987, c. *677*]: I understand that the hon. Member is referring to arrangements for the supply and fitting of surgical appliances and orthopaedic footwear. North West Thames regional health authority is currently negotiating a new national contract for such provision on behalf of the National Health Service. The terms and conditions were issued by recorded delivery on 13 February to the individual contractors who were invited to tender.

Sickle Cell Disease

Mrs. Renée Short asked the Secretary of State for Social Services what resources he is at present allocating for research, screening and counselling for sickle cell disease and thalassaemia and in which hospitals this work is being done.

Mrs. Currie [*pursuant to her reply*, 5 March 1987, c. *678*]: The Department is providing £7,300 for research at St. Bartholomew's hospital; £10,000 for the national haemoglobinopathy reference centre in Oxford; and about £110,000 through the South East Thames regional health authority, for the diagnosis of rare blood disorders at King's college hospital. The Medical Research Council, the main Government funded body for biomedical research, supports other work.

Screening and counselling services are provided by district health authorities which decide the resources to be devoted locally to these disorders in the light of local needs and competing priorities. Information about hospitals in which services are provided is not collected centrally.

Grants, currently of £15,000 each, are also made to the Sickle Cell Society and the Organisation for Sickle Cell Anaemia Research.

Retirement Age

Mr. Janner asked the Secretary of State for Social Services what is the average age at which *(a)* men and *(b)* women retire from work in the United Kingdom.

Mr. Major [*pursuant to his reply*, 11 February 1987, c. *284*]: Information is not available in precisely the form requested.

Information is held on the average age at which men and women claim retirement pensions on their own contributions and, from survey information, on the proportion of men and women in different age groups who consider themselves to be retired. Since it is possible to continue work whilst drawing state retirement pension and since some people retire from employment before minimum state pension age, both sources are relevant. The information is set out in the tables.

Table 1—Average age of persons awarded basic state retirement pension on their own contributions in the six months to 31 March 1986 (Great Britain)

	years
Men	65·4
Women	60·6

Source: Retirement pension and widows benefit biannual inquiry: movement tables.

Table 2—Persons by age group considering themselves to be retired, spring 1985 (Great Britain)

per cent.

Age	*Men*	*Women*
50-54	—[1]	0·9
55-59	3·5	5·0
60-64	19·4	40·7
65-69	68·8	n/a[2]

Source: Labour Force Survey.

Notes:

The survey information relates to men and women who did not have a job in the week before the interview, were not seeking work, and gave as the reason that they were retired.

[1] Too small to be significant.

[2] Question not asked of women in this age group.

Cash Limits

Mr. Dobson asked the Secretary of State for Social Services if he will give the regional cash limits for both revenue and capital as originally announced for each financial year from 1979-80 to 1987-88.

Mr. Newton [*pursuant to his reply*, 16 March 1987]: The information requested is given in the tables.

Initial cash limits—Revenue (1)[2]

£'000

	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88
Northern	311,488	440,971	484,884	524,048	551,103	577,709	617,301	658,469	699,786
Yorkshire	350,712	496,279	543,325	584,858	617,167	646,631	691,845	739,814	786,599
Trent	415,473	586,640	646,701	702,430	745,899	783,845	844,837	906,746	970,216
East Anglian	171,868	242,935	267,955	292,053	311,862	328,530	352,923	381,174	411,602
North West Thames	415,652	591,296	631,447	650,700	659,298	680,146	712,955	757,300	786,508
North East Thames	454,720	645,334	683,229	758,787	831,081	860,283	903,411	955,859	996,092
South East Thames	429,136	605,848	644,883	693,061	725,225	750,448	789,548	836,239	874,233
South West Thames	334,911	475,611	507,686	544,553	554,113	573,585	602,770	636,615	710,025
Wessex	248,208	351,051	385,257	417,840	442,084	467,553	503,853	542,455	580,446
Oxford	201,020	282,029	309,601	334,177	351,679	369,976	396,765	425,349	454,746
South Western	305,258	427,537	472,124	509,090	537,918	565,072	607,426	649,376	688,642
West Midlands	483,632	680,436	751,204	811,321	853,228	894,653	962,044	1,038,509	1,114,355
Mersey	263,862	370,586	405,502	432,438	455,465	475,402	503,795	533,750	564,742
North Western	428,990	605,198	669,350	724,669	762,042	797,610	849,811	903,633	959,886

Initial cash limits—Capital[1]

£'000

	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88
Northern	29,010	37,100	44,200	41,948	40,878	39,342	39,037	43,481	46,258
Yorkshire	24,320	42,200	49,800	48,633	52,030	51,965	54,338	56,048	57,667
Trent	43,900	50,500	58,900	55,489	54,987	57,104	65,418	64,553	66,628
East Anglian	22,540	26,100	30,800	27,628	20,832	21,799	23,431	23,627	26,020
North West Thames	22,200	28,100	34,100	36,665	39,020	41,518	42,180	45,415	43,224
North East Thames	30,450	37,700	45,800	43,182	45,452	48,933	48,617	53,610	54,143
South East Thames	27,540	34,400	39,700	40,452	44,912	46,691	49,622	52,305	55,910
South West Thames	21,930	26,800	32,900	32,712	32,883	34,431	39,023	41,814	50,082
Wessex	24,200	32,800	41,800	44,733	52,538	56,919	60,945	57,089	50,970
Oxford	15,370	18,500	24,300	21,530	25,372	27,322	25,114	26,496	29,877
South Western	25,050	32,600	38,400	41,674	46,801	51,231	50,099	51,061	51,832
West Midlands	38,360	50,700	60,100	59,436	69,034	83,451	85,375	86,312	88,844
Mersey	26,470	29,900	32,800	29,440	28,659	29,511	29,751	38,873	39,225
North Western	44,060	60,000	75,200	79,136	67,503	68,444	70,433	71,517	73,586

Notes:

[1] Inclusive of joint finance but exclusive of carry forward from previous financial year.

[2] Initial revenue cash limits fluctuate significantly throughout the financial year. They do not include allocations made separately following for example ministerial initiatives. The 1987-88 initial revenue cash limits do not include the £25 million allocated from the waiting list fund, £7 million for the treatment care and counselling of victims and carriers of AIDS or the £6 million provided for the establishment of a breast cancer screening service.

AGRICULTURE, FISHERIES AND FOOD

Alcoholic Drinks (Ingredients)

Mr. Coombs asked the Minister of Agriculture, Fisheries and Food what plans he has to introduce ingredient listing on alcoholic drinks; and if he will make a statement.

Mr. Donald Thompson: When the matter was last considered in the Community there was little support for ingredients listing for all alcoholic drinks; the House was also opposed. None the less, there is still a Community commitment to consider the question of ingredients listing. If there is a fresh round of discussions, I will examine any proposals on their merits and in consultation with interested parties.

Fish Farms

Mr. Colvin asked the Minister of Agriculture, Fisheries and Food (1) if he has any plans to invoke section 29 of the Salmon and Freshwater Fisheries Act 1975 regarding the granting of licences for fish rearing; and if he will make a statement;

(2) if he has any plans to seek to extend his powers under the Salmon and Freshwater Fisheries Act 1975 to permit him to exercise control over fish farms; and if he will make a statement;

(3) if he will introduce legislation to provide a statutory framework for the regulation of the establishment and running of fish farms; and if he will make a statement.

Mr. Gummer: There is a statutory framework for the regulation of the establishment and running of fish farms. The main elements are contained in the Town and Country Planning Act 1971, the Water Resources Act 1963, the Control of Pollution Act 1974 and the Diseases of Fish Acts 1937 and 1983. The Government have already announced that they intend to add to these controls by extending the requirement for water abstraction licensing by water authorities to fish farms producing fish for the table. We have no plans to extend powers of control over fish farms under the Salmon and Freshwater Fisheries Act 1975, nor to use the provisions of section 29 of that Act.

Fisheries Review

Mr. Colvin asked the Minister of Agriculture, Fisheries and Food what action has been taken by his Department to implement the recommendations of the consultative

paper on the review of inland and coastal fisheries in England and Wales, published jointly by his Department and the Welsh Office.

Mr. Gummer: Our 1981 consultation paper covered a range of issues concerning local fisheries administration, salmon conservation, fish farming and fish disease. Action has been taken on many of the points covered in the consultation paper, including:

the registration of fish farms for disease control purposes, consequent upon the passing of the Diseases of Fish Act 1983;

changes to the list of notifiable fish diseases and the revision of movement controls applying to infected sites;

the introduction of controls over the import of ungutted salmon and trout;

the exemption of certain types of fish farm from the provisions of Section 30 of the Salmon and Freshwater Fisheries Act 1975;

following a study of salmon sales control (which concluded that salmon tagging would not be viable) the introduction, in the Salmon Act 1986, of a new offence of receiving or handling salmon, believing or having reason to suspect it was taken illegally, and of powers to introduce salmon dealer licensing schemes;

the introduction of new measures to tighten the management of the commercial salmon fishery off the north east coast of England and provison, also in the Salmon Act 1986, for a review in three years' time of fishing for salmon with nets in this area and certain areas of the Scottish east coast.

Milk Products

Mr. Simon Hughes asked the Minister of Agriculture, Fisheries and Food if he has sanctioned the sale of milk products derived from the milk of cows which have been treated with the hormone bovine somatotropin.

Mr. Donald Thompson: Currently, field trials of bovine somatotropin are in progress authorised by animal test certificates granted under the Medicines Act 1968 by my Department. Before such certificates were granted, we were satisfied as to the safety of the consumer of milk or other produce from treated animals, among a number of other matters laid down in the Medicines Act. These questions were thoroughly scrutinised by a committee of independent experts as well as by my officials. No doubts on this score were thrown up at any stage in the course of this scrutiny. Had such doubts been revealed, the certificates for the animal tests would not have been granted in the first place. Thus there has never been any reason for milk from treated cows or products derived from it to be withheld from sale.

Food and Drink Surpluses

Mr. Canavan asked the Minister of Agriculture, Fisheries and Food what is the current volume and value of surplus stocks of food and drink *(a)* in the United Kingdom and *(b)* in the European Economic Community.

Mr. Gummer: The following table shows the quantity and value of stocks in public intervention storage at 30 November 1986, the latest date for which full information is available.

	United Kingdom		*European Economic Community*	
	Quantity '000 tonnes	*Value £ million*	*Quantity '000 tonnes*	*Value[1] £ million*
Cereals	4,431	523	14,718	2,185
Sugar	—	—	16	7
Olive oil	—	—	283	309
Oilseeds	—	—	26	10
Alcohol	—	—	666	48
Tobacco	—	—	39	22
Skimmed milk-powder	24	25	862	1,190
Butter	254	487	1,306	3,145
Beef:				
quarters	37	49	452	890
boned	45	99	220	575
		1,183		8,381

[1] Converted at the November 1986 exchange rate 1 ecu = £0·734093.

Tributyl Tin

Mr. Ron Davies asked the Minister of Agriculture, Fisheries and Food what are the latest available estimates of the scale of use of tributyl tin compounds in agriculture.

Mr. Donald Thompson [*pursuant to his reply*, 16 March 1987]: I am advised that tributyl tin compounds are not used in agriculture.

Mr. Ron Davies asked the Minister of Agriculture, Fisheries and Food when he expects his Department's Advisory Committee on Pesticides to report on the problem of tributyl tin compounds; and if he will make a statement.

Mr. Donald Thompson [*pursuant to his reply*, 16 March 1987]: The Advisory Committee on Pesticides is an independent committee which advises on the safe use of pesticides in agriculture, public health and industry. It will examine the use of tributyl tin compounds in anti-fouling paints in April with particular emphasis on their effects on the marine environment and will go on to look at their other industrial uses at the earliest opportunity as relevant studies are completed.

Environmentally Sensitive Areas

Mr. Ron Davies asked the Minister of Agriculture, Fisheries and Food if he will make it his policy that, in the event of a breach of a management agreement in an environmentally sensitive area, which results in damage to wildlife habitats, he will require the land to be restored to its former condition.

Mr. Donald Thompson [*pursuant to his reply*, 16 March 1987]: I refer the hon. Member to the schedules attached to the relevant statutory instruments. He will note that key prescriptions are not amenable to the approach which he suggests. For example there is no practical means of remedying a breach of a prohibition on herbicide use.

Farm Publications

Mr. Lawrence asked the Minister of Agriculture, Fisheries and Food if he will make available to hon. and right hon. Members at no cost copies of "Farming

UK", "Rural Enterprise and Development", "Action for Rural Enterprise" and "Farm Woodland Scheme" so that hon. and right hon. Members may be able to distribute them to farmers in their constituencies.

Mr. Donald Thompson [*pursuant to his reply*, 16 March 1987]: The complete pack "Farming and Rural Enterprise", is available from HMSO bookshops and their agents, price £8·50.

Copies of the policy documents "Farming UK" and of "Rural Enterprise and Development" may also be purchased separately at a price of £3·95 each.

The handbook, "Action for Rural Enterprise", is available free of charge from the Development Commission, from local offices of CoSIRA and from MAFF regional and divisional offices.

The consultation document, "Farm Woodland Scheme", which has been sent to all organisations known to be interested, may be consulted at MAFF regional and divisional offices.

Written Answers to Questions

Wednesday 18 March 1987

TRANSPORT

Ports Industry

71. **Mr. Loyden** asked the Secretary of State for Transport if he has any plans to meet the European Commissioner with responsibility for ports to discuss harmonisation of the European Community ports industry.

Mr. Michael Spicer: My right hon. Friend has regular meetings with the Commissioner responsible for transport, in the course of which questions of ports policy have been discussed. The Government do not, however, see any case for harmonisation in the ports field and have no plans to raise this idea with the Commission.

Roads

Mr. Conway asked the Secretary of State for Transport if he will list the road schemes planned by his Department to which objection hearings in the High Court are awaited.

Mr. Peter Bottomley: The only road scheme planned by the Department to which a hearing in the High Court is awaited is A5 Telford-Shrewsbury.

Mr. Roy Hughes asked the Secretary of State for Transport if he will publish in the *Official Report* a table showing for each metropolitan district and each London borough the estimated highways capital and highways maintenance expenditure for 1986-87.

Mr. Peter Bottomley [*pursuant to his reply*, 3 March 1987, c. *533*]: I regret that my earlier answer contained a number of errors. The correct information is in the following tables.

Capital and maintenance expenditure on roads by London boroughs and metropolitan districts—1986-87

London Boroughs	*Capital budget*[1] *£ million*	*Maintenance budget*[2] *£ million*
City of London	2·390	4·187
Inner Boroughs		
Camden	2·488	7·156
Greenwich	3·842	8·032
Hackney	2·826	3·742
Hammersmith and Fulham	0·310	4·981
Islington	1·078	3·070
Kensington and Chelsea	0·761	4·356
Lambeth	3.044	8·241
Lewisham	1·664	6·719
Southwark	2·675	6·909
Tower Hamlets	2·254	8·403
Wandsworth	7·640	4·515
Westminster	3·812	9·746
Outer Boroughs		
Barking and Dagenham	2·000	3·221
Barnet	1·715	8·483
Bexley	4·850	4·236
Brent	1·006	3·397
Bromley	2·268	9·321
Croydon	1·294	7·438
Ealing	5·984	6·125
Enfield	9·091	5·629
Haringey	2·443	3·481
Harrow	3·443	1·714
Havering	5·783	5·059
Hillingdon	11·208	5·667
Hounslow	1·818	2·541
Kingston-upon-Thames	7·917	3·644
Merton	4·938	5·491
Newham	3·794	4·163
Redbridge	4·260	5·115
Richmond-upon-Thames	0·918	4·609
Sutton	2·037	3·558
Waltham Forest	2·329	3·908

Source:
[1] Authorities' 1986 Transport Policies and Programmes.
[2] Authorities' Return of Expenditure and Rates '87.

Capital and maintenance expenditure on roads by London boroughs and metropolitan districts—1986-87

Metropolitan districts	*Capital budget*[1] *£ million*	*Maintenance budget*[2] *£ million*
Greater Manchester		
Bolton	1·230	3·930
Bury	2·072	1·892
Manchester	11·961	9·837
Oldham	0·720	4·632
Rochdale	1·310	2·636
Salford	3·661	4·514
Stockport	3·807	4·781
Tameside	1·400	4·181
Trafford	4·072	5·809
Wigan	5·705	6·049
Merseyside		
Knowsley	0·841	5·192
Liverpool	9·069	13·070
St. Helens	0·748	3·849
Sefton	1·031	8·288
Wirral	1·370	7·103
South Yorkshire		
Barnsley	2·068	5·130
Doncaster	1·871	8·179
Rotherham	1·440	7·383
Sheffield	7·119	11·728
Tyne and Wear		
Gateshead	1·320	7·220
Newcastle-upon-Tyne	2·054	7·517
North Tyneside	0·626	7·011
South Tyneside	3·559	5·071
Sunderland	6·692	6·783
West Midlands		
Birmingham	15·813	19·106
Coventry	2·183	6·518
Dudley	2·805	5·512
Sandwell	2·876	7·093
Solihull	0·894	4·620
Walsall	3·913	4·508
Wolverhampton	6·878	4·414
West Yorkshire		
Bradford	8·914	6·793

Metropolitan districts	Capital budget[1] £ million	Maintenance budget[2] £ million
Calderdale	0·999	6·566
Kirklees	4·040	7·938
Leeds	4·166	17·252
Wakefield	1·555	7·617

Source:
[1] Authorities' 1986 Transport Policies and Programmes
[2] Authorities' Return of Expenditure and Rates '87

Night Flying (Landing Procedures)

Mr. Tim Smith asked the Secretary of State for Transport under what circumstances, at night, the pilot of an aircraft is entitled to ask air traffic control to cancel his instrument flight rules plan during his approach to land and, thereafter, accept responsibility for maintaining his own separation from other aircraft.

Mr. Michael Spicer: The rules under which aircraft flying within the United Kingdom airspace may fly are laid down in the Rules of the Air and Air Traffic Control Regulations 1985.

Under these rules, the commander of an aircraft in flight outside controlled airspace at night is not required to file a flight plan for the purpose of obtaining an air traffic control clearance. However, if an instrument flight rules plan is filed, it may be cancelled at any stage of the flight but the commander must still comply with the instrument flight rules.

For an aircraft in flight within controlled airspace at night, it is a requirement that an instrument flight rules flight plan be communicated to an air traffic control unit and that the aircraft must be flown in conformity with the air traffic control clearance obtained. The instrument flight rules flight plan cannot be cancelled in these circumstances.

London Transport (Safety)

Mr. Spearing asked the Secretary of State for Transport if he will make a statement on the implications for safety standards of the policy decisions taken by London Regional Transport or its London Buses and London Underground subsidiaries since 1983 relating to the improvement of commercial performance.

Mr. David Mitchell: The primary responsibility for maintaining safety of both bus and underground systems rests with the operators. London Regional Transport is governed by the relevant statutory requirements and the bodies responsible for ensuring compliance. I am happy to report that the corporation's success at meeting its commercial objectives and so reducing the burden upon the taxpayer and London ratepayers has been achieved without weakening the very high standards of safety expected of its services.

Fishing Industry

Mr. McQuarrie asked the Secretary of State for Transport (1) pursuant to his reply to the hon. Member for Banff and Buchan at columns *285-86* of the *Official Report* on 12 March, when consultations with representatives of the fishing industry will be completed; and if he will make a statement;

(2) pursuant to his reply to the hon. Member for Banff and Buchan at columns *285-86* of the *Official Report* on 12 March, if he intends to consult representatives of the Scottish Fishermens Federation and the Scottish White Fish Producers Association; and if he will make a statement.

Mr. Michael Spicer: We have asked the 56 representative bodies that we have consulted to let us have their written comments on the light dues proposals by 2 April, so that we may consider them prior to the meeting that we are arranging for 6 April. This will provide an opportunity for discussion of the proposals and for any further comments. That would effectively complete the consultation with the industry. The Scottish Fishermen's Federation and the Scottish White Fish Producers Associaton are among those consulted.

M23 (Traffic Congestion)

Mr. Soames asked the Secretary of State for Transport what steps he will take to reduce traffic jams at exit 10 on the M23 in the early mornings.

Mr. Peter Bottomley: We have asked our agent, the West Sussex county council, to prepare a peak-hour traffic signal scheme.

Airports (Landing Charges)

Mr. Soames asked the Secretary of State for Transport what representations he has received about proposed increases in landing charges by the British Airports Authority.

Mr. Michael Spicer: A small number of representations have been received. From 1 April 1987, airport charges at BAA's London airports will be subject to price regulation by means of formulae that should ensure that airlines using Heathrow or Gatwick will enjoy, on average, real reductions in charges over the next five years.

Aircraft Noise (Gatwick)

Mr. Soames asked the Secretary of State for Transport if he is satisfied with the disposition of noise monitoring equipment at Gatwick airport; and if he will make a statement.

Mr. Michael Spicer: The four noise monitoring units at Gatwick continue to achieve their purpose of helping to protect communities close to the ends of the runway from high levels of noise disturbance by departing aircraft. The Department is considering whether new equipment should be installed and if so, where it should be positioned. In addition, the general noise climate around the airport is assessed each year by the Civil Aviation Authority, on behalf of the Department, using mobile noise-monitoring equipment and computer modelling techniques.

Mr. Soames asked the Secretary of State for Transport what steps his Department is taking to reduce aircraft noise at Gatwick.

Mr. Michael Spicer: We have taken a number of important measures. Gatwick has benefited from the ban on non noise-certificated subsonic jet aircraft on the United Kingdom register, which took effect on 1 January 1986. It will also benefit from the ban on non noise certificated foreign aircraft, which takes effect from 1

January 1988. The Government impose limits on the noise made by aircraft taking off, by day and by night, and restricts night movements. Movements at night by "noisier" jet aircraft (that is having a 95PNdB noise footprint exceeding 4 square miles on take-off or 2½ square miles on landing) will not be permitted from 1 April this year, except for emergencies and a few day-time flights that have been unavoidably delayed. In addition, disturbance is reduced by concentrating departing aircraft on noise preferential routes. The Government also encourage the use of quiet take-off and landing procedures at the airport.

For the future the Government remain committed to taking all the measures they sensibly can to reduce disturbance due to aircraft noise near busy airports; and we are considering a number of initiatives that should help to alleviate disturbance at Gatwick and elsewhere.

Assessment Studies (London)

Mr. Malins asked the Secretary of State for Transport when he proposes to consult boroughs on terms of reference for stage 2 of the London assessment studies; and if he will make a statement.

Mr. Peter Bottomley: We are writing to the local authorities concerned today to consult them on the proposed terms of reference. We shall also be inviting comments from other interested organisations.

The report on stage 1 analysed the problems in the study areas. The aim of stage 2 is to develop possible ways of dealing with them. The studies will look at a wide range of options, with a view to identifying possible alternative strategies for each area. They will take full account of the operation of the local road system, the role of public transport, and the safety and convenience of pedestrians and cyclists.

The proposed terms of reference are as follows:

1. The aim of stage 2 of the studies is to identify possible options for reducing the problems identified in stage 1 of the studies.

2. The consultants carrying out the studies are to consider a range of options to enable the road system to cater more effectively for necessary longer distance traffic within London, including public transport improvements, better traffic management, control and enforcement of parking and junction improvements as well as possible new construction where that can be achieved without serious environmental damage.

3. It is not the aim to increase traffic in London. The objectives will be to deal more efficiently with existing traffic, where possible to stop it from using unsuitable residential roads and shopping streets, and to enable other road users, including cyclists and pedestrians, to move more safely and freely.

4. It is not the Government's policy to restrict car use through road pricing within the foreseeable future, but it will be open to the consultants to consider proposals to charge for using specific roads or locations, and to estimate the effects on traffic in the study areas of more general measures, including completing the Government's policy of gradually raising to realistic levels the scale charges for taxing the benefit of having a company car available for private use.

5. One of the objectives of providing more effectively for longer distance traffic is to enable public road transport to function more efficiently and reliably. The consultants are to discuss with the operators how far traffic problems within the study areas could be helped by possible new or improved public transport facilities, interchanges and station car parks. Further work on possible new rail and underground investments will be carried forward under the aegis of the Secretary of State's London Passenger Transport Group.

6. The studies will need to take account of objectives for the study areas set out in local plans and strategic guidance for unitary plans as it is developed. In some places plans to maintain and develop economic activity depend on improved access. The Department is already supporting boroughs through TSG to achieve necessary improvements. The studies will consider whether further action is needed to improve access to the rest of London and the national road system. The consultants are to draw attention to development policies which could have undesirable consequences in overloading the road system.

7. The consultants are to assess the merits of these options, having regard to the Government's transport policies, including those for public transport, and their policies and guidance for roads and traffic in London, the Department's continuing concern to secure value for money and the sensitivity of the environment and the social fabric of the areas concerned. They are also to take account of the Government response to the Standing Advisory Committee on Trunk Road Assessment report on urban road appraisal.

Rural Bus Services

Mr. Hickmet asked the Secretary of State for Transport what will be the rate of grant for rural bus services in 1987-88.

Mr. David Mitchell: The Government introduced a rural bus grant last April to encourage provision of rural bus services during the change over to deregulation. It is to be phased out over the following three years. The grant was paid at 6p per eligible bus mile in 1986-87. It will be paid at 5p per bus mile in 1987-88 and so will continue to be an important incentive for rural bus service operators.

SOCIAL SERVICES

Supplementary Benefit

Mr. Wareing asked the Secretary of State for Social Services how many recipients of supplementary benefit on Merseyside have had their payments suspended for not attending job training scheme interviews; how much in benefit has been withheld; and if he will make a statement.

Mr. Major: The new job training scheme will not begin in Merseyside until April 1987. The scheme is entirely voluntary and no benefit sanctions will apply if someone does not wish to take up training or leaves prematurely.

National Insurance Contributions

Ms. Clare Short asked the Secretary of State for Social Services how many individuals have been excepted from payment of class 2 national insurance contributions because their earnings were below the limit for each year since 1979.

Mr. Major: The information is as follows:

Year	*United Kingdom*
1978-79	27,450
1979-80	27,500
1980-81	29,500
1981-82	27,100
1982-83	39,900
1983-84	52,500

(1) The figures show the number of persons excepted from payment of class 2 contributions in the last week of the relevant contribution year.

(2) Final figures are not available for later years.

Ophthalmic Regulations

Mr. Dickens asked the Secretary of State for Social Services (1) what steps are taken to monitor the operation of the National Health Service (General Ophthalmic Services) Amendment Regulations 1985 (SI 1985, No. 298); and if he will make a statement;

(2) what powers are available to him to deal with allegations of breaches of the National Health Service (General Ophthalmic Services) Amendment Regulations 1985 (SI 1985, No. 298).

Mr. Meacher asked the Secretary of State for Social Services if he is satisfied with the operation of the National Health Service (General Ophthalmic Services) Amendment Regulations 1985 (SI 1985, No. 298); and if he will make a statement.

Mr. Newton: These regulations have been revoked and provisions relating to the general ophthalmic services are now contained in the National Health Service (General Ophthalmic Services) Regulations 1986 (SI 1986 No. 975). I understand that these new regulations are operating satisfactorily.

The Department monitors the operation of these services through the information which it receives from family practitioner committees.

Complaints which suggest a breach of the regulations are subject to investigation by the ophthalmic service committee of the family practitioner committee concerned in accordance with the National Health Service (Service Committees and Tribunal) Regulations 1974 (SI 1974 No. 455). These regulations provide a range of penalties which may be imposed on those practitioners found in breach of their terms of service.

Hearing Therapists

Mr. Ashley asked the Secretary of State for Social Services (1) how many hearing therapists have been trained; how many are currently employed; what has been the annual wastage rate; and what attempts are being made to reduce it;

(2) how many hearing therapists are currently employed by the National Health Service.

Mr. Major: Although records are not kept centrally, I understand that since 1978, 75 hearing therapists have been trained at the City Literary Institute. There are at present about 60 hearing therapists in post and 12 students on the current course. We continue to keep in close touch with the training authority and the British Society of Hearing Therapists about the development of hearing therapy in the National Health Service.

Mr. Ashley asked the Secretary of State for Social Services (1) what financial provision is currently being made for the training of hearing therapists;

(2) whether any estimate has been made of the number of hearing therapists needed in the United Kingdom; and if he will make a statement.

Mr. Major: Following seven years pump-priming by the Department, provision for the training of hearing therapists, and estimation of the numbers needed, is now the responsibility of individual district health authorities.

Mr. Ashley asked the Secretary of State for Social Services what advice his Department has given on the desirability of districts employing hearing therapists.

Mr. Major: The Department has consistently encouraged the establishment of hearing therapy posts in the National Health Service. In 1978 the Department issued a circular to all regional health authorities encouraging them to establish two or three hearing therapist posts in their regions. Until the cessation of central funding in 1985 the Department wrote each year to RHAs asking them to nominate candidates for the training course. In 1985, the Department, in conjunction with the National Health Service training authority, held a seminar to enable participants from the NHS to appreciate the value of hearing therapists and to demonstrate what they can achieve as an integral part of services for people whose hearing is impaired.

Mr. Ashley asked the Secretary of State for Social Services how many district health authorities employ at least one hearing therapist.

Mr. Major: I regret that this information is not held centrally.

Audiological Consultants

Mr. Ashley asked the Secretary of State for Social Services how many audiological consultants are employed by the National Health Service and in which regions and districts; and what has been the increase in numbers since 1979 and since 1983.

Mr. Newton: Information on the employment of National Health Service consultants is not available centrally for all districts. Numbers of consultants contracts held by regional health authorities, district health authorities designated for teaching purposes, and special health authorities for the London post-graduate teaching hospitals are set out in the table. Some consultants hold contracts of more than one authority.

NHS consultants in audiological medicine: analysis by employing authority, showing changes in numbers since 1979 and 1983

				Change/number	
	1986	*1983*	*1979*	*1986-83*	*1986-79*
England	14	15	8	−1	+6
Total of figures shown below[1]	16	20	10		
Trent					
Nottingham HA	1	1	—	—	+1
North West Thames					
North West Thames RHA	2	2	—	—	+2
Paddington/North Kensington HA	—	1	—	−1	—
Riverside HA	1	3	—	−2	+1
North East Thames					
Bloomsbury HA[2]	5	7	4	−2	+1
South East Thames					

	1986	1983	1979	Change/number 1986-83	1986-79
Camberwell HA	1	1	—	—	+1
South West Thames					
South West Thames RHA	2	1	1	+1	+1
Wandsworth HA [Merton, Sutton and Wandsworth AHA(T) before April 1982]	—	—	1	—	−1
Wessex					
Southampton and South West Hampshire HA [Hampshire AHA(T) before April 1982]	—	—	1	—	−1
North Western					
Central Manchester HA	1	1	1	—	—
Salford HA	1	1	1	—	—
SHA/LPGTHs					
Hospitals for Sick Children	1	1	1	—	—
National Hospital for Nervous Diseases	1	1	—	—	+1

[1] Some consultants hold contracts with more than one authority.
[2] Figures for 1979 include National Ear, Nose and Throat Hospital.
Other boundary changes may have affected some figures, but it is not possible to identify these.

Deafness

Mr. Ashley asked the Secretary of State for Social Services how many children have been born profoundly deaf in each of the last five years; and how many specialised centres there are for their treatment in the United Kingdom.

Mr. Major: No precise estimates are available but it is generally accepted that around one child in every 1,000 is born profoundly deaf. Responsibility for their treatment rests with individual health authorities and detailed information about the specific facilities provided is not collected centrally.

Mr. Ashley asked the Secretary of State for Social Services when he intends to ease the conditions for compensation for industrial noise deafness; and to what extent an extension is affected by the current level of provision for audiological testing.

Mr. Major: Noise-induced hearing loss was prescribed as an industrial disease on 28 October 1974 on the basis of recommendations in a report by the Industrial Injuries Advisory Council (Cmnd. 5461 October 1973). In that and subsequent reports the recommendations have been influenced, among other things, by the availability of audiological resources.

A further report is expected this year. Whatever the recommendations, these will be considered carefully, and in the light of other demands on the social security system.

Audiological Centres

Mr. Ashley asked the Secretary of State for Social Services how many specialised audiological centres providing the full range of hearing tests there are in the United Kingdom; and what is the waiting time for a first appointment at each.

Mr. Major: I regret that this information is not held centrally.

Waiting Lists

Mr. Ashley asked the Secretary of State for Social Services what is the average waiting time, in each of the regions, for a first appointment with *(a)* a general surgeon and *(b)* an ear, nose and throat surgeon.

Mr. Newton: I am sorry I cannot give the right hon. Member the information he seeks. Statistical information on cases awaiting out-patient consultation is not collected centrally.

Mr. Ashley asked the Secretary of State for Social Services if he will give, for each region, the waiting lists for *(a)* general surgery and *(b)* ear, nose and throat surgery; if he will express the figures as numbers per hundred thousand of the population; and if he will give the percentage increase since 1979 and since 1983 respectively.

Mr. Newton: The information requested is given in the tables.

Cases on in-patient waiting list for admission to NHS hospitals for general surgery at 30 September

Regional health authorities	1979 Number of cases	1983 Number of cases	1986 Number of cases	Change between 1979-86 Number	Change between 1979-86 Percentage	Change between 1983-86 Number	Change between 1983-86 Percentage
Northern	10,740	9,906	9,034	−1,706	−15·9	−872	−8·8
Yorkshire	10,759	10,408	8,413	−2,346	−21·8	−1,995	−19·2
Trent	17,409	15,297	10,958	−6,451	−37·1	−4,339	−28·4
East Anglia	7,841	5,991	5,458	−2,383	−30·4	−533	−8·9
North West Thames[1]	11,041	9,592	10,420	−621	−5·6	828	8·6
North East Thames[1]	13,208	11,946	13,781	573	4·3	1,835	15·4
South East Thames[1]	12,708	11,719	13,373	665	5·2	1,654	14·1
South West Thames[1]	9,347	8,219	7,049	−2,298	−24·6	−1,170	−14·2
Wessex	8,802	9,883	9,407	605	6·9	−476	−4·8
Oxford	9,591	8,965	7,372	−2,219	−23·1	−1,593	−17·8
South Western	12,677	10,416	10,099	−2,578	−20·3	−317	−3·0
West Midlands	23,745	21,649	17,891	−5,854	−24·7	−3,758	−17·4

Regional health authorities	1979 Number of cases	1983 Number of cases	1986 Number of cases	Change between 1979-86 Number	Change between 1979-86 Percentage	Change between 1983-86 Number	Change between 1983-86 Percentage
Mersey	11,961	10,624	7,789	−4,172	−34·9	−2,835	−26·7
North Western	16,295	13,898	10,718	−5,577	−34·2	−3,180	−22·9
SHA's[1]	214	510	578	364	170·1	68	13·3
England	176,338	159,023	142,340	−33,998	−19·3	−16,683	−10·5

Cases on in-patient waiting list for admission to NHS hospitals for ear, nose and throat surgery at 30 September

Regional health authorities	1979 Number of cases	1983 Number of cases	1986 Number of cases	Change between 1979-86 Number	Change between 1979-86 Percentage	Change between 1983-86 Number	Change between 1983-86 Percentag.
Northern	5,960	8,036	4,068	−1,892	−31·7	−3,968	−49·4
Yorkshire	8,795	9,453	8,569	−226	−2·6	−884	−9·4
Trent	8,372	8,506	8,873	501	6·0	367	4·3
East Anglia	3,561	4,905	3,655	94	2·6	−1,250	−25·5
North West Thames[1]	6,435	6,006	7,811	1,376	21·4	1,805	30·1
North East Thames[1]	9,520	10,425	13,883	4,363	45·8	3,458	33·2
South East Thames[1]	5,811	5,671	8,532	2,721	46·8	2,861	50·4
South West Thames[1]	4,647	6,002	4,603	−44	−0·9	−1,399	−23·3
Wessex	8,486	7,231	5,451	−3,035	−35·8	−1,780	−24·6
Oxford	5,468	4,651	4,434	−1,034	−18·9	−217	−4·7
South Western	4,861	5,781	5 004	143	2·9	−777	−13·4
West Midlands	13,821	13,899	15,.07	1,286	9·3	1,208	8·7
Mersey	5,727	5,268	3,354	−2,373	−41·4	−1,914	−36·3
North Western	11,919	10,332	10,364	−1,555	−13·0	32	0·3
SHA's[1]	1,677	956	777	−900	−53·7	−179	−18·7
England	105,060	107,122	104,495	−575	−0·5	−2,637	−2·5

Cases on in-patient waiting list for admission to NHS hospitals for General Surgery expressed as a rate per 100,000 population

Regional Health Authorities	1979 Number of Cases per 100,000 population	1983 Number of Cases per 100,000 population	1986 Number of Cases per 100,000 population (Mid-1985)	Change between 1979-86 Per cent.	Change between 1983-86 Per cent.
Northern	343·1	319·5	292·8	−14·7	−8·4
Yorkshire	298·4	289·3	272·6	−8·6	−5·7
Trent	380·1	332·4	355·1	−6·6	6·9
East Anglian	420·6	311·2	176·9	−57·9	−43·2
North West Thames[1]	319·5	277·6	337·7	5·7	21·7
North East Thames[1]	351·1	319·8	446·6	27·2	39·7
South East Thames[1]	354·9	326·8	433·4	22·1	32·6
South West Thames[1]	317·8	278·8	228·4	−28·1	−18·1
Wessex	322·5	352·7	304·9	−5·5	−13·6
Oxford	417·8	377·3	238·9	−42·8	−36·7
South Western	415·8	335·9	327·3	−21·3	−2·6
West Midlands	458·5	418·2	579·8	26·5	38·6
Mersey	484·0	436·5	252·4	−47·9	−42·2
North Western	401·8	347·0	347·3	−13·6	0·1
England	377·6	339·5	302·1	−20·0	−11·0

Cases on in-patient waiting list for admission to NHS hospitals for Ear, Nose and Throat expressed as a rate per 100,000 population

Regional Health Authorities	1979 Number of Cases per 100,000 population	1983 Number of Cases per 100,000 population	1986 Number of Cases per 100,000 population	Change between 1979-86 Per cent.	Change between 1983-86 Per cent.
Northern	190·4	259·2	131·8	−30·8	−49·1
Yorkshire	243·9	262·7	238·1	−2·4	−9·4
Trent	182·8	184·8	191·9	5·0	3·8
East Anglian	191·0	254·8	186·0	−2·6	−27·0
North West Thames[1]	186·2	173·8	224·3	20·5	29·1
North East Thames[1]	253·1	279·1	370·1	46·2	32·6
South East Thames[1]	162·3	158·2	236·9	45·9	49·8
South West Thames[1]	158·0	203·6	155·4	−1·6	−23·7

Regional Health Authorities	1979	1983	1986	Change between 1979-86	1983-86
	Number of Cases per 100,000 population	Number of Cases per 100,000 population	Number of Cases per 100,000 population	Per cent.	Per cent.
Wessex	310·9	258·1	191·0	−38·6	−26·0
Oxford	238·2	195·8	181·9	−23·6	−7·1
South Western	159·4	186·4	158·8	−0·4	−14·8
West Midlands	266·9	268·5	291·5	9·2	8·6
Mersey	231·8	216·4	138·4	−40·3	−36·1
North Western	293·9	258·0	259·6	−11·7	0·6
England	221·4	226·6	220·1	−0·6	−2·9

[1] Because of National Health Service restructuring in 1982 figures are not strictly comparable over the whole period.

ENT Consultants

Mr. Ashley asked the Secretary of State for Social Services how many ear, nose and throat consultant posts there are now in each of the regions; how many there were in 1979 and in 1983 respectively; and how many of the posts are currently unfilled.

Mr. Newton: The information requested is in the table.

Consultant posts in otolaryingology:
Analysis by region showing number and whole-time equivalent of all posts for the years 1986, 1983 and 1979, also whole-time equivalent of posts unfilled by locums in 1986 (30 September each year)

	1986 Consultant posts		1986 not occupied by locums	1983 Consultant posts		1979[1] Consultant posts	
	Number	Whole-time equivalent	Whole-time equivalent	Number	Whole-time equivalent	Number	Whole-time equivalent
Northern	25	23·6	—	26	23·9	26	23·6
Yorkshire	24	23·3	2·0	27	24·1	25	23·1
Trent	35	31·9	—	32	29·8	30	26·6
East Anglian	13	13·0	—	14	13·9	13	12·9
North West Thames	27	18·6	—	31	21·3	39	23·1
North East Thames	45	33·0	0·8	49	32·0	42	28·9
South East Thames	33	29·1	—	37	29·5	38	27·8
South West Thames	31	24·2	0·8	31	24·6	32	21·8
Wessex	25	23·8	1·0	27	23·8	25	22·5
Oxford	19	18·1	—	18	18·0	16	15·8
South Western	23	21·7	—	24	22·8	25	21·5
West Midlands	40	39·5	—	39	37·9	37	34·1
Mersey	17	14·3	—	17	14·9	18	14·6
North Western	36	34·7	1·0	38	35·6	35	29·3
SHA/LPGTHs	11	2·8	—	12	3·1	24	12·2

[1] Due to the National Health Service restructuring in 1982, figures for 1979 are not strictly comparable.

Hearing Aids

Mr. Ashley asked the Secretary of State for Social Services what investigation there has been regarding the use that is made of National Health Service hearing aids after issue to *(a)* the general population and *(b)* elderly people; and what research has been done into the problems that are encountered with the use of hearing aids.

Mr. Major: We hope that the national study of hearing being carried out by the Institute of Hearing Research will throw light on this problem.

Mr. Ashley asked the Secretary of State for Social Services what type of follow-up help is normally provided to those supplied with National Health Service hearing aids.

Mr. Major: District health authorities make their own arrangements using the staff and facilities available to them.

Mr. Ashley asked the Secretary of State for Social Services how many new patients are supplied with hearing aids annually; and what is the average waiting period from the time of diagnosis that a hearing aid is needed to its eventual supply.

Mr. Major: I am sorry that I cannot give the right hon. Member the information he seeks. It is not available centrally. Responsibility for the supply of National Health Service hearing aids now rests with the Mersey regional health authority. The right hon. Member may therefore wish to contact the regional chairman.

Mr. Ashley asked the Secretary of State for Social Services what proportion of the elderly population over 65 years of age have a National Health Service hearing aid.

Mr. Major: Specific information is not available but it is known that hearing aid possession rises after retirement age.

Mr. Ashley asked the Secretary of State for Social Services (1) what is his estimate of the proportion of

elderly people over 65 years of age who have a hearing loss so great that they would benefit from the provision of a hearing aid;

(2) what is his estimate of the proportion of the adult population who have a hearing loss so great that they would benefit from the use of a hearing aid.

Mr. Major: Whether patients might benefit from the provision of a hearing aid depends on a complicated set of factors including, of course, the degree and type of hearing loss suffered. In view of this, it is not possible to give accurate estimates but I hope that people, especially elderly people, who feel that their hearing is becoming impared will seek medical advice so that the best treatment may be given.

Mr. Ashley asked the Secretary of State for Social Services what proportion of the adult population have a National Health Service hearing aid.

Mr. Major: It has been estimated that 3·8 per cent. of the adult population have hearing aids, 80 per cent. of these supplied by the National Health Service.

Audiology Technicians

Mr. Ashley asked the Secretary of State for Social Services what has been the number of audiology technician posts in the National Health Service in each of the past five years; what is the current number of vacancies; and what changes there have been in the percentage of posts that are vacant over the last five years.

Mr. Major: Information on posts and on vacancies is not collected centrally. Numbers of physiological measurement technicians (audiology) in post for the five years to 1985 (the most recent year for which information is available) are as follows:

30 September	*Number*
1981	760
1982	800
1983	790
1984	790
1985	780

Source: DHSS annual census of NHS non-medical manpower.
Note: All figures rounded to nearest 10 whole-time equivalents.

Mr. Ashley asked the Secretary of State for Social Services how many audiological technicians have been trained in each of the last five years; what is the estimated turnover; and what steps are being taken to reduce it.

Mr. Major: Information on staff completing training, or on turnover of staff, is not collected centrally. The numbers of student physiological measurement technicians (audiology) in post for the five years to 1985 (the most recent year for which information is available) are as follows:

Staff in post in England—grades A and B

30 September	*Number*
1981	210
1982	190
1983	150
1984	150
1985	140

Source: DHSS annual census of NHS non-medical manpower.
Note: All figures rounded to nearest 10 whole-time equivalents.

Mr. Ashley asked the Secretary of State for Social Services what recommendations his Department has issued on the desirable number of audiological technicians per million population; and how many regions have achieved this recommended number.

Mr. Major: None. The number of technicians required is a matter for determination by the individual health authorities.

Abortion

Mr. Peter Bruinvels asked the Secretary of State for Social Services on how many occasions during the last 12 months officials of his Department have visited the Leicester Nuffield clinic, Scraptoft Lane, Leicester in order to monitor the implementation of the Abortion Act and the Infant Life (Preservation) Act.

Mr. Newton: The Leicester Nuffield clinic, which has only two beds approved under the Abortion Act, has not been visited in the last 12 months.

Mr. David Atkinson asked the Secretary of State for Social Services on how many occasions during the last 12 months officials of his Department have visited the abortion clinic at Dean Park nursing home, Bournemouth, in order to monitor the implementation of the Abortion Act and the Infant Life (Preservation) Act.

Mr. Newton: The Dean Park nursing home has received one visit of inspection under the Abortion Act during the last 12 months.

Mr. Teddy Taylor asked the Secretary of State for Social Services on how many occasions during the last 12 months officials of his Department have visited the Wellesley hospital, Southend on Sea, Essex, in order to monitor the implementation of the Abortion Act and the Infant Life (Preservation) Act.

Mr. Newton: The Wellesley hospital, which has only two beds approved under the Abortion Act, has not been visited in the last 12 months.

Mr. Thurnham asked the Secretary of State for Social Services if he will provide details of each death notified with legal abortions in England and Wales from 1982 to 1986, listed by *(a)* duration of pregnancy (i) under nine weeks (ii) nine to 12 weeks, (iii) 13 to 16 weeks, (iv) 17 to 19 weeks and (v) 20 weeks or over and *(b)* the abortion procedures and showing whether sterilisation was notified concurrently.

Mr. Newton: The information is shown in the table.

Number of notifications of abortions carried out under the Abortion Act 1967, specifying death of woman, by gestation, procedure and whether sterilization was performed England and Wales—1982 to 1986

Year	*Number*	*Gestation*	*Procedure*	*Sterlisation*
1982	3 cases	11 weeks	Vacuum aspiration	Yes
		12 weeks	Vacuum aspiration	Hysterectomy
		15 weeks	D & C	No
1983	1 case	8 weeks	Vacuum aspiration	Not stated
1984	3 cases	14 weeks	Prostaglandins only	Not stated
		17 weeks	Vacuum aspiration and D & C	No
		12 weeks	Vacuum aspiration	Yes
1985	2 cases	6 weeks	Vacuum aspiration	Not stated

Year	Number	Gestation	Procedure	Sterlisation
		8 weeks	Vacuum aspiration	No
1986	nil[1]			

[1] Provisional figure for notifications received by end of December 1986.

These statistics may exclude deaths occurring after the notification of the abortion.

Mr. Thurnham asked the Secretary of State for Social Services if he will list the number of legal abortions without sterilisation performed in England and Wales from 1968 to 1986 *(a)* by gestation period of (i) under nine weeks, (ii) nine to 12 weeks, (iii) 13 to 16 weeks and (iv) 17 to 19 weeks and *(b)* by main procedure (1) aspiration, (2) D and C or D and E, (3) hysterotomy, (4) laminaria tents, (5) prostaglandines, (6) saline and (7) utus paste.

Mr. Newton: I regret that the exact information requested can be provided only at disproportionate cost. However, the available information on all abortions by period of gestation and procedure is shown in the following publications: "Registrar General's Statistical Review—Supplement on Abortion 1968-1973," table 13. "Abortion Statistics Series AB," table 3.1 1974-1980, table 14 1981-1985. Copies of these volumes are in the Library.

Mr. Hunter asked the Secretary of State for Social Services on how many occasions during the last 12 months officials of his Department have visited the abortion clinic at Hampshire clinic, Basingstoke, in order to monitor the implementation of the Abortion Act and the Infant Life (Preservation) Act.

Mr. Newton: The Hampshire clinic has only two beds approved under the Abortion Act. Approval was granted in June 1986. Prior to approval the hospital received two visits of inspection in February and April 1986. It has not been visited since that time.

Mr. Cyril Smith asked the Secretary of State for Social Services on how many occasions during the last 12 months officials of his Department have visited the abortion clinic at Highfield hospital in Rochdale in order to monitor the implementation of the Abortion Act and the Infant Life (Preservation) Act.

Mr. Newton: The Highfield hospital, which has only three beds approved under the Abortion Act, has been visited once in the last 12 months.

Tricycles

Mr. Carter-Jones asked the Secretary of State for Social Services how many *(a)* new and *(b)* good condition second-hand tricycles are available in his Department; what plans his Department has for their disposal; and if he will make a statement.

Mr. Major: There are no new invalid three-wheelers available in England. The last contract for the purchase of these vehicles was completed in April 1978.

On 1 March 1987 there were 1,023 invalid three-wheelers in good condition available for re-issue. The Department also has some 1,100 vehicles around the country which are kept in reserve for the use of three-wheeler drivers when those they have on permanent loan are off the road.

The future of these vehicles is a matter which we shall be considering over coming months.

Benefits (Claimants)

Dr. Godman asked the Secretary of State for Social Services (1) how many supplementary benefit claimants are being assessed as board and lodgers in his Department's local offices in Greenock and Port Glasgow;

(2) how many supplementary benefit claimants live in hostels and are treated as boarders by his Department's local offices in Greenock and Port Glasgow;

(3) how many supplementary benefit claimants reside in private nursing or residential homes and are treated as boarders by his Department's local offices in Greenock and Port Glasgow.

Mr. Lyell: I regret that the information requested is not collected by individual local offices and could be obtained only at disproportionate cost.

Children in Care

Mr. Latham asked the Secretary of State for Social Services what is the average cost to local authorities, as notified to his Department, of keeping children between the ages of *(a)* five to 11 years and *(b)* 11 to 16 years in care; and what range of costs the average covers.

Mrs. Currie: Information is not collected centrally in the form requested. Some information about local authority expenditure on children in care is, however, published by the Chartered Institute of Public Finance and Accountancy in its "Personal Social Services Statistics" publications, copies of which are available in the Library.

Streetwise (Parliamentary Question)

Mrs. Dunwoody asked the Secretary of State for Social Services when he intends to answer the question of the hon. Member for Crewe and Nantwich, for answer on 24 February, regarding a request for funding by the organisation Streetwise.

Mr. Newton: I replied to the hon. Member on 17 March.

Cervical Cancer

Mr. Dobson asked the Secretary of State for Social Services what information he has as to whether Calderdale health authority is operating a full computerised call and recall scheme for screening all women at risk of cervical cancer covering all the family doctor practices in the district.

Mrs. Currie: I shall let the hon. Member have a reply as soon as possible.

Cancer (West Cumbria)

Mr. Tim Smith asked the Secretary of State for Social Services what is the latest position in implementing recommendation five of the report of the independent advisory group chaired by Sir Douglas Black which investigated the possible increased incidence of cancer in West Cumbria.

Mr. Newton: The Government have reached agreement in principle with the London School of Hygiene and Tropical Medicine that we should establish there a small area statistics unit of which Professor Geoffrey Rose should be honorary director. The following terms of reference have been proposed for the unit.

"On behalf of the Government:

(i) to study available statistics in order to detect any unusual incidence of disease as early as possible and, where appropriate, to investigate;
(ii) to examine quickly reports (formal and informal) of unusual clusters of disease in the neighbourhood of industrial installations and advise authoritatively as soon as possible;
(iii) in collaboration with relevant bodies build up reliable background information on the distribution of disease amongst small areas so that specific clusters can be placed in proper context;
(iv) to develop the methodology for analysing and interpreting statistics relating to small areas."

The work of the unit will be guided by a steering committee drawn from those Government Departments in the United Kingdom responsible for health and environmental questions, the Health and Safety Executive and independent experts.

It is expected that the details of the contract with the London School of Hygiene and Tropical Medicine will be finalised soon and the unit will start work in the early part of the next financial year.

Severe Weather Payments

Mr. Foulkes asked the Secretary of State for Social Services what is the cost of advertising of the £5 cold climate allowance; what is the estimated cost of administration of the scheme *(a)* in the current year and *(b)* in January 1987; and what other expenditure has been incurred, apart from the cost of the payments themselves.

Mr. Major [*pursuant to his reply*, 29 January 1987, c. *367*]: The full cost of advertising and administering the exceptionally cold weather scheme in the current year will be assessed at the end of the winter period. However, total advertising costs for January 1987 were about £670,000.

Additional manpower in the form of 300 overtime man-years was allocated to local offices to help process cold weather claims at a cost of some £4 million. Extra travel and subsistence in connection with overtime working and increased postage costs were also incurred.

Dr. Godman asked the Secretary of State for Social Services, how much was spent by his Department on advertising the availability of exceptionally severe weather payments *(a)* in 1986 and *(b)* so far in the current year in (i) Scotland, (ii) Strathclyde and (iii) Greenock and Port Glasgow.

Mr. Major [*pursuant to his reply*, 12 February 1987, c. *341*]: The availability of exceptionally severe weather payments in 1986 was advertised on a national basis only, at a cost of £267,000.

In January 1987 press and radio advertising was undertaken on a national basis at a cost of £400,000 and advertisments for insertion in local newspapers, leaflets and posters were produced and distributed centrally at an approximate cost of £68,000. Scotland also undertook its own advertising at a cost of about £54,700.

In addition, local advertising was undertaken, for which the estimated costs for January 1987, are as follows:

	£
Scotland	9,000
Strathclyde	4,000
Greenock and Port Glasgow	500

Benefits

Mr. Nellist asked the Secretary of State for Social Services what was the backlog of claims at the Gosford street and Park court offices of his Department in Coventry in January 1986, July 1986 and January 1987, respectively.

Mr. Lyell [*pursuant to his reply*, 17 March 1987]: The table sets out the information requested about outstanding claims to social security benefits at Gosford street.

Benefit	*14 January 1986*	*29 July 1986*	*13 January 1987*
Sickness/Invalidity	204	113	86
Maternity allowance	90	86	60
Severe disablement allowance	not known	12	42
Supplementary benefit	396	742	321
Retirement pension	263	250	245

Park court is an unemployment benefit office, rather than a DHSS office, and I understand there are no claims to unemployment benefit outstanding.

Finance

Mr. Dobson asked the Secretary of State for Social Services if he will give for each year since 1979 the total income in each region under section 58, section 65 and section 66 of the National Health Service Act 1977; and if he will give these figures *(a)* in cash terms, *(b)* deflated to take account of inflation generally, *(c)* deflated to take account of the movement of National Health Service pay and prices and *(d)* as a percentage of total National Health Service expenditure.

Mr. Newton [*pursuant to his reply*, 24 November 1986, c. *122*]: The following figures are derived from the annual accounts of health authorities. Reliable figures for section 58 income are not available for years before 1983-84.

TABLE 1 *Income under Section 58 of The National Health Service Act 1977*

Regions	*1983-84*				*1984-85*				*1985-86*	
	a £	*b* £000	*c* £000	*d* per cent.	*a* £	*b* £000	*c* £000	*d* per cent.	*a* £	*d* per cent.
Northern	802	1	1	—	1,560	2	2	—	11,492	—
Yorkshire	6,972	8	8	—	10,819	11	11	—	49,638	—
Trent	18,386	20	20	—	40,955	43	43	—	73,711	0·01
East Anglian	16,068	18	18	—	53,685	57	56	0·01	64,943	0·01
North West Thames	11,941	13	13	—	27,535	29	29	—	36,864	—
North East Thames	4,839	5	5	—	5,800	6	6	—	12,778	—
South East Thames	17,107	19	19	—	57,069	61	60	0·01	164,154	0·01
South West Thames	9,748	11	11	—	29,979	32	32	—	63,228	0·01
Wessex	11,310	12	13	—	28,686	30	30	—	68,697	0·01

Regions	1983-84 a £	b £000	c £000	d per cent.	1984-85 a £	b £000	c £000	d per cent.	1985-86 a £	d per cent.
Oxford	15,865	18	18	—	44,566	47	47	0·01	60,747	0·01
South Western	57,430	63	64	0·01	60,854	65	64	0·01	74,919	0·01
West Midlands	31,215	35	35	—	77,303	82	81	0·01	67,627	—
Mersey	22,860	25	25	—	43,108	46	45	0·01	47,444	0·01
North Western	28,530	32	32	—	33,651	36	36	—	80,897	0·01
Special Health Authorities for the London Postgraduate Teaching Hospitals	43,458	48	48	0·02	88,918	94	94	0·05	141,804	0·07
Total	296,531	328	330	—	604,488	641	636	—	1,018,943	0·01

Table 2. Income under Section 65 of the National Health Service Act 1977

	1979-80 a £000	b £000	c £000	d per cent.	1980-81 a £000	b £000	c £000	d per cent.
Regions								
Northern	520	839	897	0·11	767	1,044	1,034	0·13
Yorkshire	1,701	2,746	2,934	0·32	2,130	2,898	2,871	0·31
Trent	1,303	2,103	2,248	0·20	1,730	2,354	2,332	0·21
East Anglian	1,116	1,801	1,925	0·41	1,500	2,041	2,022	0·43
North West Thames	5,464	8,820	9,426	0·90	6,511	8,859	8,777	0·85
North East Thames	3,989	6,439	6,881	0·63	4,978	6,773	6,710	0·59
South East Thames	4,414	7,125	7,614	0·71	5,781	7,866	7,793	0·73
South West Thames	1,811	2,923	3,124	0·37	2,236	3,042	3,014	0·36
Wessex	1,199	1,935	2,068	0·31	1,711	2,328	2,306	0·34
Oxford	2,076	3,351	3,581	0·67	2,537	3,452	3,420	0·64
South Western	910	1,469	1,570	0·19	1,257	1,710	1,694	0·21
West Midlands	2,094	3,380	3,612	0·28	2,809	3,822	3,787	0·30
Mersey	766	1,237	1,321	0·19	1,065	1,449	1,436	0·21
North Western	2,119	3,420	3,655	0·32	2,863	3,896	3,859	0·34
Special Health Authorities for the London Postgraduate Teaching Hospitals	3,838	6,195	6,621	3·76	4,744	6,456	6,395	3·64
Total	33,320	53,783	57,477	0·45	42,619	57,990	57,450	0·45

Regions	1981-82 a £'000	b £'000	c £'000	d percentage	1982-83 a £'000	b £'000	c £'000	d percentage
Northern	901	1,116	1,123	0·13	592	684	693	0·08
Yorkshire	2,626	3,252	3,272	0·34	2,016	2,328	2,359	0·24
Trent	1,789	2,216	2,229	0·19	1,714	1,980	2,005	0·17
East Anglia	1,917	2,374	2,389	0·49	1,552	1,793	1,816	0·36
North West Thames	7,360	9,115	9,171	0·85	6,073	7,014	7,105	0·69
North East Thames	5,793	7,175	7,218	0·62	8,520	9,841	9,968	0·80
South East Thames	6,472	8,016	8,064	0·74	6,135	7,086	7,178	0·65
South West Thames	2,597	3,216	3,236	0·37	2,573	2,972	3,010	0·35
Wessex	2,097	2,597	2,613	0·37	1,802	2,081	2,108	0·29
Oxford	2,773	3,434	3,455	0·62	2,599	3,002	3,041	0·53
South Western	1,462	1,811	1,822	0·21	1,359	1,570	1,590	0·18
West Midlands	3,314	4,104	4,129	0·31	2,395	2,766	2,802	0·21
Mersey	1,531	1,896	1,908	0·27	1,281	1,480	1,499	0·21
North Western	3,287	4,071	4,096	0·34	2,244	2,592	2,625	0·22
Special health authorities for the London postgraduate teaching hospitals	5,425	6,720	6,758	3·63	5,309	6,130	6,213	3·28
Total	49,344	61,113	61,483	0·47	46,164	53,319	54,012	0·40

Regions	1983-84 a £000	b £000	c £000	d Per cent.	1984-85 a £000	b £000	c £000	d Per cent.	1985-86 a £000	d Per cent.
Northern	930	1,028	1,035	0·12	961	1,019	1,011	0·11	960	0·11
Yorkshire	2,730	3,018	3,038	0·31	2,909	3,084	3,060	0·31	2,940	0·29
Trent	1,574	1,740	1,752	0·15	1,371	1,453	1,442	0·12	1,497	0·12

Regions	1983-84 a £000	1983-84 b £000	1983-84 c £000	1983-84 d Per cent.	1984-85 a £000	1984-85 b £000	1984-85 c £000	1984-85 d Per cent.	1985-86 a £000	1985-86 d Per cent.
East Anglian	1,763	1,949	1,962	0·39	1,476	1,565	1,553	0·30	1,784	0·34
North West Thames	5,909	6,532	6,577	0·64	5,733	6,077	6,031	0·58	5,727	0·55
North East Thames	8,307	9,182	9,246	0·74	8,063	8,547	8,482	0·68	8,134	0·66
South East Thames	6,190	6,842	6,889	0·62	5,894	6,248	6,200	0·56	6,267	0·56
South West Thames	2,620	2,896	2,916	0·34	2,501	2,651	2,631	0·31	2,256	0·26
Wessex	2,028	2,242	2,257	0·31	1,760	1,866	1,852	0·24	1,430	0·19
Oxford	2,734	3,022	3,043	0·53	2,882	3,055	3,032	0·51	3,190	0·54
South Western	1,585	1,752	1,764	0·20	1,426	1,512	1,500	0·17	1,678	0·19
West Midlands	2,938	3,248	3,270	0·24	2,890	3,063	3,040	0·22	2,794	0·19
Mersey	1,382	1,528	1,538	0·22	1,390	1,473	1,462	0·20	1,689	0·24
North Western	2,688	2,971	2,992	0·25	2,750	2,915	2,893	0·24	3,029	0·25
Special Health Authorities for the London Postgraduate Teaching Hospitals	6,116	6,759	6,808	3·42	6,681	7,082	7,030	3·66	8,412	4·32
Total	49,494	54,709	55,087	0·41	48,687	51,610	51,219	0·37	51,787	0·38

Table 3 Income under section 66 of the National Health Service Act 1977

Regions	1979-80 a £000	1979-80 b £000	1979-80 c £000	1979-80 d Per cent.	1980-81 a £000	1980-81 b £000	1980-81 c £000	1980-81 d Per cent.
Northern	79	128	136	0·02	121	165	163	0·02
Yorkshire	151	243	261	0·03	233	317	314	0·03
Trent	124	200	214	0·02	189	257	255	0·02
East Anglian	62	100	107	0·02	105	143	142	0·03
North West Thames	398	643	687	0·07	505	687	681	0·07
North East Thames	268	433	462	0·04	479	652	646	0·06
South East Thames	229	369	395	0·04	369	502	497	0·05
South West Thames	173	279	299	0·04	218	297	294	0·03
Wessex	89	144	154	0·02	154	210	208	0·03
Oxford	109	176	188	0·03	164	223	221	0·04
South Western	75	121	129	0·02	143	195	193	0·02
West Midlands	119	192	205	0·02	193	263	260	0·02
Mersey	65	106	114	0·02	115	156	155	0·03
North Western	182	294	314	0·03	233	317	314	0·03
Special health authorities for the London postgraduate teaching hospitals	459	741	791	0·45	544	739	732	0·42
Total	2,583	4,169	4,456	0·04	3,765	5,123	5,075	0·04

Regions	1981-82 a £000	1981-82 b £000	1981-82 c £000	1981-82 d Per cent.	1982-83 a £000	1982-83 b £000	1982-83 c £000	1982-83 d Per cent.
Northern	156	193	194	0·02	114	132	133	0·02
Yorkshire	328	406	409	0·04	298	344	349	0·04
Trent	234	290	292	0·03	260	300	304	0·03
East Anglian	135	167	168	0·03	134	155	157	0·03
North West Thames	586	726	730	0·07	550	635	644	0·06
North East Thames	602	746	750	0·06	817	944	956	0·08
South East Thames	434	538	541	0·05	543	627	635	0·06
South West Thames	293	363	365	0·04	297	343	347	0·04
Wessex	222	275	277	0·04	258	298	302	0·04
Oxford	220	272	274	0·05	264	305	309	0·05
South Western	194	240	242	0·03	218	252	255	0·03
West Midlands	246	305	307	0·02	287	331	336	0·03
Mersey	175	217	218	0·03	191	221	223	0·03
North Western	348	431	434	0·04	299	345	350	0·03
Special Health Authorities for the London Postgraduate Teaching Hospitals	646	799	803	0·43	787	909	921	0·49
Total	4,819	5,968	6,004	0·05	5,317	6,141	6,221	0·05

Regions	1983-84 a £000	1983-84 b £000	1983-84 c £000	1983-84 d per cent.	1984-85 a £000	1984-85 b £000	1984-85 c £000	1984-85 d per cent.	1985-86 a £000	1985-86 d per cent.
Northern	187	207	208	0·02	231	245	243	0·03	312	0·04
Yorkshire	388	429	432	0·04	446	473	469	0·05	533	0·05
Trent	287	317	319	0·03	348	369	366	0·03	534	0·04
East Anglian	146	161	162	0·03	206	218	217	0·04	335	0·06
North West Thames	596	659	663	0·06	681	722	716	0·07	810	0·08
North East Thames	862	953	959	0·08	922	977	970	0·08	1,078	0·09
South East Thames	601	664	669	0·06	635	673	668	0·06	797	0·07
South West Thames	366	405	407	0·05	429	455	451	0·05	485	0·06
Wessex	285	315	317	0·04	318	337	335	0·04	359	0·05
Oxford	337	373	375	0·06	418	443	440	0·07	640	0·11
South Western	257	284	286	0·03	295	313	310	0·03	418	0·05
West Midlands	383	423	426	0·03	475	504	500	0·04	669	0·05
Mersey	206	228	229	0·03	257	272	270	0·04	348	0·05
North Western	361	399	402	0·03	438	464	461	0·04	661	0·05
Special Health Authorities for the London Postgraduate Teaching Hospitals	699	772	781	0·39	822	871	865	0·45	1,150	0·59
Total	5,961	6,589	6,635	0·05	6,921	7,336	7,281	0·05	9,129	0·07

Notes:
1. The figures in columns *b* have been adjusted to 1985-86 prices using the gross domestic product deflator.
2. The figures in columns *c* have been adjusted to the same 1985-86 base using centrally assessed movements in NHS pay and prices. They should be interpreted with caution as the composition of expenditure in individual regions is bound to vary from the national average. The calculation takes account only of pay and price movements affecting current expenditure by health authorities and does not reflect the different elements making up capital expenditure and that of the family practitioner services.
3. The total expenditure figures used to calculate the percentages in columns *d* include all current and capital expenditure by authorities together with expenditure on family practitioner services. The latter expenditure cannot strictly be attributed to particular regions but has been assigned to regions on a geographical basis from the annual accounts of family practitioner committees. The totals used to calculate the percentages for special health authorities do not include any of this expenditure and these figures are therefore not strictly comparable with those for regions.
4. Percentages too low to round to 0·01 per cent. are omitted.

Chiropodists and Speech Therapists

Mr. Freud asked the Secretary of State for Social Services if he will list in respect of each English district health authority the ratio of *(a)* chiropodists and *(b)* speech therapists per head of population in 1980 and at the latest date for which figures are available; and if he will make a statement.

Mr. Newton [*pursuant to his reply*, 22 January 1987, c. *716*]: Information is not held centrally in the form requested and would be disproportionately expensive to obtain. Figures available in respect of regional health authorities in England are given in the tables.

NHS Speech Therapists Per 100,000 Population [1] by Regional Health Authority	1980	1985
England[2]	3·5	4·9
Northern RHA	2·5	4·1
Yorkshire RHA	3·1	4·0
Trent RHA	3·2	4·8
East Anglian RHA	3·9	5·0
North West Thames RHA	4·3	5·4
North East Thames RHA	4·0	5·9
South East Thames RHA	4·0	5·1
South West Thames RHA	4·2	5·2
Wessex RHA	2·7	4·3
Oxford RHA	3·9	5·3
South Western RHA	3·6	5·1
West Midlands RHA	2·9	4·6
Mersey RHA	2·6	4·3
North Western RHA	3·9	5·4

NHS Chiropodists Per 100,000 Population [1] by Regional Health Authority	1980	1985
England[2]	4·4	5·0
Northern RHA	3·7	4·4
Yorkshire RHA	4·3	4·9
Trent RHA	3·3	4·5
East Anglian RHA	4·8	4·5
North West Thames RHA	5·1	5·1
North East Thames RHA	3·9	4·4
South East Thames RHA	5·3	5·3
South West Thames RHA	5·3	5·2
Wessex RHA	3·3	3·8
Oxford RHA	4·5	4·4
South Western RHA	4·6	4·9
West Midlands RHA	3·2	4·5
Mersey RHA	3·9	4·7
North Western RHA	6·6	8·6

Notes:
[1] Manpower figures used are whole-time equivalents at 30 September each year. Tutorial staff are excluded. Population figures used are mid-year estimates.
[2] Includes Special Health Authorities for the London Post-Graduate Teaching Hospitals.
Source:
DHSS Annual Census of NHS Non-Medical Manpower.
OPCS Mid-Year Population Estimates.

WALES

Inland and Coastal Fisheries

Mr. Colvin asked the Secretary of State for Wales what action has been taken by his Department to implement the recommendations of the consultation paper on the review

of inland and coastal fisheries in England and Wales, published jointly by his Department and the Ministry of Agriculture, Fisheries and Food.

Mr. Mark Robinson: I refer my hon. Friend to the reply given to him yesterday by my right hon. Friend the Minister of Agriculture, Fisheries and Food.

Local Authority Expenditure

Mr. Terlezki asked the Secretary of State for Wales what information he has on how much money has been spent by local authorities in Wales on (i) twinning arrangements, showing separately the costs of related visits abroad, (ii) the establishment of nuclear-free zones and (iii) on emergency shelters; and if he will make a statement.

Mr. Mark Robinson: The information is not held centrally.

Children in Care

Mr. Latham asked the Secretary of State for Wales what is the average cost to local authorities, as notified to his Department, of keeping children between the ages of *(a)* five to 11 years and 11 to 16 years in care; and what range of costs the average covers.

Mr. Mark Robinson: Information is not available in the form requested. However, data published by the CIPFA statistical information service gives average figures for the Welsh counties as follows:

Children—residential accommodation
Gross cost per child week excluding capital charges
1985-86 actuals (£)

	Observation and assessment centres	*Community homes with education*[1]	*Other community homes and hostels*[1]
Clwyd	280·33	—	205·41
Dyfed	204·72	—	225·39
Gwent	317·40	277·40	285·32
Gwynedd	203·63	—	212·06
Mid Glamorgan	798·21	434·10	206·12
Powys	—	—	147·68
South Glamorgan	633·61	791·28	353·85
West Glamorgan	269·74	366·10	180·37
Wales	316·63	474·86	230·51

[1] Own accommodation.

Appeals (Ministerial Adjudication)

Mr. D. E. Thomas asked the Secretary of State for Wales in what circumstances he has the role of adjudicator in appeals against decisions made by local authorities and public bodies in Wales; and if he will list the powers under which he fulfils that role.

Mr. Mark Robinson: A list of the various appellate powers is in preparation and I shall reply as soon as possible.

Cancer and Leukaemia

Mr. Harvey asked the Secretary of State for Wales if he is in a position to provide information concerning the levels for cancer and leukaemia along the coast of north Wales; and if he will make a statement.

Mr. Mark Robinson: In the 1974-78 quinquennial report of the Wales cancer registry it was noted that both Clwyd and Gwynedd had elevated rates of registrations for all cancers combined when compared with other areas in Wales. This result remained when allowance was made for the differing age and sex structures of the areas concerned. Initial work on the quinquennial report covering the years 1979 to 1983 indicated that this differential persisted. However, in view of the registry's concern about the validity of the cancer registrations of both Clwyd and Gwynedd a validation exercise was initiated. This work required the comparison of computer listed entries against individual case notes, which necessitated the prior consent of the consultant involved in each case. As a consequence, the exercise has taken some time to complete. The results are set out in the following table:

Registration of cancers 1974-83

	1974-78 number	*1974-78 annual rate per 100,000 population*	*1974-78 standardised registration rate*	*1979-83 number*	*1979-83 annual rate per 100,000 population*	*1979-83 standardised registration rate*
All leukaemias (ICD 204-208)						
North Wales coast (Clwyd)	102	13·9	132	111	14·0	131
North Wales coast (Gwynedd)	92	11·4	109	104	12·8	117
North Wales coast	194	12·6	120	215	13·4	124
Wales	1,309	9·4	100	1,401	10·0	100
All malignancies (ICD 140-208)						
North Wales coast (Clwyd)	3,813	520·2	110	4,070	515·0	105
North Wales coast (Gwynedd)	3,898	483·9	104	4,283	527·6	104
North Wales coast	7,711	501·2	107	8,353	521·4	104
Wales	57,839	413·2	100	64,490	458·4	100

These confirm the elevated rates derived from the 1974 to 1978 quinquennial report of the Wales cancer registry. There is no evidence of a readily identifiable cause for this differential, which remains even when allowance is made for the extent to which the age and sex structure of the

population of the area differs from that of Wales as a whole. There are no grounds at this stage for assuming any particular environmental factor is responsible.

Whereas the 1974 to 1978 quinquennial report of the Wales cancer registry indicated a higher rate of cancers for Gwynedd than for Clwyd, the present studies mostly indicate higher rates for the Clwyd portion of the north Wales coast than for the Gwynedd portion.

I have invited Professor Hubert Campbell, Emeritus Professor of Medical Statistics at the University of Wales College of Medicine, to undertake some further investigation of this data under the auspices of the steering committee for the proposed small area statistics unit announced today by my hon. Friend the Minister for Health.

Notes:

1. The North Wales Coast area is defined as comprising the areas of the following pre 1974 local authorities:

Clwyd
- Connahs Quay
- Flint MB
- Holywell UD
- Holywell RD
- Prestatyn UD
- Rhyl UD
- Abergele UD
- Colwyn Bay MB

Gwynedd
- Llandudno UD
- Conway MB
- Penmaenmawr UD
- Llanfairfechan UD
- Ogwen RD
- Bangor MB
- Gwyrfai RD
- Caernarfon MB
- Lleyn RD
- Beaumaris MB
- Menai Bridge UD
- Amlwch UD
- Holyhead UD
- Twrcelyn RD
- Valley RD
- Aethwy RD

2. The incidence of cancer varies greatly with age. The standardised registration rate (SRR) is an index which enables ready comparison of incidence rates in populations in different age and sex structures. The set of age-sex — specific incidence rates for Wales as a whole is denoted as the standard. These "standard" rates are then applied to the age-sex distribution of a particular area to calculate the number of registrations that would have been "expected" in this population had the area experienced, at each age, the cancer incidence of the standard population. The "expected" incidence so found is then compared with the "observed" incidence and the ratio is multiplied by 100 to give an index in which 100 is the norm.

$$\text{SRR} = \frac{\text{Observed incidence} \times 100}{\text{Expected incidence}}$$

3. The apparent overall increase in the rates recorded in the later quinquennium compared with the earlier may well be attributable to more efficient reporting of cases and does not necessarily indicate any true increase in the incidence of leukaemias and other malignancies.

ENVIRONMENT

Miss Linda Bascombe (Member's Correspondence)

Mr. Mudd asked the Secretary of State for the Environment if he will arrange for a reply to be sent to the hon. Member for Falmouth and Camborne in response to a letter passed to his hon. Friend the Member for Surbiton (Mr. Tracey) on 22 December 1986, concerning Miss Linda Bascombe, of 12 Trevithick road, Falmouth, Cornwall.

Mr. John Patten: I wrote to my hon. Friend on 22 December, and have now sent a further letter.

Waste Disposal

Dr. David Clark asked the Secretary of State for the Environment if he will give figures for the quantities of trichlorotrifluoromethane that were disposed of at land-based waste sites in *(a)* 1985 and *(b)* 1986.

Mr. Waldegrave: Trichlorotrifluoromethane (CFC 113) is used as a speciality solvent. Neither United Kingdom production figures nor import statistics are available for trichlorotrifluoromethane, and I cannot therefore quantify the usage of this material with any precision. However, extrapolation from European Community data suggests that no more than about 200 tonnes of this material is contained in the residues from solvent recovery which arise annually in the United Kingdom for disposal by incineration or landfil.

Planning Legislation

Mr. Macfarlane asked the Secretary of State for the Environment how many applications within the town and country planning legislation are currently being determined by him; and if he will indicate those cases where consideration has taken longer than *(a)* three months, *(b)* six months and *(c)* one year.

Mr. Waldegrave: I understand that my hon. Friend is referring to called-in planning applications. My right hon. Friend the Secretary of State currently has 124 such applications under consideration, 62 of which were called in between three and six months ago; 47 between six months and one year ago; and 15 over one year ago.

European Year of the Environment

Sir Hugh Rossi asked the Secretary of State for the Environment what his Department is contributing to the European Year of the Environment.

Mr. Waldegrave: The United Kingdom EYE Committee, of which the hon. Member is a member, has overall responsibility for the United Kingdom Programme for EYE.

My Department intends to provide more than £750,000 in direct support of the committee and the team which we have established to run EYE on a day-to-day basis. This sum includes £300,000 which, subject to parliamentary approval of the Estimates, will be available to grant-aid individual projects and events within the EYE programme.

DOE and PSA are sponsoring a number of events and projects for EYE, including an international pollution abatement fair and conference, the new "Better Environment" awards for industry (which will form part of a Community-wide award scheme) and a revised handbook on Community environmental policy. We have identified many other projects and activities to promote the themes of EYE, and will seek further opportunities to publicise the year and the activities of the committee.

Inner City Programme (Birmingham)

Mr. Rooker asked the Secretary of State for the Environment if he will make a statement on the contribution of the inner city programme to voluntary groups in Birmingham.

Mr. Ridley: In 1985-86, one third (£8·6 million) of the Birmingham inner city partnership programme supported 465 voluntary sector schemes. The partnership aims to help inner city residents help themselves and this is often achieved through voluntary sector projects. £9·8 million of the 1986-87 programme has been set aside for the voluntary sector demonstrating increased support from the urban programme.

SCOTLAND

New Towns (Housing)

Mr. Robin Cook asked the Secretary of State for Scotland if he will publish in the *Official Report* a table showing the individual and total bids for housing capital allocation by the Scottish new towns development corporations in response to his letter of December 1986, including a breakdown between capital allocation, between rehabilitation and new construction, and the estimates by development corporations of expected revenue from sales of assets.

Mr. Lang: The following tables set out the estimates contained in the budgets recently submitted to my Department by the new town development corporations:

£ million

	Cumbernauld	*East Kilbride*	*Glenrothes*	*Irvine*	*Livingston*	*Total*
1988-89						
Housing Capital						
Land and Buildings purchased	—	0·1	—	0·1	—	0·2
New Construction	4·6	6·5	3·0	3·9	9·3	27·3
Major Rehabilitation	0·8	4·4	2·0	—	3·2	10·4
Total New Investment	5·4	11·0	5·0	4·0	12·5	37·9
Receipts from Sales	(4·7)	(5·2)	(2·5)	(1·0)	(2·9)	(16·3)
Net Capital Programme	0·7	5·8	2·5	3·0	9·6	21·6
1989-90						
Housing Capital						
Land and Buildings purchased	—	—	—	—	—	—
New Construction	5·0	6·9	5·3	3·5	11·1	31·8
Major Rehabilitation	0·2	4·4	1·7	—	0·8	7·1
Total New Investment	5·2	11·3	7·0	3·5	11·9	38·9
Net Capital Receipts from Sales	(2·5)	(3·5)	(2·5)	(0·8)	(2·8)	(12·1)
Net Capital Programme	2·7	7·8	4·5	2·7	9·1	26·8
1990-91						
Housing Capital						
Land and Buildings purchased	—	—	—	0·1	—	0·1
New Construction	4·9	6·8	5·0	2·9	11·8	31·4
Major Rehabilitation	0·1	4·4	1·4	—	—	5·9
Total New Investment	5·0	11·2	6·4	3·0	11·8	37·4
New Capital Receipts from Sales	(2·4)	(1·8)	(2·5)	(0·6)	(2·6)	(9·9)
Net Capital Programme	2·6	9·4	3·9	2·4	9·2	27·5

Abortion

Mr. Thurnham asked the Secretary of State for Scotland if he will provide details of each death notified with legal abortions in Scotland between 1981 and 1986 listed by *(a)* duration of pregnancy (i) under nine weeks, (ii) nine to 12 weeks, (iii) 13 to 16 weeks, (iv) 17 to 19 weeks and (v) 20 weeks or over and *(b)* the abortion procedure, and showing whether sterilisation was notified concurrently.

Mr. John MacKay: The information requested is not available, as the latest in the series of inquiries into maternal deaths in Scotland dealing with the period specified has not yet been completed.

Mr. Thurnham asked the Secretary of State for Scotland if he will list the number of legal abortions without sterilisation performed in Scotland between 1968 and 1986 *(a)* by gestation period (i) of under nine weeks, (ii) nine to 12 weeks, (iii) 13 to 16 weeks and (iv) 17 to 19 weeks and *(b)* by main procedure (i) aspiration, (ii) D and C or D and E, (iii) hysterotomy, (iv) laminaria tents, (v) prostaglandines, (vi) saline and (vii) utus paste.

Mr. John MacKay: The number of legal abortions without sterilisation performed in Scotland between 1968 and 1985 by gestation period is given in table 1. The available information about the number of legal abortions without sterilisation by method is given in table 2. Figures for 1986 are not yet available.

Table 1: Legal abortions without sterilisation by gestation Scotland 1968 to 1975

Year	Gestation (weeks)					
	less than 9	9 to 12	13 to 16	17 to 19	20 plus	Not known
1968	235	414	203	63	31	30
1969	553	1,150	483	152	59	49
1970	982	1,985	586	188	74	23
1971	1,236	2,354	660	216	61	13
1972	1,706	3,016	787	200	60	21
1973	1,801	3,090	797	197	84	27
1974	1,884	3,233	781	189	63	—
1975	1,713	3,406	840	232	88	—
1976	1,740	3,358	840	209	82	2
1977	1,960	3,332	744	188	95	4
1978	1,979	3,506	736	176	75	5
1979	2,042	3,680	824	230	84	3
1980	2,106	3,828	810	233	97	—
1981	2,454	4,490	818	202	89	—
1982	2,599	4,040	741	220	72	—
1983	2,600	4,045	728	249	69	—
1984	2,696	4,507	920	268	56	—
1985	2,791	4,600	856	251	47	—

Table 2: Legal abortions without sterilisation by method Scotland 1968 to 1985

Year	Method of Termination				
	D&C D&E	Hysterotomy	Vacuum Aspiration	Prostaglandin	Other
1968	550	165	129	N/A	132
1969	894	242	930	N/A	380
1970	1,175	285	1,898	N/A	480
1971	1,145	246	2,550	N/A	599
1972	1,204	216	3,637	N/A	733
1973	1,077	98	3,874	N/A	947
1974	794	68	4,184	N/A	1,104
1975	664	37	4,224	N/A	1,354
1976	639	36	4,416	N/A	1,140
1977	665	43	4,561	N/A	1,054
1978	738	27	4,726	N/A	986
1979	740	45	4,862	N/A	1,216
1980	813	22	5,068	N/A	1,171
1981	573	18	6,358	1,085	19
1982	405	15	6,250	983	19
1983	525	9	6,123	1,029	5
1984	626	6	6,611	1,193	11
1985	777	8	6,636	1,107	17

N/A = Not available.

Mr. Thurnham asked the Secretary of State for Scotland how many National Health Service abortions were performed in each health board area in Scotland in 1984, 1985 and 1986.

Mr. John MacKay: The number of abortions performed in National Health Service hospitals in 1984 and 1985 is set out in the table by health board of treatment. The figures for the island health boards have been grouped together because of the small number of terminations performed. Figures for 1986 are not yet available.

Health board of treatment	1984	1985
Argyll and Clyde	436	541
Ayrshire and Arran	564	593
Borders	—	—
Dumfries and Galloway	230	245
Fife	598	582
Forth Valley	390	369
Grampian	1,065	1,150
Greater Glasgow	1,794	1,767
Highland	401	394
Islands[1]	8	13
Lanarkshire	403	399
Lothian	2,000	1,929
Tayside	1,010	952
Total	8,899	8,934

[1] "Islands" consists of: Orkney, Shetland, Western Isles health boards.

Employment Statistics

Dr. Godman asked the Secretary of State for Scotland (1) how many women in Greenock and Port Glasgow are employed by firms with fewer than 12 employees;

(2) how many women in Greenock and Port Glasgow are employed for fewer than 21 hours a week;

(3) how many women in Greenock and Port Glasgow are in employment; and how many began new jobs on or after 1 May 1985.

Mr. Lang: Information is not available in the precise form requested. Employment statistics are obtained from the census of employment, and the most recent information for local areas is for September 1981. Figures for September 1984 are not yet available below the levels of standard regions, nor is information available about the numbers taking up new jobs after May 1985. In September 1981 there were 16,490 women employed in the Greenock travel-to-work area (1984 definition) of which 6,051 were working not more than 30 hours a week. Analyses by size of firm or actual number of hours worked are not available.

Fuel Disconnections

Dr. Godman asked the Secretary of State for Scotland what information he has as to the numbers of domestic consumers disconnected from *(a)* their electricity and *(b)* their gas supply in (i) Greenock and Port Glasgow, (ii) Strathclyde and (iii) Scotland in each of the past five years.

Mr. Lang: The information requested on electricity disconnections is not held centrally, but I am asking the chairman of the South of Scotland Electricity Board and the North of Scotland Hydro-Electricity Board to write to the hon. Member.

Information in respect of gas consumers is a matter for British Gas plc. I am asking the chairman to respond to the hon. Member's request.

Children in Care

Mr. Latham asked the Secretary of State for Scotland what is the average cost to local authorities, as notified to his Department, of keeping children between the ages of *(a)* five to 11 years and *(b)* 11 to 16 years in care; and what range of costs the average covers.

Mr. John MacKay: The information is not available in the form requested. In 1985-86 the average gross cost to local authorities of residential care was £325 per child per week. The average cost of fostering and boarding out was £37 per child per week. Neither of these costs includes the costs of social workers involved in case work, culminating in children being placed in care.

Zircon Satellite

Mr. Dalyell asked the Secretary of State for Scotland if he will call for a report from the chief constable of Strathclyde as to the extent to which inquiries into the Zircon affair by the Strathclyde police are being conducted independently of the Metropolitan police; and if he will make a statement.

Mr. Rifkind: No.

Reprocessing Plant (Dounreay)

Mr. Maclennan asked the Secretary of State for Scotland when he expects to receive the recommendations of the reporter following the local planning inquiry into the proposal to locate a reprocessing plant for fast breeder reactors at Dounreay.

Mr. Ancram: I understand that the reporter hopes to circulate part I of his report in May. Thereafter he will have to provide parties to the inquiry with an opportunity to comment, and then consider, in the light of comments, whether any amendment is required. I expect that a period of at least eight weeks will elapse between the circulation of part I by the reporter and my receipt of the final report.

Scottish Development Agency

Mrs. McCurley asked the Secretary of State for Scotland if he will now make available copies of the report of the review of the Scottish Development Agency.

Mr. Lang: Copies of the report of the review are now available in the House Library and copies have been sent to all right hon. and hon. Members with Scottish constituencies.

ENERGY

Dinorwig

Dr. Michael Clark asked the Secretary of State for Energy if he will indicate the generating capacity of the Dinorwig pump storage station, and make a statement on the feasibility of building further such facilities in the United Kingdom.

Mr. Goodlad: The declared net capability of the Dinorwig pumped-storage station is 1728 mw sent out. The Central Electricity Generating Board advises me that its system requirements for the foreseeable future do not require the addition of further pumped storage capacity.

PRIME MINISTER

Caterpillar Truck Company

Mr. Dewar asked the Prime Minister if she will place in the Library copies of the letters she has written to the Caterpillar Truck Company regarding the proposed closure of the plant at Uddingston together with copies of the company's replies.

The Prime Minister: No. It is not my usual practice to publish exchanges of this kind.

OVERSEAS DEVELOPMENT

Beira Corridor

69. **Mr. Don Dixon** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on EEC aid for reconstruction of the Beira corridor as a means of securing for Zimbabwe and other landlocked countries in southern Africa transport routes alternative to those controlled by South Africa.

Mr. Chris Patten: About 40 per cent. of the 110 mecu (over £75 million) available under the third Lomé convention for regional projects in southern Africa will be spent on improving transport and communications, particularly the Beira corridor. This was established in a memorandum of understanding which was signed by the European Commission and the member states of the Southern Africa Development Co-ordination Conference (SADCC) in January 1986. A project worth around 40 mecu (about £30 million) for essential improvements to Beira port is now being prepared by the European Commission.

Britain will also be contributing bilaterally to the Beira corridor project.

Nepal

Mr. Soames asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the level of aid given to Nepal; and if he will list the major projects.

Mr. Chris Patten: Our aid disbursements to Nepal in 1986 are provisionally estimated at £9·9 million.

Our main current projects are:

	£ million
Maintenance of British funded roads	8·7
Eastern Region Water Supply	4·2
Forestry Research	2·2
Malaria Control	1·0

Two important new projects are due to start shortly. These are:

	£ million
Maleku-Mugling road	7·7
A group of projects for the development of the Koshi Hills in Eastern Nepal	9·0

Our continuing programme of technical assistance includes support for the Nepal administrative staff college, the Lumle agricultural centre, the Budhanilkantha school and a training programme which brings to the United Kingdom over 100 trainees a year.

TRADE AND INDUSTRY

Export Performance

Mr. Roy Hughes asked the Secretary of State for Trade and Industry to what factors he attributes the decline in Britain's share of manufactured exports since 1979 and the trend of Britain's export performance in comparison with other European manufacturing nations.

Mr. Alan Clark: Our share of world exports of manufactured goods reflects a variety of factors including both price and non-price competitiveness and the

geographical and commodity composition of our exports. United Kingdom exports of manufactures were again at record levels last year and since 1981 the United Kingdom volume share of main manufacturing countries' exports of manufactures has been maintained, halting years of decline.

Regional Development Grant

Mr. Duffy asked the Secretary of State for Trade and Industry what total payments in regional development grant were made in Yorkshire and Humberside in 1978-79 and 1986-87.

Mr. Giles Shaw: Payments of regional development grants in the Yorkshire and Humberside region in 1978-79 were £30·2 million. The provisional figure for the first 11 months of 1986-87 is £24·4 million.

Post Office (Privatisation)

Mr. Peter Bruinvels asked the Secretary of State for Trade and Industry what recent consideration he has given to privatising all or part of the Post Office.

Mr. Pattie: I have followed with interest the recent public debate on this issue, but I have nothing to add to the reply given to the hon. Member for Bootle (Mr. Roberts) on 19 February, at column *750*.

Far East (Imports)

Mr. Dykes asked the Secretary of State for Trade and Industry if he has had recent discussions with his European Economic Community counterparts on problems arising from imports from far eastern countries into the United Kingdom and other European Economic Community member states.

Mr. Alan Clark: I have regular meetings with my European counterparts at which we discuss a range of issues including, when appropriate, problems arising from imports from far eastern countries into the United Kingdom and other Community states.

Films (Distribution)

Mr. Silvester asked the Secretary of State for Trade and Industry what steps he proposes to take to relax restrictions on the distribution of films following the conclusion of the experiments in Manchester and Glasgow.

Mr. Pattie: My right hon. Friend will consider what action, if any, should be taken as a result of the Manchester and Glasgow film releasing experiment in the light of the Director General of Fair Trading's assessment of its results.

Westland plc

Mr. Dalyell asked the Secretary of State for Trade and Industry what is the total expenditure by all Government Departments on Westland in each of the last five years.

Mr. Pattie: This information is not readily available. I shall give a further reply to the hon. Gentleman as soon as possible.

Japan (Trade)

Mr. Soames asked the Secretary of State for Trade and Industry what steps he has taken and intends to take in the future to secure greater trade opportunities for British goods and services within the Japanese market.

Mr. Alan Clark: We continue to press the Japanese Government fully to open their markets to imported goods and services. The Community has taken one issue, restrictions on imports of alcoholic drinks, to the GATT, and detailed discussions are in train on other sectors, including cars and medical equipment. In respect of financial services, I have made clear my readiness to use the reciprocity provisions in the Financial Services Act.

HOME DEPARTMENT

Prisoners (Letters and Visits)

Mr. Soley asked the Secretary of State for the Home Department how many letters and visits are allowed to prisoners; and whether he will review current arrangements.

Mr. Mellor: All convicted inmates are entitled to one letter on reception and after that to one letter a week on which postage is paid at public expense. In addition, since last April a convicted inmate in open establishments may send and receive as many letters paid for from his earnings as he wishes. Other convicted inmates are allowed at least one additional letter a week on which postage is paid from prison earnings. There are no restrictions on the number of letters an unconvicted prisoner may send and receive; he may send at public expense any letter necessary to his defence or on any matter connected with his case and two letters a week to relatives or friends, the postage on any other letters being met from his earnings or private cash.

Adult convicted prisoners are entitled to a visit on reception and every four weeks thereafter, and convicted young offenders to a visit on reception and every two weeks thereafter. Unconvicted prisoners are normally allowed daily visits (except on Sunday), but for operational reasons these arrangements may need to be altered at particular establishments. In such cases the length of visits is increased, wherever possible, to compensate for their reduced frequency.

Governors are encouraged to allow letters and visits above the minimum entitlement wherever practicable. There are no present plans to review the numbers of visits to which an inmate is entitled. The removal last April of the restrictions on the number of letters which inmates in open establishments may send and receive was one element in the start we had made on implementing the recommendations of the control review committee for developing incentives in category C and D establishments.

Lordship of the Manor Titles

Mr. Murphy asked the Secretary of State for the Home Department what is the policy of Her Majesty's Government towards the sale of lordship of the manor titles detached from property.

Mr. Hurd: The Government see no significant issues of principle in these transactions.

Amusement Arcades

Mr. Tom Cox asked the Secretary of State for the Home Department what plans he has to introduce greater control on amusement arcades under the present Gaming Act; and if he will make a statement.

Mr. Douglas Hogg: We have no plans at present to introduce greater controls on amusement arcades but are keeping the matter under review. To this end we are now considering whether we should initiate reseach into the extent to which under-16s use amusement arcades and the implications of this for the young people concerned.

Data Exchange

Mr. Cohen asked the Secretary of State for the Home Department what is the current volume of data items exchanged between his Department and her Majesty's Customs and Excise; and what are the expected future volumes if the Government data network is fully implemented.

Mr. Hurd: The only computer data supplied to Her Majesty's Customs and Excise by the Home Office is information on vehicle keepers — about 4,000 cases a week — provided on behalf of the Department of Transport as an inquiry-only service on the vehicle keepers index held on the police national comupter. There are no plans for any other exchange of computer data between the Home Office and Her Majesty's Customs and Excise. The volume of data transfers is not expected to change as a result of the possible use of the proposed Government data network by the police national computer unit.

Data Protection Act

Mr. Cohen asked the Secretary of State for the Home Department when he expects to publish the exemption orders under section 29 of the Data Protection Act; and when he expects to announce the data subject access fee.

Mr. Waddington: My right hon. Friend will bring them forward when he has reached conclusions in the light of consultations, which are not yet complete, with interested parties about these orders.

Water Cannon

Mr. Michael McNair-Wilson asked the Secretary of State for the Home Department if he has completed his evaluation of the prototype water cannon; and if he will make a statement.

Mr. Douglas Hogg: The two prototypes have now been evaluated and account has been taken of the use of water cannon by the police services of some of our European partners. In consultation with chief officers of police, we have concluded that in policing rioting of the kind experienced in this country in 1981 and 1985, any benefits in the deployment of water cannon would be outweighed by their operational and tactical disadvantages, including lack of manoeuvrability, quick exhaustion of water supply, and vulnerability to attack. It is not therefore proposed to add water cannon to the range of equipment now available to the police to deal with serious disorder. Arrangements will be made to dispose of the two prototypes. The Department will, however, continue to monitor developments, including the use of water cannon overseas, so that the position can be reviewed if necessary.

Police (Complaints)

Mr. Tony Banks asked the Secretary of State for the Home Department if, pursuant to his answer of 26 February, *Official Report*, columns *348–49*, on civil actions against police officers, he will give details of the nature of the complaints, the names of the complainant and the numbers of officers, and their ranks, involved in each of the 10 cases referred to in his answer.

Mr. Douglas Hogg [*pursuant to his reply*, 5 March 1987, c. *696*]: In the absence of any knowledge of the wishes of the individuals concerned, we do not think it would be right to give the names of the complainants. I understand from the Commissioner of Police of the Metropolis that the other information requested is as follows:

Nature of allegation	*Numbers and ranks of officers involved*
1. Assault	Two Sergeants Three Constables
2. Unlawful imprisonment	One Chief Inspector Two Sergeants
3. Assault	One Sergeant One Constable
4. Assault and false imprisonment	Five Constables
5. Assault and false imprisonment	Two Constables
6. Assault, false imprisonment, malicious prosecution	One Sergeant Two Constables
7. Assault and false imprisonment	Three Inspectors Two Sergeants One Constable
8. Assault	One Sergeant
9. Assault	One Sergeant
10. Unlawful imprisonment	One Sergeant

EDUCATION AND SCIENCE

Planning Education (Scotland)

Mr. Ron Brown asked the Secretary of State for Education and Science what recent representations he has received from the Royal Town Planning Institute about planning education in Scotland; and if he will make a statement.

Mr. Walden: The implementation in Scotland of the recommendations of the transbinary working group on town and country planning was discussed briefly at a meeting that I had with a deputation from the Royal Town Planning Institute on 26 February 1987. Since then, the chairman of the Scottish branch of the Royal Town Planning Institute has written in similar terms about planning education in Scotland to Ministers in both the Department of Education and Science and the Scottish Education Department. As the correspondence centred on the Scottish dimension it was considered appropriate that it should be dealt with by the Scottish Education Department. This was the substance of my reply.

City Technology Colleges

Mr. Amess asked the Secretary of State for Education and Science what he is doing to encourage more private funding for city technology colleges.

Mrs. Rumbold: My right hon. Friend is continuing a series of discussions with prospective sponsors of city technology colleges. Where companies have already indicated a firm interest the Department is encouraging them to widen the basis of local support by means of collaborative arrangements.

Class Sizes

Mr. Radice asked the Secretary of State for Education and Science if he will publish a table showing the number of classes and of pupils in classes of more than 30 pupils for each year since 1979.

Mr. Kenneth Baker: The number of classes with more than 30 pupils and the number of pupils in those classes in maintained primary and secondary schools in England in each year since 1979 was as follows. The analyses are in respect of classes taught by one teacher on a specified period on the day of the census count in January of each year. The figures should not be taken as representative of the pattern of classes over the academic year as a whole.

January each year	*One teacher classes with more than 30 pupils*	*Pupils in these classes*
1979	62,212	2,056,126
1980	53,242	1,754,062
1981	49,308	1,619,635
1982	45,643	1,499,397
1983	41,709	1,368,532
1984	38,821	1,271,277
1985	38,003	1,244,942
1986	36,406	1,194,116

Pupils (Statistics)

Mr. Radice asked the Secretary of State for Education and Science what are the proportions of pupils in comprehensive, secondary modern and grammar schools in each local education authority.

Mr. Kenneth Baker: The proportion of pupils in comprehensive, secondary modern and grammar schools in each local education authority in England in January 1986 was as follows:

LEA	*Pupils in comprehensive schools as a proportion of all pupils*	*Pupils in secondary modern schools as a proportion of all pupils*	*Pupils in grammar schools as a proportion of all pupils*
	percentage	*percentage*	*percentage*
South Tyneside	100·0	0·0	0·0
Sunderland	100·0	0·0	0·0
Isles of Scilly	100·0	0·0	0·0
Inner London	94·2	0·0	0·0
Avon	97·6	0·0	2·4
Bedfordshire	100·0	0·0	0·0
Berkshire	84·1	8·3	7·5
Buckinghamshire	27·0	41·9	31·0
Cambridgeshire	100·0	0·0	0·0
Cheshire	100·0	0·0	0·0
Cleveland	100·0	0·0	0·0
Cornwall	100·0	0·0	0·0
Cumbria	100·0	0·0	0·0
Derbyshire	100·0	0·0	0·0
Devon	75·7	14·3	7·1
Dorset	59·3	13·4	10·0
Durham	100·0	0·0	0·0
East Sussex	100·0	0·0	0·0
Essex	93·1	0·6	5·1
Gloucestershire	71·3	13·4	15·3
Hampshire	100·0	0·0	0·0
Hereford and Worcester	100·0	0·0	0·0
Hertfordshire	100·0	0·0	0·0
Humberside	100·0	0·0	0·0
Isle of Wight	100·0	0·0	0·0
Kent	45·1	34·9	17·4
Lancashire	91·1	5·8	3·2
Leicestershire	100·0	0·0	0·0
Lincolnshire	41·2	38·7	20·2
Norfolk	99·1	0·9	0·0
North Yorkshire	93·0	3·7	3·3
Northamptonshire	100·0	0·0	0·0
Northumberland	100·0	0·0	0·0
Nottinghamshire	100·0	0·0	0·0
Oxfordshire	100·0	0·0	0·0
Shropshire	95·0	2·9	2·0
Somerset	99·3	0·0	0·0
Staffordshire	100·0	0·0	0·0
Suffolk	100·0	0·0	0·0
Surrey	98·8	0·0	0·0
Warwickshire	67·8	24·9	7·3
West Sussex	100·0	0·0	0·0
Wiltshire	90·0	6·3	3·7
Barking	100·0	0·0	0·0
Barnet	93·5	0·0	6·5
Bexley	44·8	19·6	11·9
Brent	100·0	0·0	0·0
Bromley	93·5	0·0	6·5
Croydon	100·0	0·0	0·0
Ealing	100·0	0·0	0·0
Enfield	93·3	0·0	6·7
Haringey	100·0	0·0	0·0
Harrow	100·0	0·0	0·0
Havering	100·0	0·0	0·0
Hillingdon	97·8	2·2	0·0
Hounslow	100·0	0·0	0·0
Kingston Upon Thames	3·4	77·4	19·2
Merton	100·0	0·0	0·0
Newham	100·0	0·0	0·0
Redbridge	90·8	0·0	9·2
Richmond Upon Thames	100·0	0·0	0·0
Sutton	30·9	44·5	24·6
Waltham Forest	100·0	0·0	0·0
Birmingham	92·7	0·0	7·3
Coventry	100·0	0·0	0·0
Dudley	100.0	0·0	0·0
Sandwell	100·0	0·0	0·0
Solihull	100·0	0·0	0·0
Walsall	94·6	0·0	5·4
Wolverhampton	97·2	0·0	2·8
Knowsley	100·0	0·0	0·0
Liverpool	96·2	0·3	0·0
St. Helens	100·0	0·0	0·0
Sefton	100·0	0·0	0·0
Wirral	63·7	19·9	16·4
Bolton	100·0	0·0	0·0
Bury	100·0	0·0	0·0
Manchester	100·0	0·0	0·0
Oldham	100·0	0·0	0·0
Rochdale	100·0	0·0	0·0
Salford	100·0	0·0	0·0
Stockport	100·0	0·0	0·0
Tameside	100·0	0·0	0·0
Trafford	5·1	58·9	36·0
Wigan	100·0	0·0	0·0
Barnsley	100·0	0·0	0·0
Doncaster	100·0	0·0	0·0
Rotherham	100·0	0·0	0·0
Sheffield	100·0	0·0	0·0
Bradford	100·0	0·0	0·0
Calderdale	70·6	15·4	14·0
Kirklees	94·0	4·0	2·1
Leeds	100·0	0·0	0·0
Wakefield	100·0	0·0	0·0
Gateshead	100·0	0·0	0·0
Newcastle Upon Tyne	100·0	0·0	0·0
North Tyneside	100·0	0·0	0·0

Note: In some LEAs there were also a number of secondary school pupils who attended technical or other secondary schools. These have been excluded from the table above, hence, in these cases the sum of the percentages does not add to 100.

Pupil-Teacher Ratios

Mr. Radice asked the Secretary of State for Education and Science if he will publish the pupil-teacher ratios for each local education authority for the most recent year for which figures are available, and for 1983 and 1979.

Mr. Kenneth Baker: The pupil-teacher ratios in each local education authority in England in 1979, 1983, and 1986 were as follows:

Pupil-teacher ratios[1]

January each year	*1979*	*1983*	*1986*
Barking	17·6	17·5	17·1
Barnet	17·4	16·2	15·7
Bexley	19·2	18·7	18·4
Brent	15·1	14·6	13·8
Bromley	19·2	18·0	18·1
Croydon	18·4	17·2	17·1
Ealing	17·4	16·4	16·2
Enfield	19·5	17·6	17·4
Haringey	17·3	15·2	13·5
Harrow	18·0	16·7	16·6
Havering	19·2	17·9	17·3
Hillingdon	18·8	18·0	18·6
Hounslow	17·7	16·4	16·3
Kingston-upon-Thames	17·9	18·1	16·8
Merton	18·7	17·9	17·3

January each year	1979	1983	1986
Newham	17·3	16·1	15·1
Redbridge	19·1	18·0	17·9
Richmond-upon-Thames	18·6	17·5	17·1
Sutton	19·0	19·2	19·0
Waltham Forest	16·7	15·6	15·0
Inner London	15·3	13·8	13·5
Birmingham	19·1	19·3	17·7
Coventry	18·4	18·0	16·6
Dudley	21·0	18·6	17·6
Sandwell	18·9	17·4	16·8
Solihull	19·2	19·2	18·2
Walsall	18·4	16·9	16·4
Wolverhampton	17·5	16·1	15·9
Knowsley	18·6	17·0	16·0
Liverpool	17·7	17·8	16·4
St. Helens	19·4	18·5	17·2
Sefton	19·6	18·6	18·3
Wirral	19·9	18·6	18·0
Bolton	20·0	18·9	18·1
Bury	19·4	17·9	17·0
Manchester	16·9	17·2	15·8
Oldham	20·7	19·0	17·8
Rochdale	17·9	16·5	16·4
Salford	18·3	17·3	16·8
Stockport	21·1	18·8	18·1
Tameside	19·5	18·5	17·8
Trafford	18·4	18·3	18·6
Wigan	18·3	17·3	16·3
Barnsley	19·1	17·9	17·2
Doncaster	18·6	17·9	17·5
Rotherham	20·0	19·0	17·7
Sheffield	18·7	17·6	16·6
Bradford	17·9	17·7	16·9
Calderdale	19·7	17·9	17·0
Kirklees	19·9	18·5	18·0
Leeds	19·7	18·2	16·9
Wakefield	19·6	19·2	18·6
Gateshead	18·2	17·6	17·0
Newcastle-upon-Tyne	15·9	15·4	15·6
North Tyneside	17·5	16·3	14·7
South Tyneside	17·5	16·4	15·8
Sunderland	19·5	18·5	17·8
Isles of Scilly	13·3	12·8	11·1
Avon	18·9	18·8	18·5
Bedfordshire	18·2	18·8	17·8
Berkshire	19·6	18·6	17·8
Buckinghamshire	20·1	19·5	19·2
Cambridgeshire	19·1	19·6	19·1
Cheshire	19·4	18·6	18·3
Cleveland	19·7	18·0	18·0
Cornwall	19·4	19·0	18·1
Cumbria	19·1	17·9	17·2
Derbyshire	20·2	19·0	17·7
Devon	20·1	19·0	18·4
Dorset	19·3	18·6	18·0
Durham	18·7	18·6	18·6
East Sussex	19·1	18·7	18·5
Essex	19·7	19·7	19·3
Gloucestershire	19·5	19·3	18·6
Hampshire	20·2	19·6	19·0
Hereford and Worcester	19·7	19·4	18·3
Hertfordshire	18·4	17·9	17·9
Humberside	18·5	17·6	17·4
Isle of Wight	19·4	18·4	18·6
Kent	20·0	19·4	19·0
Lancashire	19·6	18·8	18·5
Leicestershire	18·8	18·5	17·6
Lincolnshire	19·7	19·5	18·7
Norfolk	19·7	19·1	18·3
North Yorkshire	19·0	18·1	18·0
Northamptonshire	19·4	18·2	17·2
Northumberland	18·3	18·6	18·0
Nottinghamshire	20·1	18·1	17·4
Oxfordshire	19·6	18·7	17·2
Shropshire	19·7	18·1	17·4
Somerset	20·7	20·6	19·0
Staffordshire	19·2	18·0	18·0
Suffolk	19·7	18·5	18·3
Surrey	18·8	18·7	18·1
Warwickshire	19·7	19·2	18·6
West Sussex	20·2	19·1	18·9
Wiltshire	19·7	19·3	19·0

[1] Pupil-teacher ratios over all maintained nursery, primary and secondary schools relate the total number of full time equivalent pupils to the total number of full time equivalent qualified teachers, student teachers and instructors being paid by LEAs and employed for service in maintained schools.

Mr. Radice asked the Secretary of State for Education and Science if he will publish the pupil-teacher ratio for England in each year since 1979.

Mr. Kenneth Baker: The overall pupil-teacher ratios in England in each year since 1979 was as follows:

January each Year	Pupil/teachers ratio [1]
1979	18·9
1980	18·7
1981	18·6
1982	18·5
1983	18·1
1984	17·9
1985	17·8
1986	17·6

[1] Pupil-teacher ratios over all maintained nursery primary and secondary schools relate the total number of full time equivalent pupils to the total number of full time equivalent qualified teachers, student teachers and instructors being paid by LEAs and employed for service in maintained schools.

EMPLOYMENT

Job Training Scheme

Ms. Clare Short asked the Paymaster General if he will state for each new job training scheme pilot area, by male/female and by age group, 18 to 25 years, and 25 years plus, the number of entrants per week and the cumulative total of filled places per week since the week ended 6 February.

Mr. Kenneth Clarke: The table shows, for each of the pilot areas from the week ended 13 February, the number of entrants per week and the weekly cumulative totals of trainees in training. The information on breakdown by sex and age groups is not available in the form requested, but the second table gives a percentage breakdown for entrants in each area up to 6 March.

Table 1 New JTS—Entrants per week 13 February to 6 March

Area	Week ending 13 February		Week ending 20 February		Week ending 27 February		Week ending 6 March	
	Entrants	In-training	Entrants	In-training	Entrants	In-training	Entrants	In-training
Dundee	12	141	8	147	41	181	28	203
Billingham	11	89	19	103	7	109	0	105
Huddersfield	24	122	19	136	0	128	14	135

Area	Week ending 13 February Entrants	In-training	Week ending 20 February Entrants	In-training	Week ending 27 February Entrants	In-training	Week ending 6 March Entrants	In-training
Preston	27	147	14	157	26	178	14	179
Stoke	8	151	27	174	6	173	18	178
Leicester	24	79	31	100	32	118	28	134
Port Talbot	36	164	24	186	0	152	34	183
Plymouth	25	213	46	242	43	286	30	301
Crawley	16	97	8	102	8	107	[illegible]	111
Ealing	9	55	11	63	11	66	12	63

Table 2
New JTS: percentages of entrants up to 6 March 1987 Male; Female; 18-24 years old 25 and over

Area	Male Per cent.	Female Per cent.	Under 25 Per cent.	Over 25 Per cent.
Dundee	80	20	55	45
Billingham	72	28	38	62
Huddersfield	63	37	64	36
Preston	78	22	48	52
Stoke	73	27	48	52
Leicester	82	18	34	66
Port Talbot	82	18	50	50
Plymouth	71	29	82	18
Crawley	70	30	23	77
Ealing	61	39	51	49

Mr. Pike asked the Paymaster General what is the latest estimated financial provision for the new job training scheme for 1987-88; what percentage of that money is additional to existing funding; and how much will be transferred from other projects at present financed by the Manpower Services Commission.

Mr. Kenneth Clarke: I shall reply to the hon. Member as soon as possible.

Tourism

Mr. Butterfill asked the Paymaster General if he will make a statement on the prospects for creating jobs in the tourism sector by means of Government funding in areas where industrial employment is depressed.

Mr. Trippier: We are proposing to make an additional £5 million available in 1987-88 to the English tourist Board and the British Tourist Authority so that they can expand their marketing and development activities and continue to give priority to encouraging tourism in areas of unexploited potential and high unemployment. Some £2·6 million of this will be used to extend the ETB's section 4 scheme of assistance for tourism projects. The scheme has proved to be highly cost effective in creating jobs at local and regional level and there is scope for it to make a significant contribution to the creation of new sources of employment in areas experiencing a decline in traditional industrial employment.

NATIONAL FINANCE

EC (Financial Situation)

72. **Mr. Deakins** asked the Chancellor of the Exchequer when the European Economic Community Foreign Affairs Council will next receive a report on the European Economic Community's own financial situation.

Mr. Brooke: The Foreign Affairs Council will discuss the Commission's report on the future financing of the Community budget at its meeting on 27-28 April.

EC Budget

73. **Sir Russell Johnston** asked the Chancellor of the Exchequer what is Her Majesty's Government's policy towards the recent proposals by Mr. Jacques Delors, President of the European Economic Community Commission, for reform of the European Economic Community budget.

Mr. Brooke: The president of the Commission's proposals for reform of the EEC budget contain a wide range of ideas, which Her Majesty's Government will be examining closely. The first priority must be to look at ways of controlling expenditure, especially on agriculture.

Company Appropriation Account

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing for 1985 and an estimate for 1986 a company appropriation account on the same basis as in table 285 of the "Annual Abstract of Statistics, 1959".

Mr. MacGregor: The information is not available in the form requested.

Personal Taxation

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing for 1957, 1961, 1971, 1981 and the latest year for which figures are available, the number of tax units taxed as self-employed compared to the number classified in the employment statistics and population censuses as self-employed, the amount of income assessed to tax, and the amount of income and the amount of tax paid per head in terms of 1980 prices; and if he will provide an estimate for the current financial year.

Mr. Norman Lamont: I shall let the hon. Member have a reply as soon as possible.

Clearing Banks

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing the assets and liabilities of the clearing banks as closely as possible to the basis shown in table 299 of issue No. 87 of the "Annual Abstract of Statistics".

Mr. Ian Stewart: I refer the hon. Member to the monthly financial statement published by the Banking Information Service. I have placed a copy of the latest statement in the Library.

Companies (Taxation)

Mr. Austin Mitchell asked the Chancellor of the Exchequer (1) whether he will publish in the *Official*

Report a table showing for the years 1958, 1964, 1969, 1974, 1979 and 1985 the gross overseas income for tax purposes of the companies and financial institutions, as defined on page 168 of the annual supplement to *Economic Trends* 1987, the amount set off against tax of other countries under double taxation relief, and the amount of tax collected;

(2) whether he will publish in the *Official Report* a table showing in greater detail than table 1.10 in the edition of the "United Kingdom National Accounts 1986", for the years 1975, 1979 and 1985 the property income from abroad net of foreign taxes and the property income paid abroad less United Kingdom taxes for each sector, including financial institutions, together with the totals of United Kingdom tax and foreign tax payable and the amount of double taxation relief on income from abroad.

Mr. Norman Lamont: I shall let the hon. Member have a reply as soon as possible.

Current Account Statistics

Mr. Shore asked the Chancellor of the Exchequer what information he has on what the surplus or deficit on current account of the United States of America, Germany, Japan, France, Italy and the United Kingdom has been in each year since 1973; and what is the forecast for 1987.

Mr. Lawson: I shall let the right hon. Member have a reply as soon as possible.

Local Government Finance

Mr. Madden asked the Chancellor of the Exchequer what was the total capital allocation made to local authorities in England and Wales in each year since 1979 to the latest available date.

Mr. MacGregor: I shall let the hon. Member have a reply as soon as possible.

EC (Grants)

Mr. Caborn asked the Chancellor of the Exchequer what proportion of the new community instrument of 1,500 mecu (£1,100 million) is likely to come to smaller and medium-sized enterprises in the United Kingdom.

Mr. Trippier: I have been asked to reply.

The Council of the European Communities has adopted a decision to make a facility of 750 mecu available under the new community instrument for lending to small and medium-sized enterprises. The European Investment Bank has agreed to provide a further facility of 750 mecu for the same purpose. Applications for loans under both facilities will be made to the European Investment Bank. Funds will not be allocated to particular member states and it is not yet possible to estimate what proportion will come to the United Kingdom.

DEFENCE

Properties (North Yorkshire)

Mr. Gregory asked the Secretary of State for Defence how many properties in the ownership of his Department are vacant in north Yorkshire; and if he will make a statement.

Mr. Freeman: At 30 November 1986, the last occasion on which data were collected, there were 906 married quarters vacant in north Yorkshire. Of these, 397 were being held against a major new operational deployment at RAF Leeming; 273 were undergoing or awaiting modernisation, works services or furnishing; 131 had been allocated to incoming families; and 29 were in the process of disposal. There was, therefore, a balance of 76 married quarters at various stations for which there was no immediate requirement. These quarters will be disposed of if no service requirement is identified.

Park Vista Site

Mrs. Barnes asked the Secretary of State for Defence, pursuant to the answer to the hon. Member for Woolwich (Mr. Cartwright) on 4 March, *Official Report*, column 602, if he will list all other restrictive covenants governing the southern boundary wall of the Park Vista site, Greenwich, to which he or any of his predecessors have been party; and if he will place copies of all such covenants in the Library.

Mr. Freeman: There is no record of any restrictive covenant governing the southern boundary of this wall other than the one already placed in the Library.

Reserve Forces (Benefits)

Mr. Cockeram asked the Secretary of State for Defence if he is now in a position to make an announcement about the payment of social security benefits to members of the reserve forces.

Mr. Freeman: I am pleased to announce that volunteers in the Reserve Forces will be able to earn the standard quarter day's pay for each of up to 16 mid-week drill nights in a year without suffering any reduction in unemployment benefit. The necessary amending regulations will be introduced shortly.

Gurkhas

Mr. Soames asked the Secretary of State for Defence if he will list the military and civilian establishments Her Majesty's Government fund in Nepal for Gurkhas and their dependants.

Mr. Stanley: Her Majesty's Government fund the following military and civilian establishments in Nepal for Gurkhas and their dependants:

Dharan:
- Headquarters, British Gurkhas Nepal
- British Gurkhas Depot (Recruitment, Eastern Nepal)
- British Military Hospital
- Gurkha Welfare Scheme
- British Gurkhas Nepal Support Units (REME Workshops, ordnance depot, pay and records office, etc.)
- Area Office, Property Services Agency
- Educational and recreational facilities

Katmandu:
- Gurkha Transit Camp
- Movements Detachment

Pokhara:
- British Gurkhas Centre (Recruitment, Western Nepal).

There are also married quarters at all three sites. In addition, there are a total of 27 area welfare centres. These are funded by the Gurkha Welfare Trust, a charitable organisation to which the Government make a small financial contribution.

Research and Development

Mr. Soames asked the Secretary of State for Defence what proportion of gross domestic product is allocated to defence research and development.

Mr. Archie Hamilton: In 1985-86 defence research and development expenditure was 0·6 per cent. of GDP.

NORTHERN IRELAND

Environmentally Sensitive Areas

Mr. Home Robertson asked the Secretary of State for Northern Ireland when he intends to lay before Parliament the statutory order designating the Mourne mountains an environmentally sensitive area.

Mr. Viggers: A number of sites throughout Northern Ireland are being investigated but decisions have not yet been taken on which will be considered in detail for potential designation as environmentally sensitive areas in 1988.

Mr. Home Robertson asked the Secretary of State for Northern Ireland what sites he will consider for designation as environmentally sensitive areas in 1988 in Northern Ireland.

Mr. Viggers: The enabling Order in Council will shortly be laid before Parliament. The statutory rule designating the Mournes and Slieve Croob as environmentally sensitive areas will be made as soon as possible after the coming into operation of the order.

Strip Searches

Mr. McNamara asked the Secretary of State for Northern Ireland how many strip searches were made of female prisoners in Her Majesty's prison, Maghaberry, in February; if he will give the number of persons involved and the number of times each person was seached; whether any prison contraband, smuggled items or illegal correspondence was discovered in any search, indicating which items; in how many cases prisoners refused to be searched and had to be restrained while the search was being conducted; and if he will indicate the reasons for the search, namely making an appearance in court, and in which court, on remand, attending trial, inter-prison visit or other reasons.

Mr. Scott: Forty searches were carried out on 24 prisoners during February; Nine prisoners were searched once, 14 were searched twice and one prisoner was searched on three occasions. No prohibited article was found during these searches and no prisoner refused to be searched. The searches were carried out in the following circumstances.

	Number
First admission on remand—awaiting trial	4
First admission on sentence—final discharge	25
Attending Bangor Remand Court	1
Attending Belfast Remand Court	4
Attending Newtownards Remand Court	1
Bail Court appearances	5

Children in Care

Mr. Latham asked the Secretary of State for Northern Ireland what is the average cost to public funds of keeping children between the ages of *(a)* five to 11 years and *(b)* 11 to 16 years in care; and what range of costs the average covers.

Mr. Needham: Information is not collected on a basis which would enable the segregation of costs into the age bandings requested. The average cost during 1985-86 to public funds of keeping children in care has been calculated as follows:

	£
1. Childrens' Homes run by Health and Social Services Boards.	
Average running costs per resident week for 1985-86 (Costs range from £217 to £452)	277
2. Voluntary Childrens' Homes.	
Average weekly charge levied on Health and Social Services Boards by Voluntary Homes (Costs range from £88 to £235)	172
3. Boarded out children.	
Average weekly boarding allowances	44

Unfit Dwellings

Mr. Mallon asked the Secretary of State for Northern Ireland how many unfit dwellings there are in Newry rural housing district or Armagh rural housing district; and what steps he is taking to make grants available to relieve the situation.

Mr. Needham [*pursuant to his reply*, 16 March 1987, c. *379*]: "The Northern Ireland Housing Condition Survey 1984" published by the Northern Ireland Housing Executive, estimates that 2,675 dwellings were unfit in the Newry and Mourne district council area. Of that figure, and in accordance with the Province-wide trend, the highest proportion, some 89 per cent. (2,393) were in the rural part of the district.

The housing condition survey estimates that in 1984 there were 1,515 unfit dwellings in the Armagh housing district. It is not possible without disproportionate cost to disaggregate the rural figure. A range of renovation grants are available to relieve this problem and it is anticipated that the Executive's grants scheme will continue on a similar level in 1987-88 as in 1986-87.

The improvement of unfit dwellings generally is a high priority area and the Northern Ireland Housing Executive encourages occupants to improve their dwellings using grant-aid. Recently the Executive has completed a pilot study into rural unfitness centred on Rosslea in Co. Fermanagh to assess the extent of the problem and the needs and preferences of people in the area. The findings of the report are now being considered in depth and I will look carefully at the recommendations which flow from it.

FOREIGN AND COMMONWEALTH AFFAIRS

Central America

9. **Mr. Litherland** asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the United States Government about the implications for a peaceful settlement of the conflict in Central America of the role of United States warships operating in the vicinity of Nicaragua; and if he will make a statement.

Mr. Eggar: My right hon. and learned Friend and other Ministers and officials regularly discuss important issues,

including the situation in Central America, with the United States Administration and they are fully aware of our views.

48. **Mr. Tony Banks** asked the Secretary of State for Foreign and Commonwealth Affairs what is his assessment of the implications for the possibility of a peaceful settlement to the conflict in Central America of the supply of arms to the Contra forces in Nicaragua.

Mr. Eggar: We do not believe the problems of the region can be resolved by armed force and have constantly urged restraint on all sides. We have clearly demonstrated our support for a political solution to the problems of Central America on the basis of the Contadora objectives. Our actions have been, and will remain, consistent with that policy.

Angola

10. **Mr. Redmond** asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has received on South African incursions into and attacks against the People's Republic of Angola that have taken place since October 1986.

Mrs. Chalker: We have no record of receiving any representations. We have always condemned cross-border violence in southern Africa.

46. **Mr. Eastham** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on recent meetings between Her Majesty's Government and representatives of the Angolan Government.

Mrs. Chalker: The most recent ministerial level meetings with a representative of the Angolan Government took place in July 1986 when my right hon. Friend the Minister of State, Department of Energy, my hon. Friend the Minister of State, Department of Trade and Industry and myself had meetings with the Angolan Minister of Foreign Trade, Senor Ismael Martins, during his visit to the United Kingdom.

Soviet Union (Human Rights)

15. **Dr. Twinn** asked the Secretary of State for Foreign and Commonwealth Affairs what representations have been made to the Russian embassy over the difficulties that parliamentary human rights groups have experienced in obtaining visas to visit the Union of Soviet Socialist Republics.

18. **Mr. Janner** asked the Secretary of State for Foreign and Commonwealth Affairs whether he has protested to the Soviet authorities concerning the refusal to grant visas to a delegation from the all-party parliamentary committee for the release of Soviet Jewry.

Mr. Renton: I have made representations on two recent occasions: on behalf of the All-Party Parliamentary Committee for the Release of Soviet Jewry; and on behalf of my hon. Friend the Member for Harrow, East (Mr. Dykes) and representatives of the Parliamentary Wives for the Release of Soviet Jewry. In the former case, Her Majesty's ambassador in Moscow also expressed his strong regret to the Soviet authorities that visas had not been forthcoming.

Cyprus

19. **Mr. Tom Cox** asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the Turkish Government as to the withdrawal of Turkish troops from Cyprus; and if he will make a statement.

Mr. Eggar: This is an issue which we have regularly raised with the Turkish Government. The withdrawal of foreign troops will obviously have to form part of any comprehensive settlement to the Cyprus dispute. We believe that the United Nations Secretary General's initiative is best placed to achieve such a settlement; and we therefore give his efforts our full support.

EC Policies

20. **Mr. Knox** asked the Secretary of State for Foreign and Commonwealth Affairs what further proposals he intends to place before his European Community partners for the development of Community policies.

Mrs. Chalker: In the course of regular contacts with our colleagues from other member states and the Commission my right hon. and learned Friend and I have made clear our views on the need to reform the common agricultural policy, ensure better control of expenditure, relieve burdens on small businesses, complete the common market in goods and services and develop policies on other matters to the benefit of Britain and the Community as a whole.

Nicaragua

21. **Mr. Nellist** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's current diplomatic relations with Nicaragua.

Mr. Eggar: We have normal diplomatic relations with Nicaragua.

29. **Mr. Terry Fields** asked the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has received concerning Her Majesty's Government's relations with Nicaragua.

Mr. Eggar: We have received letters from right hon. and hon. Members, individuals and organisations on the subject of Nicaragua, including our relations with Nicaragua. In reply, we have made clear that we have normal diplomatic relations with Nicaragua, but that we want to see Nicaragua end its support for guerrillas in neighbouring countries and make progress towards genuine pluralist democracy.

54. **Mr. Wareing** asked the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with representatives of the United States Government about United States policy on Nicaragua, with particular reference to support for the Contras.

Mr. Eggar: My right hon. and learned Friend and other Ministers and officials regularly discuss important issues, including the situation in central America, with the United States Administration and they are fully aware of our views.

South Africa (Buccaneer Aircraft)

23. **Mr. Nicholas Brown** asked the Secretary of State for Foreign and Commonwealth Affairs if, in the light of the meeting of the Security Council Committee set up by United Nations Security Council resolution 421 of 1977 on 27 February, he will investigate the supply of spare parts for Buccaneer aircraft to South Africa.

Mrs. Chalker: The meeting in question produced no new evidence that might form the basis of an investigation into the alleged supply to South Africa of spare parts for Buccaneer aircraft.

Oman

24. **Mr. Neil Thorne** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's diplomatic relations with Oman.

61. **Mr. Greg Knight** asked the Secretary of State for Foreign and Commonwealth Affairs when he next expects to make a visit to Oman.

Mr. Renton: Our relations with Oman are excellent. I visited Oman from 26 February to 1 March, and met His Majesty the Sultan and several of his Ministers. While in Oman I led the British side at the annual meeting of the Anglo-Omani joint commission.

The Prince and Princess of Wales made a highly successful visit to Oman last November. Exercise Saif Sareea, a joint military exercise held in Oman from 16 November to 8 December, was a further illustration of the continuing close ties between the two countries.

Afghanistan

25. **Mr. David Atkinson** asked the Secretary of State for Foreign and Commonwealth Affairs if he will raise with his Soviet counterpart during his forthcoming visit to Moscow the Soviet occupation of Afghanistan; and if he will make a statement.

Sir Geoffrey Howe: I refer my hon. Friend to the answer that my right hon. Friend the Prime Minister gave to the hon. Member for Liverpool, Riverside (Mr. Parry) on 11 March at column 225.

43. **Mr. Teddy Taylor** asked the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with the Government of Pakistan about the situation in Afghanistan and the problem of refugees from Afghanistan.

Mr. Eggar: We remain in close touch with the Pakistan Government. As I told the House in the Adjournment debate on 5 March, Afghan refugees continue to flee into Pakistan: at least 85,000 over the last year. We condemn the recent callous and bloody bombing raids into Pakistan, which killed over 110 innocent civilians and Afghan refugees, and cast a pall over Soviet professions to want a peaceful settlement.

Sri Lanka

26. **Mr. Sims** asked the Secretary of State for Foreign and Commonwealth Affairs if Her Majesty's Government will offer to act as intermediary in efforts to negotiate an end to communal violence in Sri Lanka; and if he will make a statement.

Mr. Eggar: We have not been asked, neither would we wish to become involved in Sri Lanka's internal problems. We have made clear to all parties involved our view that a negotiated settlement is the best way to a lasting peace.

British Council

27. **Mr. Kirkwood** asked the Secretary of State for Foreign and Commonwealth Affairs whether he has any plans to meet the chairman of the British Council to discuss future financial provisions for the council.

Mr. Eggar: My right hon. and learned Friend has no plans at present to do so.

Cyprus (Human Rights)

28. **Mr. Wallace** asked the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has received on the human rights situation in Cyprus.

Mr. Eggar: Representations on human rights in Cyprus are regularly received from individuals and organisations. Most recently the Dodecanesian-Cypriot Association and the National Federation of Cypriots in Great Britain have written to us about them. President Kyprianou also wrote to my right hon. Friend the Prime Minister on 3 January about the question of missing persons in Cyprus.

National Unity of Salvadorean Workers

30. **Mr. Park** asked the Secretary of State for Foreign and Commonwealth Affairs what meetings he has held with representatives of the National Unity of Salvadorean Workers; and if he will make a statement.

Mr. Eggar: None, but representatives of this union called on Foreign Office officials in London in December 1986 and February 1987. As part of their normal duties, Her Majesty's diplomatic staff accredited to El Salvador maintain contact with the trade unions.

Guatemala

31. **Mr. Chris Smith** asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has had from the Guatemalan Government about the reported incursion of British troops from Belize into the Peten region; and if he will make a statement on the progress of United Kingdom relations with Guatemala.

Mr. Eggar: None. There was no incursion. Diplomatic relations were re-established between the United Kingdom and Guatemala on 29 December 1986. My right hon. and noble Friend the Minister of State, Foreign and Commonwealth Office met President Cerezo on 10 February in Guatemala.

Bophuthatswana

32. **Mr. Colvin** asked the Secretary of State for Foreign and Commonwealth Affairs if he or any of his Ministers have plans to make an official visit to Bophuthatswana.

Mrs. Chalker: We have no such plans.

Soviet Union (Trade)

33. **Mr. James Lamond** asked the Secretary of State for Foreign and Commonwealth Affairs if, during his visit to the Union of Soviet Socialist Republics, he will raise the matter of development of trade.

Sir Geoffrey Howe: Yes.

South Africa

34. **Mr. Adley** asked the Secretary of State for Foreign and Commonwealth Affairs if he has yet met the new ambassador to the Court of St. James sent by the South African Government to replace Dr. Denis Worrall.

Mrs. Chalker: My right hon. and learned Friend met Mr. Killen during the visit which he paid to South Africa in July 1986 in his capacity as president of the Foreign Affairs Council of the European Community.

55. **Dr. Godman** asked the Secretary of State for Foreign and Commonwealth Affairs what is Her Majesty's Government's policy on making resolution 591 of the United Nations Security Council of 28 November 1986 regarding the arms embargo against South Africa mandatory.

Mrs. Chalker: The Security Council adopted resolution 591 by consensus as a voluntary resolution. Its voluntary status is therefore already determined and is not subject to change.

59. **Ms. Clare Short** asked the Secretary of State for Foreign and Commonwealth Affairs if he will encourage the President of the European Economic Community Council of Ministers to continue to seek consensus on the inclusion of coal in the list of items of South African exports embargoed for purposes of import into the European Community.

Mrs. Chalker: In line with the statement by Ministers in European political co-operation on 15-16 September 1986, it rests with the presidency of the day to seek consensus on this issue.

62. **Mr. Simon Hughes** asked the Secretary of State for Foreign and Commonwealth Affairs if the European Commission Council of Foreign Ministers proposes to take any further initiatives on South Africa in the coming months.

Mrs. Chalker: The Foreign Ministers of the Twelve will continue their efforts to work to promote peaceful dialogue, with the aim of achieving fundamental change in South Africa.

64. **Mr. Cohen** asked the Secretary of State for Foreign and Commonwealth Affairs what approaches have been made by the United States Administration seeking Her Majesty's Government's support for a multilateral programme of sanctions drawn from the list of measures included in the Anti-Apartheid Act of 1966.

Mrs. Chalker: None.

65. **Mr. Maxton** asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has received on South Africa's failure to comply with United Nations resolution 435 regarding the independence of Namibia.

Mrs. Chalker: We have received representations from various sources on South Africa's failure to implement United Nations Security Council Resolution 435. They include Parliamentary questions as well as letters from hon. and right hon. Members, non-governmental organisations and members of the public.

Saudi Arabia

35. **Mr. Moynihan** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the United Kingdom's diplomatic relations with Saudi Arabia.

Mr. Renton: I refer my hon. Friend to the answer that I gave to my hon. Friend the Member for Suffolk, Central (Mr. Lord) on 11 March at column 211.

70. **Mr. Torney** asked the Secretary of State for Foreign and Commonwealth Affairs what advice his Department gives to British citizens intending to travel to Saudi Arabia about those offences which carry amputation as a possible penalty in that country; what is his policy with regard to making representations to the Saudi Government in cases where British citizens face such punishments; and if he will make a statement.

Mr. Eggar: All British nationals travelling overseas are advised to respect local laws and customs. An advisory booklet "Living in Saudi Arabia—a brief guide", states that amputation is a possible penalty for theft in Saudi Arabia.

The Saudi authorities are aware that certain penalties are abhorrent to British opinion. Appropriate representations are made if individual cases involving British nationals arise.

Argentina

36. **Mr. Flannery** asked the Secretary of State for Foreign and Commonwealth Affairs if he has any plans to visit Argentina.

Mr. Eggar: No.

UNESCO

37. **Mr. Terry Lewis** asked the Secretary of State for Foreign and Commonwealth Affairs what information he has as to how many nations have withdrawn from UNESCO since 1980.

Mr. Eggar: Three.

Intermediate Range Nuclear Forces

38. **Mr. Strang** asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with his European North Atlantic Treaty Organisation colleagues about the Soviet offer to remove all intermediate nuclear forces from Europe; and if he will make a statement.

Mr. Renton: My right hon. and learned Friend continues to have regular bilateral discussions with Foreign Ministers from NATO countries. These cover a wide range of topics including developments in arms control negotiations. Contacts at official level are also maintained on a regular basis.

Africa Fund

39. **Mr. Cabora** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on British participation in the Africa Fund under the chairmanship of Prime Minister Rajiv Gandhi.

Mr. Eggar: The United Kingdom already provides substantial aid to the front-line states both bilaterally and through the European Community. It is not our policy to give financial support to political parties or organisations committed to the use of violence.

Soviet Union

40. **Mr. Andrew MacKay** asked the Secretary of State for Foreign and Commonwealth Affairs when he next intends to visit the Soviet Union.

Mr. Renton: My right hon. and learned Friend will accompany my right hon. Friend the Prime Minister on her visit to the Soviet Union from 28 March to 1 April.

58. **Mr. Dykes** asked the Secretary of State for Foreign and Commonwealth Affairs if he will discuss human rights problems when he next meets his opposite number in the Soviet Union.

Sir Geoffrey Howe: Yes.

Lebanon

41. **Dr. M. S. Miller** asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he has held with President Gemayel concerning the prospects of ending the civil war in the Lebanon.

Sir Geoffrey Howe: I refer the hon. Member to the answer that I gave to the hon. Member for Berwick-upon-Tweed (Mr. Beith) on 11 March at column 211.

Peru

42. **Mr. Corbyn** asked the Secretary of State for Foreign and Commonwealth Affairs if he will seek to pay a visit to Peru.

Mr. Eggar: My right hon. and learned Friend has no plans at present to do so.

Haiti

44. **Mr. Jim Callaghan** asked the Secretary of State for Foreign and Commonwealth Affairs if he will seek to pay a visit to Haiti.

Mr. Eggar: My right hon. and learned Friend has no plans to visit Haiti at present.

Diplomatic Immunity

45. **Mr. Robert C. Brown** asked the Secretary of State for Foreign and Commonwealth Affairs whether he will now make it his policy to seek a review of the Vienna convention to enable the tightening of international agreements to combat the abuse of diplomatic immunity.

Mr. Eggar: We agreed (Cmnd. 9497) with the report in 1984 of the Foreign Affairs Committee of the House of Commons on the abuse of diplomatic immunities and privileges that it would be wrong to regard amendment of the Vienna convention as the solution to the problem of abuse of diplomatic immunities in view of the difficulties of achieving any restrictive amendment and the doubtful net benefit even if we were successful. That remains our view. We further agreed with the Committee's recommendation that we should apply the existing provisions of the convention more firmly. We continue to attach importance to this. The Diplomatic Corps is well aware of the serious view which we take of abuses of diplomatic immunity.

50. **Mr. Peter Bruinvels** asked the Secretary of State for Foreign and Commonwealth Affairs how often he meets the doyen of the Diplomatic Corps; what matters he discusses with him; and whether, at his last meeting, he discussed abuses of diplomatic privilege.

Mr. Eggar: My right hon. and learned Friend meets the doyen on a variety of occasions. The issues they have discussed have included aspects of the abuse of diplomatic privileges and immunities. However, we think it more appropriate that particular cases of alleged abuse should be discussed direct with the head of mission or missions concerned.

51. **Mr. Mikardo** asked the Secretary of State for Foreign and Commonwealth Affairs to which Governments he has made representations about standards of diplomatic behaviour, particularly concerning the aiding and abetting of terrorists.

Mr. Eggar: All heads of mission in London are well aware of the stringent standards of behaviour which we expect of diplomats and of the grave view which we take of terrorist activity.

We are determined to deal decisively with states that sponsor terrorism. On two occasions, the murder of WPC Fletcher and the attempt by Nezar Hindawi to blow up an airliner, the responsibility of the Libyan and Syrian authorities respectively was clear beyond doubt. In both instances we decided to sever diplomatic relations.

Iran-Iraq War

47. **Mr. Maples** asked the Secretary of State for Foreign and Commonwealth Affairs what is his latest assessment of prospects for a peaceful settlement to the Iraq-Iran war; and if he will make a statement.

Mr. Renton: We have consistently made clear our desire to see an early negotiated settlement to this conflict. Regrettably there are no indications at present that Iran and Iraq are both willing to agree to a ceasefire and enter into negotiations leading to a peaceful settlement of the conflict. We continue to believe the best way forward is via the good offices of the United Nations Secretary General.

63. **Mr. Coleman** asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with his European Economic Community counterparts, and particularly France, on the supply of arms and equipment to either side in the Iran-Iraq war.

Mr. Renton: The Iran-Iraq conflict has figured prominently in discussions at all levels within European political co-operation, including the recent ministerial meeting on 23 February. We continue to use all suitable opportunities to urge all countries both within the EC and outside, to adopt a policy as strict as ours on the supply of defence equipment.

Mozambique

49. **Mr. Weetch** asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has received on violations of the Nkomati accord between Mozambique and South Africa by the South African Government.

Mrs. Chalker: Representations have been received in the past from the Government of Mozambique. We have urged the South African Government to abide by both the letter and spirit of the accord.

Southern Africa (Front-line States)

52. **Mr. Tony Lloyd** asked the Secretary of State for Foreign and Commonwealth Affairs what assessment he makes of the economic position of the front-line states in southern Africa.

Mrs. Chalker: A number of front-line states in southern Africa are experiencing severe economic problems, caused by worsening terms of trade, heavy debt burdens, regional insecurity and in some cases civil conflict and inappropriate economic policies. We are supporting the front-line states' economic development and efforts to reduce their economic dependence on South Africa. We are giving substantial support through bilateral and multilateral aid programmes, amounting to over US$1 billion to the region since 1980-81; we have also pledged £35 million to the Southern African development co-ordination conference for development in the front-line states, particularly Mozambique.

Test Ban Treaty

53. **Mr. Cartwright** asked the Secretary of State for Foreign and Commonwealth Affairs when he next intends to discuss the possibility of a comprehensive test ban treaty with the United States Government.

Mr. Renton: My right hon and learned Friend expects to meet Mr. Shultz shortly. Their discussions normally cover a range of arms control issues.

Chemical Weapons

56. **Mr. Patrick Thompson** asked the Secretary of State for Foreign and Commonwealth Affairs if he will report progress towards the prohibition of chemical weapons at the conference on disarmament.

Sir Geoffrey Howe: The chemical weapons negotiations resumed on 3 February. We hope it will be possible to build on the encouraging progress made last year.

Postal Communications

57. **Mr. Woodall** asked the Secretary of State for Foreign and Commonwealth Affairs whether the subject of postal deliveries to the Union of Soviet Socialist Republics has been placed in the agenda of the Conference on Security and Co-operation in Europe, Helsinki review conference currently taking place in Vienna.

Mr. Renton: Our delegation has already raised this issue in debate on a number of occasions. With other Western countries, we have tabled a proposal aimed at ensuring freedom of transit of postal communications.

Middle East

60. **Mr. Walters** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on progress towards a middle east peace stettlement.

Mr. Renton: We are profoundly concerned at the absence of progress towards a solution of the Arab-Israel dispute. We and our European partners will try actively to help reduce the differences between the parties with a view to the convening of an international conference.

Grenada

66. **Mr. Haynes** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on relations between the United Kingdom and Grenada; and what matters are currently causing problems in these relations.

Mr. Eggar: We enjoy close and friendly relations with Grenada. There are no matters currently causing problems in these relations.

India

67. **Mr. Bidwell** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the visit by his hon. Friend the Minister of State the Member for Mid-Sussex (Mr. Renton) to India, with particular reference to discussions concerning an Anglo-Indian extradition treaty.

Mr. Eggar: My hon. Friend the Minister of State for Foreign and Commonwealth Affairs, the Member for Mid-Sussex (Mr. Renton) visited India on 9-12 December 1986. He had profitable discussions on a range of issues, including the possibility of concluding an extradition treaty with India. A further round of consultations between legal experts took place in New Delhi in February at which useful progress was made.

CSCE (Human Rights)

68. **Mr. Grist** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the progress of the Conference on Security and Co-operation in Europe discussions in Vienna with particular reference to human rights.

Mr. Renton: I refer my hon. Friend to the answer I gave earlier today to my hon. Friend the Member for Dudley West (Dr. Blackburn). The Vienna meeting has now entered its third and final phase, during which work will begin on drafting of a concluding document.

Military Equipment

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs what criteria he uses in deciding whether parts supplied to either side in the Iran/Iraq war under existing contracts are lethal equipment for the purposes of the guidelines set out in his answer of 29 October 1985, *Official Report*, column 450.

Mr. Renton: All applications for export licences are of course looked at in the light of our current policy on exports to Iran and Iraq. If there were any doubt over whether equipment under a contracts signed before the

introduction of the current Guidelines in December 1984 was lethal or not, a judgement would be made as to whether such equipment would significantly enhance the capability of the recipient to prolong or exacerbate the conflict. Indeed it was precisely because of such definitional problems that the current policy was introduced in 1984.

Communications Officers

Mr. George Robertson asked the Secretary of State for Foreign and Commonwealth Affairs if he intends any changes in the role of communications officer in British missions overseas; if he intends to reorganise the communications administration department of his Department; and if he will make a statement.

Mr. Eggar: Change in Diplomatic Service telecommunications to meet modern requirements is a continuing process. For the foreseeable future a mixture of locally engaged, general service and specialist communications staff will be employed on this work in British missions overseas. In common with other departments of the Foreign and Commonwealth Office the communications administration department is subject to regular inspections and organisational changes as necessary.

Israel

Mr. Marlow asked the Secretary of State for Foreign and Commonwealth Affairs if he will seek to make it the policy of the European Community to make any further granting of EEC trade concessions to Israel dependent on progress by that country towards a peaceful solution to the middle east conflict.

Mr. Renton: No. We do not believe that such action would help our objective of bringing all the parties to the Arab-Israel dispute together for constructive negotiations.

Mr. Adley asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on discussions with the Israeli Government concerning forged passports used by agents of the Israeli Government; what assurances he has received from that Government that there will be no repetition of this behaviour; what impact he anticipates this behaviour will have on travellers to and visitors in adjacent Arab countries; and if he will make a statement.

Mr. Renton: We protested in strong terms to the Israeli Government at the misuse of forged British passports and sought an assurance that such unacceptable behaviour would not be allowed to happen again. The possible implications for British citizens in the Middle East were among the points which we raised with the Israelis. The Israeli Government subsequently expressed regret and informed us that steps had been taken to avoid recurrences. On the basis of these assurances we regard the incident as closed.

Foreign Affairs Council

Dr. Michael Clark asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish in the *Official Report* a statement on the outcome of the Foreign Affairs Council held on 16 and 17 March.

Mrs. Chalker: My right hon. and learned Friend the Foreign Secretary and I attended the Foreign Affairs Council in Brussels on 16 March. My hon. Friend the Minister for Trade also attended.

The Council agreed on the overall figure for the new generation of financial protocols for some of the Community's Mediterranean partners.

Against the background of a continuing deterioraton in the trade balance between Japan and the Community, the Council invited the Commission to increase its efforts to improve access for European firms in Japan, particularly in the automobiles, medical equipment and leather goods sectors. A copy of the Council's statement has been placed in the Library of the House.

The Council discussed EC-US trade relations and expressed concern at prospective trade legislation currently before the United States Congress. The Council stated that if the United States took restrictive measures affecting EC exports, the Community would respond in accordance with its GATT rights. A copy of the Council statement has been placed in the Library of the House.

At the initiative of the United Kingdom, the council discussed the international implications of the Commission proposals for an oils and fats tax, particularly as regards developing countries, the United States and the Community's obligations under the GATT. Further discussion will take place in the Agriculture Council.

My right hon. and learned Friend reported to the Council on his visit to Hungary on 8-10 March. The Council discussed the Commission's draft mandate for the negotiation of an EC-Hungary trade and economic co-operation agreement and agreed that it should aim to reach agreement on the mandate at the April Foreign Affairs Council.

Discussion continued on rules for the exercise of the implementing powers of the Commission.

Meeting in political co-operation, the Foreign Ministers issued a statement condemning the recent attacks across the Afghan border as deliberately aimed against civilian targets in Pakistan and calling on the Soviet Union to put a stop to such outrages and to agree to a rapid and total withdrawal of its troops. A copy of the statement has been placed in the Library of the House.

Written Answers to Questions

Thursday 19 March 1987

PRIME MINISTER

Official Secrets Act 1911

Q98. **Mr. Dalyell** asked the Prime Minister if Her Majesty's Government have any plans to seek to amend section 9 of the Official Secrets Act 1911 to provide the warrants under that section to be issued by sheriffs in Scotland.

The Prime Minister: No.

Falklands Fisheries

Q129. **Dr. Godman** asked the Prime Minister if she is satisfied with the policing of the Falkland Islands fisheries conservation zone.

The Prime Minister: Yes. Two fisheries protection vessels and a surveillance aircraft of the Falkland Islands Government have been patrolling the Falkland Islands interim conservation and management zone since 1 February 1987.

European Investment Bank

Q138. **Mr. Teddy Taylor** asked the Prime Minister if she will visit the European Investment Bank in Luxembourg during her next visit to the continent.

The Prime Minister: I have at present no plans to do so.

Civil Service (Ethnic Minorities)

Mrs. Dunwoody asked the Prime Minister if she will make it the policy of Her Majesty's Government to implement a programme of positive discrimination to improve the take-up of posts by entrants from the ethnic minorities, in particular in the Cabinet Office, the Home Department, the Ministry of Defence and the Department of Health and Social Security; and if she will make a statement.

The Prime Minister: Under the Race Relations Act 1976, discrimination in selection in favour of ethnic minority or white candidates on the grounds of their race, colour or ethnic origin is unlawful. There are no plans to implement a programme of positive discrimination in recruitment. The Civil Service is taking positive steps which demonstrates its commitment to making a policy of equal opportunities effective.

GCHQ (Security)

Mr. Warren asked the Prime Minister if the inquiry into the general level of security at the Government communications headquarters station in Cyprus and other similar stations has been completed; and if she will make a statement.

The Prime Minister: The Security Commission conducted an inquiry into the security arrangements at 9 Signals Regiment in Cyprus and the other static communications units of all three services and submitted their report to me last year. Following my statement to the House on 29 October 1986, its report was published as a Command Paper, Cmnd. 9923.

Cruise Missiles

Mrs. Clwyd asked the Prime Minister what is the policy of Her Majesty's Government towards continuing the delivery of cruise missile components while negotiations on intermediate nuclear forces are in progress at Geneva.

The Prime Minister: The NATO countries concerned, including the United Kingdom, have made it clear that in the absence of a concrete INF arms control agreement with the Soviet Union obviating the need for deployment they will continue the deployment of LRINF missiles as scheduled.

Engagements

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for Thursday 19 March.

Mr. John Mark Taylor asked the Prime Minister if she will list her official engagements for Thursday 19 March.

Mr. Leigh asked the Prime Minister if she will list her official engagements for Thursday 19 March.

Mr. Marlow asked the Prime Minister if she will list her official engagements for Thursday 19 March.

Mr. Duffy asked the Prime Minister if she will list her official engagements for Thursday 19 March.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today, including one with the Board of Deputies of British Jews.

HOME DEPARTMENT

Phil Penn

Mr. Ron Brown asked the Secretary of State for the Home Department what representations he has received about the recent jailing of Phil Penn; and if he will make a statement.

Mr. Mellor: We have not received any representations.

Asylum

Mr. Cohen asked the Secretary of State for the Home Department how many people from Sierra Leone have (i) applied and (ii) been granted political asylum in the United Kingdom since the present Government in that country assumed power.

Mr. Waddington: Information on applications and grants in 1979 to 1985 was published in tables 1 and 5A-5F of the Home Office Statistical Bulletin "Refugee Statistics, United Kingdom, 1985" (Issue 12/86). It is hoped to publish corresponding figures for 1986 around the end of April.

Police (Road Traffic Control)

Mr. Tony Banks asked the Secretary of State for the Home Department what was the increased number of

police officers assigned to road traffic control following the announced increase in police manpower of October 1986.

Mr. Douglas Hogg: On 7 October 1986 my right hon. Friend announced increases of 111 police officer posts for three provincial forces with effect from 1 November 1986. Of these, 11 were specifically for road traffic policing.

Police (Wapping Public Houses)

Mr. Leighton asked the Secretary of State for the Home Department if he will call for a report from the Metropolitan Police Commissioner as to how many Metropolitan police officers visited each of the following public houses in Wapping: (i) the Brown Bear, (ii) the Prospect of Whitby, (iii) Ivories Piano Bar and (iv) the Artful Dodger, on the evening of 24 January; what rank of officers were involved in each visit; how many arrests were made at each of the public houses; how many of the officers involved were wearing riot equipment; what injuries were suffered by officers and members of the public in each location; how many charges followed the arrests of persons located at each public house; and if he will make a statement.

Mr. Douglas Hogg: I understand from the Commissioner that there is no record of on-duty police officers having entered any of these public houses on 24 January. The available information is that a total of three sergeants and 30 constables in ordinary uniform were deployed to police the area outside the Artful Dodger and Brown Bear public houses between about 10.45 pm and 11.15 pm. A total of four people were arrested for offences of drunkenness, using insulting words, and obstructing a police officer; three were charged and one was cautioned; no injuries to police officers or members of the public were reported. Information about other incidents which may have occurred outside other public houses during the course of the evening are not readily available and could be obtained only at disproportionate cost.

Mentally Disordered Offenders

Dame Jill Knight asked the Secretary of State for the Home Department whether he proposes to issue advice to doctors and social workers about the supervision of mentally disordered offenders who have been conditionally discharged from hospital; and if he will make a statement.

Mr. Douglas Hogg: After consultation with my right hon. Friend the Secretary of State for Social Services we are publishing today revised and more comprehensive guidance to hospitals, and to consultant psychiatrists, probation officers and social workers who are responsible for providing statutory supervision for conditionally discharged patients in the community. The guidance is intended to inform supervisors of their responsibilities; encourage the widespread adoption of existing good practice; promote the fullest co-operation between the professionals responsible for the patient's care and supervision; and ensure that the Home Office is kept fully informed. We are confident that the new guidance will improve further the effectiveness of supervision and the protection it provides for the public. Copies of the new guidance are being placed in the Libraries of both Houses.

Local Development Agency Fund

Mr. Pawsey asked the Secretary of State for the Home Department what progress has been made since the establishment of the Local Development Agency Fund in April 1986.

Mr. Hurd: This fund was established jointly by my Department, the Department of the Environment, the Department of Health and Social Security and the Department of Transport and has available to it approximately £1 million a year for a three-year period. Its aim is to strengthen the voluntary sector locally by making grants to new or already existing local development agencies. Typically, but not exclusively, these are "generalist" bodies like councils for voluntary service or volunteer bureaux; but all of these exist to provide practical support and encouragement for the voluntary groups on their areas, to provide a forum in which different groups can meet together and share information and experience, to stimulate volunteering, and to promote more effective working relationships between voluntary bodies and statutory agencies. The fund is administered by a committee which is broadly representative of the voluntary sector and which includes representatives of both local and central Government. It is a requirement that all applications for grants should be supported by a local authority willing to provide not less than 30 per cent. of the total sum requested. Applicants must also show that their proposed activity is supported by voluntary bodies in their areas.

After its consideration of a first round of applications, the fund had awarded 57 grants to several different kinds of development agency. These agencies are widely spread geographically and represent both urban and rural areas. Although the fund committee was, from the start, anxious to recognise the needs of groups representing ethnic minority organisations and to receive applications from them the first response here was disappointing. A second round of applications was, therefore, invited with its emphasis on the desire to encourage and strengthen development work in the ethnic minority voluntary sector. Since then, the fund has offered a further 14 grants for this purpose.

ENVIRONMENT

Urban Development Corporations

Mr. Murphy asked the Secretary of State for the Environment if he will make a statement on the achievements of the urban development corporations since their inception.

Mr. John Patten: When the London Docklands Development Corporation and the Merseyside Development Corporation were created in 1981 their areas were characterised by extensive areas of derelict docks, a severe lack of basic infrastructure and high and continuing job losses. In just five and a half years both corporations have achieved notable success in securing the regeneration of their areas.

LDDC's area covers some 2,065 hectares, forming part of three London boroughs. The corporation has secured private sector development and commitments of over £1·6 billion, giving a gearing ratio of private to public capital investment of 6·4 to 1. Over 300 companies have started in—or moved into—docklands; a total of over 7 million

sq ft of non-residential floor space is being developed or is already completed; over 8,000 permanent jobs have been attracted to the area; and about 10,000 new homes have been completed or sites started.

LDDC has itself reclaimed over 320 hectares of land for new uses; it has part funded the docklands light railway, which is due to open later this year; and its total support for community projects has exceeded £10 million. The corporation has now begun major infrastructure schemes in the royal docks.

MDC's area covers 350 hectares of docklands in the local authority areas of Liverpool, Sefton and Wirral. It has a key role in the recovery of the heart of Merseyside, and despite a more difficult economic climate it has achieved considerable success. 166 hectares of dereliction have been reclaimed; 112,000 square metres of old buildings have been refurbished for new uses; some 224 homes are currently being created by new build or conversion; 1,156 new jobs have been created and at least 700 construction workers are employed on MDC schemes at any one time. With major projects including the restoration of the historic Albert dock, improvements to the south docks, and Brunswick Business park, MDC is succeeding in creating a climate of confidence in its area in which he private sector is prepared to invest, and £65 million has so far been spent or committed by the private sector.

Mr. T. F. Smith (Home Purchase)

Mr. Gerald Bowden asked the Secretary of State for the Environment what information he has as to the causes for the continued delay in the purchase by Mr. T. F. Smith of his council dwelling at 9A East Dulwich road SE22.

Mr. Tracey: I understand that there have been delays on the part of Southwark borough council in registering its leasehold title to 9A East Dulwich road. The Department has repeatedly pressed the council to resolve the matter.

Oakthorpe Village

Mr. Orme asked the Secretary of State for the Environment what discussions he is having regarding assistance to the residents of Oakthorpe village; and if he will make a statement.

Mr. Chope: Last month I met a delegation from North-West Leicestershire district council led by my hon. Friend the Member for Leicestershire, North-West (Mr. Ashby) to discuss their call for assistance for Oakthorpe. Following the positive response of British Coal in tackling the problems caused by the underground fire and its expenditure of £2 million on essential works, I discussed with the council ways in which it might seek to obtain further assistance from the Government for environmental improvements in the general improvement area it has declared at Oakthorpe.

Thamesmead

Mr. Tony Banks asked the Secretary of State for the Environment if he has consulted any of the London boroughs regarding the terms of direction and the terms of disposal of Thamesmead.

Mr. John Patten: No, but my right hon. Friend has closely consulted the London Residuary Body, which has a duty to protect the interests of London's ratepayers.

London Docklands Development Corporation (Land Sales)

Mr. Tony Banks asked the Secretary of State for the Environment what is the highest figure achieved for the sale of London Docklands Development Corporation land for private housing to date.

Mr. John Patten: Prices vary widely according to the conditions of sale and to the location and size of the site. In some locations, however, such as on the Isle of Dogs, £1·5 million per acre has been obtained. The maximum price for an individual site to date is commercially confidential information.

Shire Counties (Rates)

Mr. McLoughlin asked the Secretary of State for the Environment if he will list in order the six highest rated shire counties in the United Kingdom.

Mr. Chope: Following is the available information:

Highest shire county precepts in England and Wales 1987-88

	Pence
Derbyshire	262·0
Cleveland	252·0
Cumbria	246·5
Nottinghamshire	236·0
Bedfordshire	232·2
Avon	228·5

Merseyside Maritime Museum

Mr. Thornton asked the Secretary of State for the Environment what arrangements are being made to help finance completion of the Merseyside maritime museum.

Mr. John Patten: I have arranged with my right hon. Friend the Minister for the Arts to transfer £1·4 million from the DoE/UAI cash block to the Office of Arts and Libraries in order to meet the cost of completing the Merseyside maritime museum. The transfer will enable the Office of Arts and Libraries to pay grant-in-aid to the national museums and art galleries on Merseyside Trust, which is managing completion of the contract. The cash limit of the block has been reduced to £366·873 million.

Residuary Bodies (Cash Distribution)

Sir Geoffrey Finsberg asked the Secretary of State for the Environment how much cash is being distributed to successor authorities by the London and metropolitan residuary bodies; what assessment he has made of the implications this will have for the level of rates in these authorities; and what are the residuary bodies' levies for the 1986-87 and 1987-88 financial years.

Mr. Chope: The financial benefits resulting from the removal of an unnecessary tier of local government are now being realised. This will greatly benefit London borough and metropolitan district councils and their ratepayers.

Within two years of abolition of the Greater London council and the Metropolitan county councils successor

boroughs and districts are expected to receive additional cash entitlements totalling £431 million and capital spending power in excess of £754 million.

Ratepayers will benefit directly in three ways. First, the distributed balances of the abolished councils totalling £257 million can be returned to them through lower rates. Secondly, some £174 million in cash receipts received by successor authorities will reduce their need to finance capital expenditure from borrowing or revenue. And thirdly, residuary bodies' levies are significantly lower in 1987-88 than in 1986-87. Indeed in three areas — Tyne and Wear, West Midlands and West Yorkshire — ratepayers will no longer be required to contribute towards the residuary bodies' costs.

Taken together with the Government's estimate of long term annual savings of some £100 million resulting from staff savings it is clear that our decision to remove this unnecessary and wasteful burden of local government bureaucracy was fully justified. In London alone the cash to be distributed by the London Residuary Body in the two years following abolition amounts to around £100 per household.

Subject to audit and certification of the abolished councils' 1985-86 accounts, residuary bodies are in the process of distributing inherited revenue balances after deduction of amounts applied to staff compensation payments resulting from abolition. The timing of distribution is at the discretion of the residuary bodies but they estimate that by 31 March 1988 the following amounts will have been distributed to rating authorities in their areas:

Estimated revenue balances of abolished councils to be distributed to rating authorities by 31 March 1988

	£ million
London	129·0
Greater Manchester	46·3
Merseyside	15·6
South Yorkshire	nil
Tyne and Wear	12·6
West Midlands	46·6
West Yorkshire	7·3

In addition my right hon. Friend has made orders under section 77 of the Local Government Act 1985 requiring residuary bodies to distribute capital moneys among the rating authorities in their areas. The residuary bodies estimate that by 31 March 1988 they will have distributed the following amounts of capital spending power inherited from the abolished councils and accruing from their own disposals of capital assets and repayments of principal on loans.

Estimated capital spending power to be distributed to rating authorities by 31 March 1988 (£ million)

	Inherited from abolished councils	*Generated by residuary bodies*
London	368·8	263·3
Greater Manchester	62·3	10·4
Merseyside	nil	1·0
South Yorkshire	5·5	2·0
Tyne and Wear	4·6	4·0
West Midlands	4·5	11·1
West Yorkshire	10·6	5·7

The following estimated amounts of capital receipts cash entitlement arising from the same sources will have been distributed to rating authorities by 31 March 1988, after deducting amounts applied by residuary bodies.

Estimated capital receipts cash entitlements to be distributed to rating authorities by 31 March 1988 (£ million)

	Inherited from abolished councils	*Generated by residuary bodies*
London	nil	141·4
Greater Manchester	nil	6·8
Merseyside	nil	0·5
South Yorkshire	nil	1·6
Tyne and Wear	2·5	1·5
West Midlands	2·7	11·1
West Yorkshire	1·2	4·2

The levies now announced by each residuary body for the forthcoming financial year, and those for the current year are as follows:

Residuary body levies 1986-87 and 1987-88 (£ million)

	1986-87	*1987-88*
London	48·2	22·0
Greater Manchester	8·4	2·2
Merseyside	7·0	5·3
South Yorkshire	4·0	2·0
Tyne and Wear	2·5	nil
West Midlands	2·7	nil
West Yorkshire	2·3	nil

Planning Applications

Mr. Tony Banks asked the Secretary of State for the Environment if he will list all outstanding applications for consents for each authority abolished on 31 March 1986.

Mr. Chope [*pursuant to his reply*, 16 March 1987, c. *401-2*]: I refer the hon. Gentleman to the answer given to him on 9 May 1986 by my hon. Friend the Member for Surbiton (Mr. Tracey) at columns 301-4. In addition, the following 34 applications were outstanding under sections 91 and 92 of the Local Government Act 1985.

Section 91—Greater London Council

Description

Carrington House Support Team
Housing Advisory Centre
Park View Road Civic Amenity

Section 91—Greater Manchester Council

Manchester Ship canal
Butterfly House/Queens Park
Countryside Planning Unit

Section 92—Greater London Council

Indemnity
Indemnity to Employees
Spar Housing Association
Woolwich Comm/Nightingale Place
32 Nelgarde Road
175-191 Jubilee Street E1
Site in Bunns Lane, Mill Hill
St London Heritage Collection

Section 92—Greater Manchester Council

Bolton Bus STA & Rochdale TD
208/210 Great Clowes St, Salford
Adelphi High School, Salford
FMR Highfield Works & 939/951
Snowdrift House, Salford

Section 92—Merseyside Council

Sale of ferrous scrap metals

Section 92—South Yorkshire Council
Chesterfield Road, Beighton
"History of South Yorkshire"
Furnival St, Sheffield

Section 92—West Midlands Council
448 Stratford Rd, Sparkhill
72 Holbrooks Rd, Coventry
Ryton Landfill Site, Warwickshire
Indemnity for staff
Yardley Road, Birmingham
380 Washwood Heath Rd
98 Handsworth Rd, Winson Green
1240 Coventry Road, Small Heath
92/94 Dudley Road, Birmingham
Highfield Bridge Imp, Coseley

Section 92—West Yorkshire Council
Town Close Hills Site Leeds

Truscon RD27 Houses, Liverpool

Mr. Wareing asked the Secretary of State for the Environment what further action he is taking in respect of Truscon RD27 houses in Storrington avenue, Liverpool, subsequent to the recent correspondence between his Parliamentary Under-Secretary of State and the hon. Member for Liverpool, West Derby.

Mr. Tracey [*pursuant to his reply*, 17 March 1987, c. *439*]: We are considering the further material forwarded by the hon. Member together with his request that we review the decision not to designate these properties nationally under the housing defects legislation. I hope to write to the hon. Member shortly.

Thamesmead

Mr. Tony Banks asked the Secretary of State for the Environment if he will detail in the *Official Report* the valuation that has been placed on the land and buildings at Thamesmead by the district valuer.

Mr. Chope: I shall answer this question shortly.

THE ARTS

Objects in Lieu of Tax

Mr. Cormack asked the Minister for the Arts if he anticipates any call in the near future on the Contingency Reserve for a work of art offered in lieu of inheritance tax.

Mr. Luce: I am very pleased to be able to announce that heritage Ministers have accepted in principle a major Constable painting, "Stratford Mill", known also as "The Young Waltonians". This painting, of the highest quality and importance, has a current market value of £10 million. Under the acceptance-in-lieu procedures agreed in 1985, which allow a call on the reserve, we will be taking steps to acquire it for the nation at a cost of some £5·5 million. This is the most valuable item ever accepted in lieu of tax. In accordance with the wishes of the executors, it will be allocated to the National gallery.

EDUCATION AND SCIENCE

Teachers' Employers

Mr. Nicholls asked the Secretary of State for Education and Science when he next proposes to meet the representatives of the teachers' employers; and if he will make a statement.

Mrs. Rumbold: My right hon. Friend is meeting representatives of the teachers' employers on 26 March.

Overseas Students

Mr. Stephen Ross asked the Secretary of State for Education and Science if he will take steps to draw to the attention of overseas students seeking to study for degrees in the United Kingdom a list of institutions offering approved courses of study and certified degrees.

Mr. Walden: My right hon. Friend is considering the possibility of legislation to curb bogus degrees. The British Council is able to offer prospective students information on universities and institutions authorised to award degrees in the United Kingdom by Royal Charter or Act of Parliament.

Boarding Schools

Mr. Latham asked the Secretary of State for Education and Science what would be the cost to his Department of applying to maintained sector boarding schools the 85 per cent. formula for capital funding which currently applies in the voluntary aided sector, assuming expenditure remained at the level of the last financial year for which he has statistical information relating to capital allocations to, and expenditure by, local education authorities in respect of their maintained boarding provisions.

Mr. Dunn: It is not possible to make this calculation, since local education authorities ar not required to submit details of capital spending on individual projects to the Department.

Mr. Latham asked the Secretary of State for Education and Science when he or any of the Ministers in his Department last met representatives of the Boarding Schools Association to discuss boarding provision in the maintained and independent sectors of education; and what further meetings are planned.

Mr. Dunn: I received a deputation from the Boarding Schools Association in May 1984 and have been in touch with the association by correspondence since then. I have expressed my willingness to meet the association again if it wishes.

Mr. Latham asked the Secretary of State for Education and Science whether he will list, since 1980, the proposals which have come before him under sections 12 or 13 of the Education Act 1980 for the closure or significant reduction of boarding provision in maintained schools; and what was his decision in each case.

Mr. Dunn: The table lists proposals published under sections 12 and 13 of the Education Act 1980 for the clolsure or discontinuation of boarding provision in maintained schools, and shows in each case the Secretary of State's decision, or local education authority determination in accordance with section 12(7) of the Act. The list excludes special schools.

LEA and description of proposal	Date of Decision	
	Approved by Secretary of State	Determined by LEAs
Suffolk		
Closure of the boarding house for girls of Thomas Mills High School	10 June 1982	
Northumberland		
Closure of Brown Rigg Boarding School	22 January 1985	
Manchester		
Discontinuation of 50 boarding places at Parrs Wood High School		15 June 1981
Cumbria		
Closure of boarding accommodation at Kirkby Lonsdale Queen Elizabeth Comprehensive		3 September 1986
Kent		
Closure of boarding accommodation at Highworth School for girls		16 June 1984
West Sussex		
Closure of boarding and lodging facilities at Midhurst Grammar		20 October 1986
Oxfordshire		
Closure of King Alfreds Boarding House	Under consideration	

Voluntary Aided Schools

Mr. Latham asked the Secretary of State for Education and Science whether he will set out in tabular form the cost to public funds for the last five financial years of the 85 per cent. system of funding the capital costs of voluntary aided schools.

Mr. Dunn: The cost to public funds of capital expenditure at voluntary aided and special agreement schools in England over the last five financial years is as follows:

Capital grant to voluntary aided and special agreement schools

Year	England £ million
1981-82	28·7
1982-83	22·2
1983-84	19·0
1984-85	24·7
1985-86	31·0

Bradford University

Mr. Madden asked the Secretary of State for Education and Science what representations he has received concerning the reduction in grants to the University of Bradford for 1986-87; and if he will make a statement.

Mr. Walden: No representation has to date been received in the Department about the University of Bradford's recurrent, equipment or capital grant for 1986-87.

Hearing-Impaired Children

Mr. Madden asked the Secretary of State for Education and Science if he intends to amend the Education (Teachers) Regulations 1982 to extend the mandatory requirement to possess a recognised qualification as a teacher of the deaf to teachers working in the peripatetic and advisory services with hearing-impaired children.

Mr. Dunn: My right hon. Friend will consider whether the requirement for mandatory qualifications for teachers of the deaf should be extended to cover teachers working in the peripatetic and advisory services. However, any extension could not be done simply by amending the 1982 regulations. It would require an amendment to section 27 of the Education Act 1980 to enable regulations to be made to cover the qualifications of teachers other than those in schools and establishments of further education.

Inspectors (Returns)

Mr. Ashdown asked the Secretary of State for Education and Science, further to his reply to the hon. Member for Yeovil on 6 March, *Official Report*, column *705-6*, concerning returns made by district inspectors of Her Majesty's inspectorate, what separate items of statistical and financial information were given in the returns for the last year to show the distribution of resources and the overall levels of expenditure within a local education authority; whether such information is collected by means of a standard form; and if he will make a statement.

Mrs. Rumbold: Her Majesty's inspectors sought statistical and financial information from local education authorities covering the range of issues discussed in the report on the effects of local authority expenditure policies on education provision in England, 1985. A standard form was used. Detailed information on actual and estimated education expenditure by individual local authorities is published each year by the Chartered Institute of Public Finance and Accountancy and copies are placed in the Library.

Mr. Ashdown asked the Secretary of State for Education and Science further to his reply to the hon. Member for Yeovil on 6 March, *Official Report*, columns *705-6*, concerning returns made by district inspectors of Her Majesty's inspectorate, if he will review whether parts of the returns containing assessments by inspectors of the appropriateness of provision and the impact of changes may be placed in the Library without statistical information given by local education authorities in confidence; what considerations have been material to such parts of the returns not being pubished; and if he will make a statement.

Mrs. Rumbold: No. The assessment by Her Majesty's inspectors of provision made by individual local education authorities are based on the statistical and financial information they provide and on Her Majesty's inspectors' general knowledge of the authority. Neither of these is complete enough in its coverage to allow judgments to be made about the quality of education in individual LEAs. However, the information from and assessment of all 97 English LEAs, when drawn together and analysed, is able, in the view of Her Majesty's inspectors, to provide a well-founded picture of the general picture and noticeable trends nationally. It is this picture which makes up the

reports by Her Majesty's inspectors on the effects of local authority expenditure policies on education provision. The treatment of the background material relating to individual LEAs in confidence ensures a high return from them without which the reports would be considerably diminished. Only in their published inspection reports on education provision in single LEAs are Her Majesty's inspectors able to provide a securely based judgment of efficiency and effectiveness across an individual authority.

TRANSPORT

Docklands Light Railway

Mr. Amess asked the Secretary of State for Transport how many people he estimates to be employed in the London docklands light railway project.

Mr. David Mitchell: The docklands light railway will employ 102 people when it opens to the public in July. These figures do not include LRT's consultants and the contractors' personnel who have worked on designing and constructing the project.

National Bus Company

Mr. Mason asked the Secretary of State for Transport (1) at what price the Yorkshire Traction company has been sold as one of the National Bus company subsidiaries;

(2) if he will make it his practice to reveal the details of National Bus company subsidiary sales where the sale has been completed.

Mr. Moore: As the right hon. Member will know from the answer given to him on 16 March by my hon. Friend the Miniser of State the prices obtained for individual National Bus Company subsidiaries are confidential while sales of the remaining subsidiaries are in progress. A report will be made to the House in due course on the aggregate proceeds of sale.

Single Track Railway Lines

Dr. Marek asked the Secretary of State for Transport, pursuant to his answer of 16 March, *Official Report*, column *392*, about railway lines which have been reduced to single track, if he will make it his policy to collect the information for future years.

Mr. Moore: No. As the hon. Member will know from the answer given to him by my hon. Friend the Minister of State on 28 April last, this is not a matter for Her Majesty's Government.

Transport Appraisal

Mr. Sayeed asked the Secretary of State for Transport whether he proposes to make any changes to the values of time used in transport appraisal in view of the research sponsored by his Department.

Mr. Peter Bottomley: In the light of the evidence from this research we intend to make substantial changes to the values of non-working time. We have today published new values in a report "Values for Journey Time Savings and Accident Prevention". A copy has been placed in the Library.

Values associated with time savings, injury and loss of life have been used for many years in economic appraisals of transport policy, projects and operations. The values of time recommended by the Department have been updated regularly to take account of changing prices and income. Values of time spent on such non-work activities as shopping, holidaying and commuting are based on research originally carried out in the 1960s. A new programme of research into the value of this non-working time, using modern techniques and more recent data, has now been completed and the results have been used to formulate the new values given in the report. The research evidence is contained in a report "The Value of Travel Time Savings", which has been published separately by the consortium of researchers who carried out the studies for the Department.

The most significant finding was that people are willing to pay more to reduce the amount of their own time spent travelling. The new values in the report reflect this finding. The report also gives new values for the average cost of casualties. While separate research into this area has also been undertaken, no conclusive empirical evidence has emerged. In these circumstances it is our judgment that, for the present, the weight currently attributed to accident savings relative to time savings should be maintained. The values of accident savings have been derived on this basis, but we will keep this matter under review.

We are concerned to minimise uncertainty on road improvement schemes already at public inquiry or awaiting a final decision from the Secretaries of State for Transport and the Environment. It is therefore important that final decisions on the new values are reached quickly. Before reaching these decisions we propose to have a short period (four weeks) of consultation with experts in the field and others who may wish to comment. Current values of time and accident costs will continue to be used until we make a further announcement on the new values.

The Secretaries of State for Scotland, Northern Ireland and Wales will also be considering whether to use the new values in transport investment decisions in their countries. The aim would be to maintain a consistent approach throughout the United Kingdom. With major changes of this kind, we shall of course be looking closely at how the proposals work in practice.

The research represents an important step forward in our understanding of the value people attach to the time they spend travelling outside their working hours. The proposals will properly reflect this new appreciation in our assessments of value for money in transport. The new values of casualty costs underline our continuing commitment to make our roads safer for all users.

Earls Court (Congestion)

Mr. Wheeler asked the Secretary of State for Transport what measures he is taking to relieve traffic congestion and nuisance in the Earls Court area; and if he will make a statement.

Mr. Peter Bottomley: Consultants have been examining the possibility of sharing the west London railway corridor to provide relief for the Earls Court area. Work has progressed far enough to show that a relief road could be provided running mainly in cutting from Shepherds Bush to the River Thames.

The report on the first stage of the west London assessment study has highlighted the severe environmental and safety problems in the Earls Court area. It seems clear

that whatever other action may be taken a new route is likely to be the only way of achieving substantial improvement of the environment in the area. I have therefore decided that we should now consult the local planning authorities on a proposal to safeguard the line of a western environmental improvement route. I have today written to ask for their comments on this proposal.

Channel Ferries (Safety)

Mr. Spearing asked the Secretary of State for Transport which recommendations made by the official inquiry into the capsized ferry European Gateway in 1982 have since been acted upon.

Mr. Moore: Recommendations of courts of formal investigations are carefully considered and all relevant organisations within the industry are consulted before a decision is taken. The European Gateway/Speedlink Vanguard inquiry made 15 recommendations, the most important six of which covered the provision and operation of watertight doors below the waterline, thus addressing a major factor in the loss of the European Gateway — the flooding below the waterline after she was holed in a collision. These recommendations have been implemented for all new ships and virtually implemented or are being discussed internationally for existing ships. The key recommendations which requires the fitting of power operated, watertight doors below the waterline has been implemented for all United Kingdom registered roro ferries.

The full 15 recommendations and the action taken against each are as follows.

Recommendations	*Action taken*
1. The Department should recognise that modern radar provides an alternative to compass bearings as a means of detecting the risk of collision and should emphasise this in M Notices.	The Department did not accept this premise but an M Notice was issued to draw attention to the proper use of radar as an aid to navigation and in the avoidance of collisions.
2. Funds should be provided for research into the phenomenon of a symmetric flooding of a symmetrical compartment.	Stage 1 of the research project has been completed and stage 2 will commence shortly.
3. Consideration should be given to catering for the possibility of abandoning a ship listing to more than 15°.	For a ship whose keel was laid on or after 1 July 1986 the regulations now require that the lifeboats can be launched when the ship is listed up to 20°.
4. Distribution and use of portable VHF sets should form part of the drill practised at musters.	A ship whose keel was laid on or after 1 July 1986 is required to have an emergency means of two-way communication (which may be fixed or portable or both) between emergency control station, muster and embarkation stations and strategic positions on board.
5. Passenger vessels should carry at least two portable loudhailers for communication with passengers in emergencies	A ship whose keel was laid on or after 1 July 1986 requires either a public address system or some other means of communication.
6. There should be uniformity of practice in the stowage of lifejackets in ships of the same class.	In the final stages of discussions with the Industry.
7. Lifejackets for children and their stowage should be clearly marked "FOR CHILDREN".	It has been agreed with the Industry that new lifejackets presently marked for "persons weighing less than 32 kg" will also have the word "child" stencilled on them. Stowage will be so marked.
8. Distinguishing the stowage position of the safety knife in liferafts by luminous paint.	There is a difficulty in finding a suitable material which retains its luminosity for 12 months when stored in darkness. Meanwhile the position of the knife is being marked by reflective tape or some similar means, on a voluntary basis.
9. Regulations should require that, when practicable, passenger ships should operate with watertight doors closed.	After consultation with the industry my Department has issued written guidance on the provision of access openings in watertight bulkheads of passenger ships and procedures for operating watertight doors. An M Notice on "The operation of watertight doors on passenger ships" has also been issued.
10. Power operation of watertight doors on passenger ships should be mandatory.	The relevant regulations have been amended so that power operation on new ships is a statutory requirement. In addition all existing UK registered passenger ro-ro ferries are now fitted with power operated doors.
11. Regulations should provide for uniformity in the operation of watertight doors.	The UK has taken this matter up with the International Maritime Organisation and it is expected to be agreed at the next session of the appropriate sub-committee.

Recommendations	*Action taken*
12. Regulations should require watertight doors in machinery spaces to be kept closed in reduced visibility.	After extensive consultation it is expected that the next revision of the regulations dealing with the closing of openings in watertight bulkheads will include these requirements.
13. Regulations should permit selected watertight doors in machinery spaces to be open in clear visibility.	
14. Until regulations are changed British passenger ships should comply with Regulation 3 of the Merchant Shipping (Closings and Openings in Hulls and Watertight Bulkheads) Regulations 1980.	An M Notice has been issued to remind owners of passenger ships of the statutory requirements for the closing of openings in watertight bulkheads.
15. Consideration should be given for the counsel to the tribunal to be independent of the Department of Transport.	When there appears to be a conflict of interest it is the Department's view that this can be met by appointing separate representation for the Department's marine directorate.

DEFENCE

Services (Accident Statistics)

Mr. McQuarrie asked the Secretary of State for Defence if he will place int the *Official Report* the number of disabling accidents in the Army, Navy and Royal Air Force in the years 1980 to 1986 and the latest available figures for 1987, which resulted in the discharge of the service man or service woman from the particular arm of the service, showing each service and year separately.

Mr. Freeman: The following numbers of United Kingdom regular service personnel have been medically discharged since 1980: principally because of accidental injury, sustained on or off duty.

Year	*Army*	*Royal Navy and Royal Marines*	*Royal Air Force*
1980	100	36	18
1981	76	41	20
1982	72	24	14
1983	73	42	17
1984	118	61	12
1985	222	73	20
1986	238	56	17
1987	figures not yet available		

Mr. McQuarrie asked the Secretary of State for Defence if he will list in the *Official Report* the number of fatal accidents which occurred to service personnel in the Army, Royal Navy and Royal Air Force in the years 1980 to 1986 and the latest available figures for 1987, showing each arm of the services and each year separately.

Mr. Freeman: The following numbers of United Kingdom regular service personnel have sustained fatal accidents on or off duty, since 1980:

Year	*Army*	*Royal Navy and Royal Marines*	*Royal Air Force*
1980	116	46	50
1981	103	39	43
1982	98	24	46
1983	88	44	49
1984	91	32	50
1985	76	28	61
1986	66	26	36
1987[1]	8	6	10

[1] To end February.

Submarines

Mr. Kirkwood asked the Secretary of State for Defence whether he has any plans to meet the American submarine authorities responsible for submarine movements in the Clyde coast and Irish sea areas to discuss the potential danger posed by submarines to United Kingdom fishing vessels.

Mr. Stanley: No. The problem of the potential interaction of fishing vessels and submarines in relatively confined areas of sea space is well appreciated by both the RN and the USN.

RAF (Catering)

Mr. Donald Stewart asked the Secretary of State for Defence what plans he has for the extension of contract catering facilities at Royal Air Force bases in Scotland; and if he will list the time scale envisaged for completion of such extensions.

Mr. Archie Hamilton: Contract catering was introduced at RAF Turnhouse and RAF Pitreavie Castle last year. We are also examining the possibility of contracting out the catering support function in RAF junior ranks messes throughout the United Kingdom by early 1990. Contracts for this work would be let at RAF Leuchars and RAF Kinloss in mid-1988, but we do not yet know when contracts would be let at other RAF stations in Scotland.

As a separate measure, the Army, which provides catering services at RAF Benbecula, is considering contracting out elements of these services; if this programme proceeds, contracts would be let later this year.

Mr. Donald Stewart asked the Secretary of State for Defence if he will list those operational Royal Air force bases in the United Kingdom which have catering services provided by *(a)* contract and *(b)* civilian manpower.

Mr. Archie Hamilton: The following stations controlled by RAF Strike Command have catering services provided by contract:

Fylingdales
Manston
Northolt
Turnhouse
West Drayton

There are no RAF stations at which the catering service is wholly civilian manned. Catering is provided by a mixture of civilian and service personnel at the following Strike Command stations in the United Kingdom.

Aldergrove
Barnham
Bawdsey
Benbecula[1]
Bentley priory
Benson
Binbrook
Bishops court
Boulmer
Brawdy
Brize Norton
Buchan
Catterick
Chivenor
Coltishall
Coningsby
Cottesmore
High Wycombe
Honington
Hullavington
Kinloss
Leeming
Leuchars
Lossiemouth
Lyneham
Machrihanish
Marham
Mount Batten
Neatishead
Odiham
Portreath
Saxa Vord
Spadeadam
Stanmore park
Staxton Wold
St. Mawgan
Stornaway
Upavon
Waddington
Wattisham
Watton
West Raynham
Wittering
Wyton

[1] Catering services provided by the Army.

RAF (Civilian Jobs)

Mr. Donald Stewart asked the Secretary of State for Defence if he will list in the *Official Report* the number of civilian jobs presently held in each of the Royal Air Force bases established in Scotland; and if he will list these according to the work involved.

Mr. Archie Hamilton: On 1 February 1987 the numbers of civilians employed at RAF stations in Scotland were as follows:

RAF Station	*Number of civilians employed*
Benbecula	2
Buchan	45
Kinloss	199
Leuchars	200
Lossiemouth	281
Machrihanish	29
Pitreavie Castle	12
Prestwick	3
Saxa Vord	25
Stornaway	4
Tain	8
Turnhouse	24
	842

The figures exclude civilian staff employed by the RN and the Army at these units, and also staff employed on behalf of the United States Air Force.

Details of the duties on which individual members of staff are employed at any given time are not held centrally; I regret that this information could not be provided without disproportionate effort.

RAF (Private Contractors)

Mr. Donald Stewart asked the Secretary of State for Defence what estimate he has made of savings accrued through the use of private contract facilities at Royal Air Force bases in the United Kingdom.

Mr. Archie Hamilton: About £12 million per annum.

Suicides

Mr. McQuarrie asked the Secretary of State for Defence if he will list in the *Official Report* the number of suicides in the Army, Royal Navy and Royal Air Force in the years 1980 to 1986 and the latest figures for 1987, showing each arm of the services and each year separately.

Mr. Freeman: There have been the following numbers of suicides by United Kingdom regular service personnel since 1980:

Year	*Army*	*Royal Navy and Royal Marines*	*Royal Air Force*
1980	11	3	10
1981	18	6	8
1982	23	3	14
1983	18	3	9
1984	18	2	9
1985	18	5	7
1986	19	7	12
1987	figures not yet available		

Figures for attempted suicides cannot be collated in a meaningful form, because degrees of true intent cannot be judged.

Active Service Fatalities

Mr. McQuarrie asked the Secretary of State for Defence if he will list in the *Official Report* the number of active service deaths which occurred in the Army, Royal Navy and Royal Air Force in each of the years 1980 to 1986, and the latest available figures for 1987, showing each arm of the services separately.

Mr. Freeman: There have been the following numbers of active service deaths of United Kingdom regular service personnel since 1980:

Year	*Army*	*Royal Navy and Royal Marines*	*Royal Air Force*
1980	7	—	—
1981	10	—	—
1982	142	113	1
1983	5	—	—
1984	9	—	—
1985	2	—	—
1986	4	—	—
1987[1]	—	—	—

[1] To end of February

Courts Martial

Mr. McQuarrie asked the Secretary of State for Defence if he will place in the *Official Report* the number of convictions arising out of courts martial in each of the armed services which resulted in *(a)* sentences of detention, *(b)* discharge and *(c)* administrative discharge in the years 1980 to 1986 and the latest figure for 1987, showing each year and each sentence group separately.

Mr. Freeman: Administrative discharge is not a sentence awarded by courts martial. Details of sentences of detention and discharge are as follows:

	Royal Navy		*Army*		*Royal Air Force*	
	Detention	*Dismissal from Service*	*Detention*	*Dismissal from Service*	*Detention*	*Dismissal from Service*
1980	8	16	471	303	97	41
1981	5	12	489	354	115	64
1982	9	18	463	429	118	79
1983	8	25	377	336	93	52
1984	11	24	351	355	103	55
1985	12	17	335	345	71	75
1986	10	20	264	258	51	30

Numbers cover awards of detention and dismissal from service including mandatory dismissal after the award of imprisonment by court martial. They do not include such awards from summary trial by commanding officers in the Royal Navy. No figures are yet available for 1987.

Mr. McQuarrie asked the Secretary of State for Defence how many courts martial were conducted in each of the years from 1980 to 1986 and the latest figure for 1987, showing each service separately.

Mr. Freeman: The figures are as follows:

	Royal Navy	*Army*	*Royal Air Force*
1980	54	1,123	243
1981	57	1,125	226
1982	49	1,148	239
1983	65	844	237
1984	73	853	190
1985	65	845	217
1986	60	644	144
1987[1]	6	115	27

[1] January and February

Mr. McQuarrie asked the Secretary of State for Defence if he will list in the *Official Report*, the number of appeals *(a)* made and *(b)* granted in each of the armed services against a decision of courts martial in each of the years 1980 to 1986 and the latest available figures for 1987.

Mr. Freeman: Although there are arrangements for an accused to petition against the finding or sentence of a court martial, the only route of appeal as such is to the Court Martial Appeal Court. Details of such appeals are as follows:

	Number of appeals made	*Number of appeals granted*
1980		
Royal Navy	2	1
Army	7	—
Royal Air Force	4	—
Total	13	1
1981		
Royal Navy	3	—
Army	5	1
Royal Air Force	2	—
Total	10	1
1982		
Royal Navy	1	—
Army	8	1
Royal Air Force	2	—
Total	11	1
1983		
Royal Navy	2	—
Army	4	—
Royal Air Force	2	—
Total	8	—
1984		
Royal Navy	4	1
Army	10	2
Royal Air Force	7	—
Total	21	3
1985		
Royal Navy	1	—
Army	9	2
Royal Air Force	1	1
Total	11	3
1986		
Royal Navy	1	—
Army	11	1
Royal Air Force	5	—
Total	17	1
1987		
Royal Navy	1	—
Army	1	—
Royal Air Force	1	—
Total	3	—

Prosecutions

Mr. McQuarrie asked the Secretary of State for Defence if he will place in the *Official Report* the number of prosecutions proceeded with for abuse of rank, attacks

on superior officers and drug-related problems in the years 1980 to 1986 and the latest figures for 1987, showing each service and each offence separately.

Mr. Freeman: "Abuse of rank" is not an offence within the terms of the Service Discipline Acts. Statistics on offences involving attacks on superior officers could only be provided at disproportionate cost. Figures for convictions for drug-related offences are as follows:

	Royal Navy	*Army*	*Royal Air Force*
1980	100	39	14
1981	100	70	32
1982	36	69	17
1983	61	114	15
1984	61	149	143
1985	52	130	77
1986	[1]12	89	20

[1] Complete details for 1986 for the Royal Navy are not yet available. No figures for 1987 are yet available.

Short-Range Missiles

Mr. Boyes asked the Secretary of State for Defence if he will publish the Government's latest assessment of the numbers of the short-range missiles held by NATO and Warsaw pact countries.

Mr. Stanley: Information on the numbers of land-based short range missile systems held by NATO and the Warsaw Pact is contained in annex A to volume I of the "Statement on the Defence Estimates 1986". It is planned to update this information in the next "Statement on the Defence Estimates".

Army Air Corps

Mr. McNamara asked the Secretary of State for Defence what is the ratio of pilots currently engaged in flying duties to aircraft in the Army Air Corps.

Mr. Freeman: Approximately 1·1:1. This ratio is planned to rise in the coming years to levels closer to those now found in the Royal Air Force and Fleet Air Arm.

AWACS

Mr. McNamara asked the Secretary of State for Defence when he now expects that the agreement on the airborne warning and control system will be signed.

Mr. Archie Hamilton: The contract with Boeing Aerospace Company for the purchase of its airborne early warning and control system was signed on 26 February.

European Fighter Aircraft

Mr. McNamara asked the Secretary of State for Defence what is the estimated unit cost of the European fighter aircraft.

Mr. Archie Hamilton: Nations are currently evaluating the outcome of the project definition phase. It would be inappropriate to publish any cost estimates at this stage.

Exercise Swift Sword

Mr. McNamara asked the Secretary of State for Defence what was the cost of exercise Swift Sword.

Mr. Stanley: The net additional cost to the United Kingdom of exercise Swift Sword is estimated at some £4·3 million, most of which resulted from the airlift. The Sultan of Oman's Government, who provided considerable support, also bore significant costs.

Chinook Helicopters

Mr. McNamara asked the Secretary of State for Defence what assessment he has made of the vulnerability of Chinook helicopters to ground fire on the central front.

Mr. Stanley: Our support helicopters are not normally expected to operate in situations involving exposure to round fire. However, their vulnerability to such action has been assessed by the Defence Operational Analysis Establishment. The conclusions of that study are classified. We are also aware that American experience in Vietnam showed the Chinook to be able to absorb considerable damage from ground fire while maintaining an operational capability.

5 Airborne Brigade

Mr. McNamara asked the Secretary of State for Defence what is the annual cost of maintaining 5 Airborne Brigade.

Mr. Stanley: The annual running cost of 5 Airborne Brigade is some £80 million at current prices. This figure includes the brigade's personnel costs, as well as such items as spares, maintenance, direct support and the extra costs of airlift for parachute training. It excludes, inter alia,the capital costs of equipment and accommodation.

Army Officers (Ages)

Mr. McNamara asked the Secretary of State for Defence (1) how many lieutenant generals in the British Army are over the age of 50 years;

(2) how many major generals in the British Army are over the age of 50 years;

(3) how many brigadiers in the British Army are over the age of 50 years;

(4) how many lieutenant colonels in the British Army are over the age of 50 years;

(5) how many Army majors are over the age of 50 years;

(6) how many generals in the British Army are over the age of 50 years.

Mr. Freeman: The number by rank from major upwards of officers in the British Army who were aged 50 years and over as at 31 December 1986 are shown in the table.

Rank	*Number*
Major	644
Lieutenant Colonel	386
Colonel	288
Brigadier	147
Major General	52
Lieutenant General	11
General	8

Press Briefings

Mr. McNamara asked the Secretary of State for Defence how many press briefings have been given by his Department since 20 January; and how many of these press briefings were on the subject of Royal Air Force pilots.

Mr. Stanley: Since 20 January 1987 there have been five press briefings at the Ministry of Defence, of which one was on the subject of present and future Royal Air Force aircrew officer manning.

ATTORNEY-GENERAL

"Inside Intelligence"

Mr. Dalyell asked the Attorney-General if he will seek an injunction to prevent the publication of the book, "Inside Intelligence", by Anthony Cavendish; and if he will make a statement.

The Attorney-General: Mr. Cavendish has undertaken to make his manuscript available to the Government. The question of an injunction does not therefore arise at this moment.

Unification Church

Mr. O'Brien asked the Attorney-General how many civil proceedings involving charitable trusts associated with the Unification Church have been completed in the past five years; and if he will make a statement.

The Attorney-General: Information is not held about all proceedings brought against charities generally. However, in the past five years there have been no proceedings in England and Wales concerned with the charitable status of trusts associated with the Unification Church other than the two actions brought by myself in 1984, which are presently pending.

OVERSEAS DEVELOPMENT

Sudan

Mr. Wilkinson asked the Secretary of State for Foreign and Commonwealth Affairs if he will give details of United Kingdom financial aid to Sudan for the financial years 1984-85, 1985-86 and 1986-87; and what are the projected figures for aid to Sudan for 1987-88 and 1988-89.

Mr. Chris Patten: Gross British bilateral aid to Sudan amounted to £35·0 million in 1984-85 and £36·8 million in 1985-86. These totals include expenditure on disaster relief and food aid. Figures for 1986-87 are not yet available. It is not our practice to reveal forward planning figures but we expect to maintain substantial aid programme to Sudan in 1987-88 and 1988-89.

Mr. Wilkinson asked the Secretary of State for Foreign and Commonwealth Affairs if he will give a breakdown of the specific projects of United Kingdom aid and the finance allocated to them in the Sudan during the current financial year.

Mr. Chris Patten: Expenditure in the Sudan on British bilateral capital aid projects and associated technical cooperation is provisionally estimated as follows in the current financial year:

	£ million
Khartoum North and New Burri Power Stations	0·8
Rehabilitation of Old Burri Power Station	2·0
Rehabilitation of Gezira light railway	2·0
Equatoria Region Agricultural programme	1·6
Road Maintenance Unit	0·4
Northern Region Irrigation Rehabilitation	2·3
Western Savannah rural development	1·2
Red Sea Fisheries	0·2

EMPLOYMENT

Job Training Scheme

Mr. Wareing asked the Paymaster General how many people have been inteviewed at Merseyside jobcentres for the job training scheme since its commencement; and how many of these have been found work.

Mr. Kenneth Clarke: I refer the hon. Member to my reply to him of 12 March, which explained that the new scheme is not even scheduled to begin in Merseyside until April 1987.

Mr. Pike asked the Paymaster General what is the latest estimated financial provision for the new job training scheme for 1987-88; what percentage of that money is additional to existing funding; and how much will be transferred from other projects at present financed by the Manpower Services Commission.

Mr. Kenneth Clarke [*pursuant to his reply*, 18 March 1987]: Details of expenditure for 1987-88 are set out in Class VII, Vote 5, section L of the Supply Estimates, published on 17 March.

Income Statistics

Ms. Harman asked the Paymaster General what is the average weekly income of residents in the constituencies of Peckham, Southwark and Bermondsey and Dulwich for each year since 1979.

Mr. Lee: The information available comes from the family expenditure survey and relates to average gross weekly income of households in the Greater London area. The family expenditure surveys do not provide income information for smaller areas of Greater London.

Average gross weekly household income

	£
1979	133·20
1980	169·55
1981	193·47
1982	200·63
1983	*(a)* 220·70
	(b) 218·98
1984	231·27
1985	248·60

Notes:
(1) Under the housing benefit scheme introduced in stages from November 1982 some cash transactions were eliminated leading to a reduction in the level of cash income. For 1983 figures are given *(a)* covering the same transactions as in the earlier years and *(b)* on a cash transactions basis consistent with the years 1984 and 1985.
(2) Gross income as defined in the family expenditure survey comprises cash income (for example from employment, investments, pensions and cash social security benefits) together with selected other benefits such as the imputed value of owner occupied accommodation and the value of luncheon vouchers. It does not cover most non-cash benefits such as free prescriptions or benefits in kind (for example free coal, company cars). Gross income will not reflect rent and rates rebates except in so far as described in note 1 above.

Paignton Secretarial College

Mr. Steen asked the Paymaster General how many *(a)* TOPS and *(b)* YTS placements have been made with the Manpower Services Commission with Paignton secretarial college in each of the past three years; at what annual cost; how many people so placed subsequently found paid employment; how many places he proposes to support in 1987-88; and if he will make a statement.

Mr. Lee: I am arranging to meet my hon. Friend to discuss this matter.

Tourism

Mr. Bevan asked the Paymaster General what information he has as to the number of new attractions constructed in each of the tourist board areas in each year since 1978; and if, in each case, he will give details of the principal such attractions.

Mr. Lee: Neither my Department nor the English or Regional tourist boards hold information on all new attractions. Information is, however, available on new developments, or expansion-improvements to existing attractions, which received offers of support under the scheme of selective financial assistance operated under section 4 of the Development of Tourism Act 1969. Under this scheme, assistance to attractions has been offered as follows:

Number of Attractions for which English Tourist Board Assistance offered

Regional Tourist Boards	*1983-84*	*1984-85*	*1985-86*	*1986-87*
Cumbria	2	2	3	2
East Anglia	4	3	5	6
East Midlands	7	5	2	4
Heart of England	7	8	2	3
London	3	6	2	1
Northumbria	5	3	5	4
North West	11	11	4	10
South East	5	6	4	9
Southern	17	5	10	7
Thames and Chilterns	4	5	7	3
West Country	13	10	11	22
Yorkshire and Humberside	4	13	5	15
Totals	82	77	60	86

Support was offered to developments with a total capital cost greater than £1 million relating to the following attractions:

1983-84
Whitechapel Art Gallery, London
Beaulieu Motor Museum
D-Day Museum, Portsmouth

1984-85
British Film Institute, London
Trocadero, London

1985-86
Science and Industry Museum, Manchester

1986-87
Bath Spa, Bath
Botanical Gardens, Birmingham
Rock Gardens, Portsmouth
Heritage Project, Oxford
Leisure Centre, Keswick
Flambards, Cornwall Aero Park, Helston

Information relating to projects assisted before 1983 could be obtained only at disproportionate cost.

SCOTLAND

Airborne Fisheries Patrols

Mr. Home Robertson asked the Secretary of State for Scotland if he will make a statement on the contract for airborne fisheries patrols between August 1986 and May 1987, giving a summary of the costs of these arrangements, the terms of that contract, the type of aircraft and radar equipment used and the standard of surveillance and enforcement achieved; and if he will list any changes he intends to make to these arrangements from May.

Mr. John MacKay: From 1 September 1986 a Dornier 228 equipped with Bendix 1500 surveillance radar was chartered for the period until 31 may 1987.

The cost of the charter for the six months up to 28 February 1987 was £413,000. As an interim solution the Dornier has achieved a satisfactory level of surveillance and support for protection and enforcement. From 1 June 1987 a Fokker F27-200 will be acquired and thereafter employed in this role. Tenders for operating the Fokker F27 are due to be opened on 20 March 1987 and a decision announced in early-mid April 1987.

Hospital Waiting Lists

Mr. Dobson asked the Secretary of State for Scotland if he will publish the hospital inpatient waiting lists for each health board at the end of September 1986.

Mr. John MacKay: I shall reply to the hon. Member as soon as possible.

Dr. John Mitchell (Complaint)

Mr. Maclennan asked the Secretary of State for Scotland if, pursuant to the answer to the hon. Member for Caithness and Sutherland 9 March, *Official Report*, column 89, he will make a statement on the finding of the Health Service Commissioner for Scotland on the complaint made by Dr. John Mitchell.

Mr. John MacKay: In respect of the failure of the board to provide Dr. Mitchell with an adequate response to the representations he made to it about nurse staffing levels, the complaint was upheld by the Health Service Commissioner for Scotland, who was not able to investigate the complaint about nurse staffing levels. The board has conveyed to Dr. Mitchell its apologies.

Pharmacies

Mr. Craigen asked the Secretary of State for Scotland when he expects to reply to the hon. Member for Maryhill regarding correspondence relating to parity of treatment of essential small pharmacies in Scotland compared with those in England and Wales.

Mr. John MacKay: A reply was sent by my noble Friend the Minister of State to the hon. Member yesterday.

Patients (Safety Rails and Gates)

Mr. Craigen asked the Secretary of State for Scotland what discussions he is having with Strathclyde regional council social work department and Glasgow district

council housing department to improve the provision of safety rails and gates fitted in patients' homes in the light of delays in some patients being discharged from hospital, about which the hon. Member for Glasgow, Maryhill has written to him.

Mr. Ancram: I shall reply to the hon. Member as soon as possible.

Limited List Prescribing

Mr. Corrie asked the Secretary of State for Scotland what savings have resulted to the National Health Service in Scotland from the introduction of the selected list scheme of National Health Service drugs; and if he will make a statement.

Mr. John MacKay: The information we have from the Scottish Health Service Common Services Agency shows that the selected list scheme saved £8·1 million on the Scottish NHS drugs bill in the first year of the scheme's operation. In each of the therapeutic groups within the scheme the savings were as follows:

	£000's
Analgesics for mild to moderate pain	2,400
Antacids	465
Benzodiazepine tranquillisers and sedatives	1,995
Cough and cold remedies	2,301
Laxatives	105
Tonics and bitters	35
Vitamins	772

By redirecting the savings achieved towards other forms of patient care this represents a valuable contribution towards the continuing growth of the National Health Service in Scotland.

Community Programme

Mr. Kennedy asked the Secretary of State for Scotland if he will provide a detailed breakdown of the number of full-time and part-time places, respectively, on the community programme in each of the local government regions in Scotland; if he will state the total expenditure on the community programme in each local government region in Scotland; and if he will make a statement.

Mr. Lang [*pursuant to his reply*, 16 March 1987, c. *383*]: The information is not available in the precise form requested.

At the end of February 1987 the numbers of full-time and part-time places on the community programme, in each of the Manpower Services Commission's community programme office areas in Scotland, were as shown in the table.

Community programme filled places in Scotland February 1987

Community programme office area	Full-time	Part-time	Total
Glasgow	1,383	5,793	7,176
Lanarkshire	1,061	2,575	3,636
Renfrew, Dumbarton, Argyll and Bute	1,003	3,969	4,972
Ayr, Dumfries and Galloway	563	3,121	3,684
Lothians and Borders	1,094	2,955	4,049
Tayside and Grampian	928	2,209	3,137
Central and Fife	960	2,570	3,530
Highlands and Islands	157	927	1,084
SCOTLAND	7,149	24,119	31,268

In the current financial year, expenditure up to 6 March 1987 was £129·4 million. Expenditure by region is not available.

The community programme continues to be successful in meeting its principal objective of providing up to a year's work experience for as many long-term unemployed people as possible within the available resources.

FOREIGN AND COMMONWEALTH AFFAIRS

Soviet Union (Visitors Visas)

Mr. Janner asked the Secretary of State for Foreign and Commonwealth Affairs how many British citizens have been refused visitors visas to the Soviet Union during each of the last 24 months for which records are available; how many of those refused were hon. Members or Members of the House of Lords, respectively; how many were spouses of such Members; and if he will make a statement.

Mr. Renton: We do not have records of the number of visas refused to British citizens. As far as hon. Members and their spouses are concerned, the only cases of which I am aware in the past two years are those I referred to in my reply to the hon. Member for Edmonton (Dr. Twinn), on 18 March.

Argentina

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on recent threats by the Peronist National Council to British property in Argentina.

Mr. Eggar: We have noted the demands of the Justicialist (Peronist) Party for expropriation of British property in Argentina. These demands have been made before. We have no reason to believe they carry any weight with the Argentine Government.

ENERGY

New Mine, Asfordby

Mr. Orme asked the Secretary of State for Energy what progress is being made in the construction of a new mine at Asfordby; what are the projections for employment at the new mine; and if he will make a statement.

Mr. David Hunt: I am advised by the British Coal Corporation that good progress is being made with the development of the Asfordby mine. Discussions are taking place on manning arrangements.

Pressurised Water Reactors

Mr. D. N. Campbell-Savours asked the Secretary of State for Energy (1) whether he will place in the Library a copy of the United Kingdom Atomic Energy Authority's report of work carried out at the United States Oak Ridge National Laboratories into risk of damage to the core of pressurised water reactors;

(2) whether he will ask the British ambassador in Washington to secure from the Library of Congress under

freedom of information legislation a copy of the United Kingdom Atomic Energy Authority's report of work carried out at the United States Oak Ridge National Laboratories into risk of damage to the core of pressurised water reactors for use by Government Departments in the United Kingdom.

Mr. Goodlad [*pursuant to his reply*, 5 March 1987, c. 659]: I have today placed in the Library a copy of the draft report prepared on a commercial basis by the systems reliability service of the UKAEA for the US Nuclear Regulatory Commission reviewing certain aspects of an Oak Ridge National Laboratory study entitled "Precursors to Potential Core Accidents 1969-79 A Status Report". It was not a complete review of the precursor work and was not taken beyond the draft stage because USNRC was satisfied with the information contained in the draft report.

Although it is not UKAEA policy to publish work undertaken on a commercial basis for a customer, it sought and obtained permision from USNRC for its wider release in response to a specific request from Friends of the Earth and made it available to it at the Sizewell inquiry.

There is no need for me to ask the British ambassador in Washington to secure a copy of the UKAEA's report from the Library of Congress.

WALES

Hospital Waiting Lists

Mr. Dobson asked the Secretary of State for Wales if he will publish the hospital in-patient waiting list for each health district at the end of September 1986, and also the out-patient waiting lists.

Mr. Mark Robinson: The required information is given in the following table:

Waiting lists at 30 September 1986

	Numbers waiting for in-patient admission	*Numbers waiting for first out-patient consultation*
Clwyd	4,689	9,272
East Dyfed	2,354	5,824
Pembrokeshire	2,430	2,185
Gwent	8,321	11,057
Gwynedd	1,982	4,244
Mid Glamorgan	8,961	18,936
Powys	59	693
South Glamorgan	7,620	16,788
West Glamorgan	5,011	17,025

Rate Support Grant

Mr. Raffan asked the Secretary of State for Wales when he will be laying the 1987-88 Welsh rate support grant report.

Mr. Nicholas Edwards: I am today laying the 1987-88 Welsh rate support grant report, together with the 1986-87 supplementary report, before the House of Commons. I gave full details of the 1987-88 RSG settlement for Wales in my statement to the House on 16 December; no changes have subsequently been made to the settlement since my statement. There will be a full debate on the reports in due course.

TRADE AND INDUSTRY

Vosper Shiprepairers Ltd.

Mr. Colvin asked the Secretary of State for Trade and Industry when British Shipbuilders sold Vosper Shiprepairers Ltd. to the company's management; and if there were any other bids for the company.

Mr. Giles Shaw: Yes.

Mr. Colvin asked the Secretary of State for Trade and Industry (1) what was the price received by British Shipbuilders when it sold Vosper Shiprepairers Ltd. to the management of the company in a management buyout;

(2) if he will publish in the *Official Report* the conditions of sale when British Shipbuilders sold Vosper Shiprepairers Ltd.;

(3) what was his Department's estimated value of Vosper Shiprepairers at the time of the sale to the management;

(4) what financial assistance British Shipbuilders provided to the management of Vosper Shiprepairers Ltd. to buy out their company.

Mr. Giles Shaw: British Shipbuilders sold Vosper Shiprepairers Ltd. on the best terms available and at a cost less than the option of closure. The terms and conditions of sale are commercially confidential.

Mr. Colvin asked the Secretary of State for Trade and Industry what has been the involvement of British Shipbuilders in Vosper Shiprepairers Ltd. since VSL was privatised.

Mr. Giles Shaw: All dealings between British Shipbuilders and Vosper Shiprepairers Ltd. since privatisation have been on strictly commercial terms.

Mr. Colvin asked the Secretary of State for Trade and Industry how much money is still owed by the management and shareholders of Vosper Shiprepairers Ltd. to British Shipbuilders.

Mr. Giles Shaw: Any loan from British Shipbuilders to Vosper Shiprepairers Ltd. was secured and on commercial terms.

Industrial Training Boards

Mr. John Mark Taylor asked the Secretary of State for Trade and Industry if he has any plans to introduce legislation to oblige companies in their annual returns to disclose sums paid to industrial training boards.

Mr. Howard: No.

Far East (Imports)

Mr. Adley asked the Secretary of State for Trade and Industry what steps he is taking to control imports from South Korea and Taiwan; and if he will make a statement.

Mr. Alan Clark: The Government's aim is to obtain real and lasting access to the markets of these countries rather than to restrict access to our own. However, my Department will continue to monitor closely all aspects of our commercial relations including the trend in imports. The Community will be pursuing these matters in the Uruguay round of trade negotiations and has the right to take remedial action under the provisions of the general agreement on tariffs and trade where appropriate.

Textiles and Clothing (Education)

Dr. Hampson asked the Secretary of State for Trade and Industry if he will list the centres of textile and clothing education which have benefited from the textile and clothing education equipment scheme, the amount of cash support requested by each establishment and the amount of money awarded to each establishment.

Mr. Giles Shaw: The information requested is as follows:

Educational Institution	*Amount Requested from DTI £,000*	*Amount Offered from DTI £,000*
Amersham College	20·0	8·0
Barnsuloch College	40·0	40·0
Belfast College of Technology	64·4	64·4
Birmingham Polytechnic	230·0	115·3
Bolton Institute of Higher Education	517·0	450·0
Borders College of Further Education	38·5	38·5
Bradford and Ilkley College	45·0	45·0
Brighton Polytechnic	74·3	58·7
Cardonald College	52·3	52·3
Derbyshire College	158·3	158·3
Gloucestershire College	17·5	17·5
Hampshire Consortium	160·5	100·0
Handsworth Technical College	99·5	76·0
Hinckley College of Further Education	531·5	269·3
Huddersfield Polytechnic	857·5	526·0
Jacob Kramer	45·5	45·5
Kidderminster College of Further Education	106·0	79·0
Lancashire Polytechnic	105·0	77·5
Leeds University	352·0	250·0
Leicester Polytechnic	487·6	380·0
London Institute	204·0	125·0
Manchester Polytechnic	281·5	225·1
Medway College	98·0	50·0
Newcastle Polytechnic	167·3	167·3
North East Wales Institute	8·0	8·0
North Staffordshire Polytechnic	33·5	23·6
Royal College of Art	71·0	47·5
Scottish College of Textiles	401·2	321·1
Trent Polytechnic	659·5	450·0
UMIST	129·5	129·5
University of Ulster	66·7	66·7

Rolls-Royce

Mr. Greg Knight asked the Secretary of State for Trade and Industry whether he will make a further statement on the capital structure of Rolls-Royce.

Mr. Pattie: As stated by my right hon. Friend in his reply to his hon. Friend the Member for Hastings and Rye (Mr. Warren) on 18 December 1986, at columns 607-8, as part of the arrangements for and at the time of the offer for sale the Government intend to subscribe an amount of new shares which will give net proceeds to the company equal to the net borrowings of the company and its subsidiaries (including obligations under finance leases) as recorded in the consolidated audited balance sheet at 31 December 1986.

The directors of Rolls-Royce plc have today approved their accounts for 1986. These show that as on 31 December 1986 the net borrowings were £283 million, made up as follows:

	£ million	£ million
Bank loans, overdrafts and other borrowings		
falling due within one year	171	
falling due after more than one year	79	
		250
Obligations under financial leases		
payable within one year	17	
payable after more than one year	37	
		54
		304
Less		
Cash at bank and in hand		21
		283

The new ordinary shares which will be subscribed by the Government in line with the arrangements described (and which will be subscribed conditional on the offer for sale being completed) will form part of the shares made available under the offer for sale.

Director General of Telecommunications

Mrs. Winterton asked the Secretary of State for Trade and Industry whom he intends to appoint as Director General of Telecommunications when the term of appointment of Professor Bryan Carsberg expires on 30 June.

Mr. Channon: I am reappointing Professor Carsberg as Director General of Telecommunications for a further period of five years. The new period of appointment will run from 1 July 1987, when his current term expires.

Since his initial appointment in 1984, Professor Carsberg has demonstrated his qualities as a very successful Director General. He has carried out his wide-ranging duties with professionalism and great ability. I am sure that his authority and wide experience in the telecommunications sector will continue to be appreciated by the operators, service providers and users in the next five years.

Budget

Mr. Pike asked the Secretary of State for Trade and Industry what effect he estimates the Budget proposals will have on the manufacturing industries in the north-west region during the remainder of the current year.

Mr. Giles Shaw: My right hon. Friend's budget proposals are of substantial benefit to manufacturing industry in the north-west, by reinforcing economic and financial stability; by making possible a further reduction in interest rates; by giving individual taxpayers an added incentive to make the most of their skills and abilities at all levels in industry; and by further improving the fiscal treatment of small businesses.

Steel Industry

Mr. Wilson asked the Secretary of State for Trade and Industry what are the implications for Ravenscraig of the Eurofer negotiations.

Mr. Giles Shaw: As I said in the House of Commons on Monday 16 March, at column 698, in answer to the right hon. and learned Member for Monklands, East (Mr. Smith), no capacity reductions from the British Steel Corporation were included in the Eurofer proposals; the Government are fully committed to the five integrated plants strategy as agreed in August 1985.

Lonrho plc

Mr. Tim Smith asked the Secretary of State for Trade and Industry whether he has received any representations in relation to a possible breach by Lonrho plc of sections 204 to 206 of the Companies Act 1985 in relation to share dealings in House of Fraser plc during the period from the date of the inpector's interim report into share dealings in House of Fraser to the date of its acquisition by Al Fayed Investment and Trust (UK) Limited.

Mr. Howard: Yes. Representations have been received and are under consideration.

Motor Cars (Advertisements)

Mr. Tony Banks asked the Secretary of State for Trade and Industry if he will seek powers to instruct car manufacturers to take road safety and national speed limits into consideration when advertising their products; and if he will make a statement.

Mr. Howard: I see no need for new powers. There are already controls over the way that motor cars can be advertised which include safeguards against undue emphasis on top speed and fast driving. The Independent Broadcasting Authority vets all advertisements before they are broadcast on independent television. The authority refuses any advertisement which might encourage illegal or unsafe driving practices. It also controls radio advertising. Advertisements in other media are subject to the British code of advertising practice which is administered by the Advertising Standards Authority. Among other things, the code requires that advertisements should not contain anything which is likely to bring the law into disrepute or incite anti-social behaviour; nor should they show or advocate dangerous or unsafe practices, except in the context of the promotion of safety.

The ASA is prepared to deal with complaints that the code is not being followed and will take action to deal with any breaches of it.

ECGD (Losses)

Mr. Watts asked the Secretary of State for Trade and Industry what losses were sustained by the Export Credits Guarantee Department in covering commercial risks in the most recent year for which figures are available.

Mr. Alan Clark: ECGD provided £54·9 million for private buyer risks in the 1985-86 accounts. This represented ECGD's best estimate of the eventual loss on business insured in 1985-86. This provision will be adjusted in future years in the light of the most up-to-date information. ECGD paid claims of £90·3 million and recovered £21·7 million in 1985-86 in respect of private buyer causes of loss although most of these amounts relates to business insured in earlier years.

Regional Aid

Mr. Neil Hamilton asked the Secretary of State for Trade and Industry if he will publish a table showing at 1986 prices how much has been spent on regional aid to industry in each financial year since 1978-79, to each of the English regions, Wales and Scotland, indicating through which agencies this finance was spent.

Mr. Giles Shaw: The information requested is as follows:

Expenditure[1] at 1986[3] prices

£ million

Region	*1978-79*	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*
Northern	307·0	243·3	202·9	222·8	187·6	143·8	132·1	96·1
North West	170·2	142·7	182·1	199·6	144·2	114·4	109·9	87·4
Yorkshire and Humberside	72·3	52·8	72·4	78·1	62·3	40·0	45·3	34·9
East Midlands[4]	8·3	6·9	6·2	10·9	16·0	19·9	10·9	8·4
West Midlands[5]	—	—	—	—	—	—	—	5·6
South West	18·3	17·6	16·0	18·7	19·1	13·4	14·8	12·0
Scotland	285·1	194·1	253·6	278·2	436·9	250·9	199·5	208·3
Wales	204·1	171·7	236·9	250·5	214·0	128·0	152·6	134·4
Great Britain[2]	1,166·0	854·3	979·1	1,078·8	1,080·1	710·4	665·0	587·2

[1] All figures are gross and include payments to nationalised industries.
[2] The Great Britain total does not always equal the sum of the component parts due to rounding.
[3] Expenditure on a 1986 price basis for each year is calculated by applying the appropriate deflator to expenditure at current prices.
[4] Includes some minor expenditure in west midlands in respect of Oswestry TTWA which ceased to be an assisted area in 1982-83.
[5] Certain TTWAs in the west midlands were designated as assisted areas on 29 November 1984.

The items included in the expenditure are regional development grants and regional selective assistance, expenditure on land and factories by the English Industrial Estates Corporation, the Scottish and Welsh Development Agencies, the Development Board for Rural Wales, and the Highlands and Islands Development Board.

The agencies through which this expenditure was incurred are as follows:

English regions:
The Department of Trade and Industry and the English Industrial Estates Corporation.

Scotland:
The Scottish Office (Industry Development for Scotland). The Scottish Development Agency, the Highlands and Islands Development Board and the Department of Trade and Industry.

Wales:
The Welsh Office (Industry Department), the Welsh Development Agency, the Development Board for Rural Wales and the Department of Trade and Industry.

Rover Group

Mr. Bright asked the Secretary of State for Trade and Industry, pursuant to his statement about the Rover Group on 15 December 1986, *Official Report*, column 348, what progress has been made in the discussions with the European Community Commission.

Mr. Channon: My hon. Friend the Minister of State Department of Trade and Industry informed the House on 13 January at column 140, that the sale of Leyland Bus to a management-led consortium has been completed. I informed the House on 19 February at columns 1059-60 that the Government had accepted Rover Group's recommendation that Leyland Trucks, DAF Trucks and Freight Rover should combine to form a new Anglo-Dutch joint venture; that the Government had notified the EC Commission of our intention to fund the write-off of the accumulated debts from Leyland Bus and Leyland Trucks left in Rover Group and the restructuring costs resulting from their sale; and that normal procedures were in train. On 6 March I advised the House that the total costs were calculated at £680 million. I am now pleased to confirm to the House that these procedures have reached a satisfactory conclusion. It is intended that the Government will subscribe for £680 million of new shares in Rover Group shortly.

Textiles

Mr. Sheerman asked the Secretary of State for Trade and Industry (1) if he will give the volume of imported wool textile products into the United Kingdom for each of the last 20 years expressed as a percentage of the total trade in such products;

(2) what percentage of United Kingdom exports was contributed by the wool textile industry in each of the last 10 years;

(3) what, in constant value prices, has been the level of *(a)* wool textile production of the United Kingdom and *(b)* imports of wool textile products in each of the last 20 years.

Mr. Alan Clark [*pursuant to his reply*, 16 March 1987, c. *364*]: Information requested on United Kingdom wool textile production beyond 1973 and imports of wool textile products beyond 1970 are not available.

Import figures are available on current value prices only. The available information is as follows:

Year	*United Kingdom imports of wool textile products (£ million)*[1,2]	*United Kingdom wool textile production (Index of production)*[3]	*Quantity of imports of wool textile products as percentage of total imports of such products*[4]	*Percentage of United Kingdom exports contributed by wool textile industry*
1970	81·4	n/a	n/a	—
1971	56·7	n/a	n/a	—
1972	84·0	n/a	n/a	—
1973	136·1	171·3	n/a	—
1974	112·6	139·6	n/a	—
1975	106·5	123·2	n/a	—
1976	164·1	123·9	n/a	—
1977	217·5	128·4	n/a	1·2
1978	158·8	124·3	6·1	1·1
1979	169·7	115·6	5·5	1·0
1980	157·6	100·0	5·4	0·8
1981	170·2	90·4	5·9	0·8
1982	181·4	86·0	5·6	0·7
1983	225·2	87·0	5·8	0·7
1984	273·1	89·4	2·5	0·7
1985	285·0	93·1	5·1	0·7
1986[5]	288·4	99·0	[6]5·2	[7]0·7

Source: OTS Business Monitor MQ10

Notes:

[1] Wool textile products are defined as Standard International Trade Classification (SITC) R2 sub-groups 268.7, 651.2, 654.2, 654.3, 655.21, 658.31, 659.21, 659.4 and United Kingdom Tariff headings 5902.4100 and 9100, 5917.5100 and 5900 and 6005.9600.

[2] SITC R2 introduced in 1978: coverage in earlier years may not correspond directly.

[3] Production figures at constant value prices are available only in index form and only to 1973.

[4] Quantity of imports of wool textile products as percentage of total imports of such products calculated as total of products defined in Note 1 as a percentage of total trade in SITC division 65 plus sub-group 268.7.

[5] 1986 figures provisional.

[6] Based on latest available figures: January-October 1986.

[7] Based on latest available figures: January-September 1986.

NATIONAL FINANCE

Liverpool (Rates)

Mr. Wareing asked the Chancellor of the Exchequer what was the total amount of payments in respect of contributions in lieu of rates on Crown property withheld by the Treasury valuer from the Liverpool city council during the period 1 April to 14 June 1985 when the local authority delayed setting a rate; and what amount of interest accrued to his Department on the sum withheld.

Mr. MacGregor: Main payments in respect of contributions in lieu of rates are normally made bi-annually, on 29 May and 29 October; with the first payment equal to half the amount claimed by the local authority for the year as a whole. In 1985, Liverpool city council did not submit a claim until 20 June and payment of £1,663,703 was made on 1 July. It is not possible to give a fixture for the amount of interest involved since the calculation would depend on hypothetical assumptions about how central Government's financing would have been carried out in other circumstances.

Russell David Construction Ltd.

Mr. Ashton asked the Chancellor of the Exchequer if he will investigate the loss of the 714C tax exemption certificate awarded to Russell David Construction Ltd. of Crabtree Park, Worksop, by the Retford tax office which was sent but lost in the post; if he will issue another certificate forthwith.

Mr. Norman Lamont: I shall let the hon. Member have a reply as soon as possible.

Excise Duties

Mr. Gerald Howarth asked the Chancellor of the Exchequer if he will make a statement on the outcome of the consultation exercise on the structure of the wine and made-wine duties carried out by Her Majesty's Customs and Excise.

Mr. Brooke: The extensive consultation established that all the options for restructuring the wine and made-wine duties have drawbacks. In view of this, and with the drinks trade benefiting from a second successive duty standstill, my right hon. Friend decided that it would not be appropriate to alter the existing structure and relativities this year.

Industrial and Commercial Statistics

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will publish in the *Official Report* a table showing for table 14.3 of the "Annual Abstract of Statistics 1987" the division between oil companies, financial companies, and so on and industrial and commercial companies.

Mr. MacGregor [*pursuant to his reply*, 13 March 1987, c. 318]: Separate figures for oil companies are not available. A subdivision of the corporate sector between financial and industrial and commercial (including oil) is given in the tables.

Table 1: Corporate sector appropriation account[1]: financial

£ million

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Income:											
Income arising in the United Kingdom:											
Gross trading profits of companies and trading surplus of public corporations[6]:											
After deducting stock appreciation	−1,379	−1,790	−1,805	−2,235	−2,469	−3,644	−5,151	−5,003	−5,491	−6,650	−8,638
Stock appreciation	—	—	—	—	—	—	—	—	—	—	—
Total[2]	−1,379	−1,790	−1,805	−2,235	−2,469	−3,644	−5,151	−5,003	−5,491	−6,650	−8,638
Rent and non-trading income[3]	7,670	9,256	9,910	10,659	15,376	20,995	21,892	23,245	23,387	27,212	36,602
Total	6,291	7,466	8,105	8,424	12,907	17,351	16,741	18,242	17,896	20,562	27,964
Income from abroad[4]	712	1,079	1,053	1,486	1,383	2,045	3,143	3,661	4,549	5,547	6,635
Total income	7,003	8,545	9,158	9,910	14,290	19,396	19,884	21,903	22,445	26,109	34,599
Allocation of income											
Dividends and interest payments[3]	5,125	5,808	5,892	6,373	9,710	14,712	14,978	16,683	15,909	18,294	24,341
Current transfers to charities from companies	5	5	5	6	10	13	16	17	18	22	26
Profits due abroad, net of United Kingdom tax	180	240	268	249	281	345	513	683	625	728	996
United Kingdom taxes on income	649	807	746	823	758	813	813	999	1,207	1,273	1,256
Royalties and licence fees on oil and gas production	—	—	—	—	—	—	—	—	—	—	—
Balance: undistributed income after taxation[5]	1,044	1,685	2,247	2,459	3,531	3,513	3,546	3,521	4,686	5,792	7,980
Total	7,003	8,545	9,158	9,910	14,290	19,396	19,884	21,903	22,445	26,109	34,599

Table 2: Corporate sector appropriation account[1]: industrial and commercial

£ million

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Income											
Income arising in the United Kingdom:											
Gross trading profits of companies and trading surplus of public corporations:											
After deducting stock appreciation	11,495	15,127	22,445	26,389	29,375	32,634	36,898	42,880	50,640	58,320	66,149
Stock appreciation	4,910	5,985	4,512	3,781	8,070	5,931	5,434	3,982	4,512	5,065	2,572
Total[2]	16,405	21,112	26,957	30,170	37,445	38,565	42,332	46,862	55,152	63,385	68,721
Rent and non-trading income[3]	1,626	2,133	2,218	2,559	3,283	3,923	4,339	4,655	4,826	5,395	6,351
Total	18,031	23,245	29,175	32,729	40,728	42,488	46,671	51,517	59,978	68,780	75,072
Income from abroad[4]	1,881	2,712	2,634	3,050	5,735	5,057	5,498	5,199	6,517	8,759	9,028
Total income	19,912	25,957	31,809	35,779	46,463	47,545	52,169	56,716	66,495	77,539	84,100
Allocation of income											
Dividends and interest payments[3]	6,281	7,445	7,805	8,304	11,789	13,997	14,115	15,498	15,908	17,776	22,217
Current transfers to charities from companies	37	37	38	39	41	39	46	52	68	83	93
Profits due abroad, net of United Kingdom tax	422	724	1,729	1,980	3,711	4,424	4,182	4,041	4,743	5,719	6,625
United Kingdom taxes on income	1,750	1,507	2,516	3,275	4,305	5,851	7,832	9,578	10,909	12,876	15,417
Royalties and licence fees on oil and gas production	23	76	234	286	531	1,156	1,362	1,600	1,886	2,447	2,366
Balance: undistributed income after taxation[5]	11,399	16,168	19,487	21,895	26,086	27,078	24,632	25,947	32,981	38,638	37,382
Total	19,912	25,957	31,809	35,779	46,463	47,545	52,169	56,716	66,495	77,539	84,100

[1] Includes flows between the companies' sector and public corporations but excludes flows within the companies' sector.
[2] Before providing for depreciation and stock appreciation.
[3] Financial sector figures include payments to and receipts from industrial and commercial sector. Industrial and commercial sector figures include repayments to and receipts from financial sector.
[4] After deducting depreciation allowances but before providing for stock appreciation.
[5] Before providing for depreciation, stock appreciation and additions to tax and dividend reserves.
[6] This represents the contribution of financial enterprises in the corporate sector to the gross domestic product. It is the difference between bank charges, commissions, etc., on the one hand and management expenses on the other.

Current Account Statistics

Mr. Shore asked the Chancellor of the Exchequer what information he has on what the surplus or deficit on current account of the United States of America, Germany, Japan, France, Italy and the United Kingdom has been in each year since 1973; and what is the forecast for 1987.

Mr. Lawson [*pursuant to his reply*, 18 March 1987]: The information is as follows:

Current account balances (US$ billion, figures as a percentage of GDP in brackets

	United States		Japan		Germany	
1973	7·2	(0·5)	−0·1	(0)	4·6	(1·3)
1974	2·0	(0·3)	−4·7	(−1·0)	10·3	(2·7)
1975	18·1	(1·2)	−0·7	(−0·1)	4·1	(1·1)
1976	4·2	(0·3)	3·7	(0·7)	3·9	(0·9)
1977	−14·5	(−0·7)	10·9	(1·5)	4·1	(0·8)
1978	−15·4	(−0·7)	16·5	(1·7)	9·0	(1·4)
1979	−1·0	(0)	−8·8	(-0·9)	−6·0	(−0·8)
1980	1·9	(0·1)	−10·7	(−1·0)	−15·7	(−1·9)
1981	6·3	(0·2)	4·8	(0·4)	−5·2	(−0·8)
1982	−9·1	(−0·3)	6·8	(0·6)	4·1	(0·6)
1983	−46·6	(−1·4)	20·8	(1·8)	4·1	(0·6)
1984	−106·5	(−2·8)	35·0	(2·8)	7·0	(1·1)
1985	−117·7	(−2·9)	49·2	(3·7)	13·2	(2·1)
1986	−140·6	(−3·3)	86·0	(4·2)	35·8	(3·6)

	France		United Kingdom		Italy	
1973	1·5	(−0·2)	−2·6	(−2·0)	−2·5	(−1·7)
1974	−3·9	(−2·3)	−7·9	(−4·6)	−8·0	(−4·6)
1975	2·7	(0)	−3·5	(−2·1)	−0·6	(−0·2)
1976	−3·4	(−1·5)	−1·6	(−1·7)	−2·8	(−1·5)
1977	−0·4	(−0·7)	−0·2	(−0·1)	2·5	(1·2)
1978	7·0	(0·6)	1·9	(0·4)	6·2	(2·4)
1979	5·2	(0·9)	−1·6	(−0·4)	5·5	(1·7)
1980	−4·2	(−0·6)	7·2	(1·3)	−9·7	(−2·4)
1981	−4·7	(−0·8)	12·5	(2·5)	−8·1	(−2·3)
1982	−12·1	(−2·2)	7·0	(1·5)	−5·5	(−1·6)
1983	−4·7	(−0·9)	4·8	(1·1)	0·8	(0·2)
1984	−0·8	(−0·2)	1·7	(0·5)	−2·9	(0·8)
1985	−0·2)	(0)	4·0	(1·0)	−4·2	(−1·2)
1986	3·6	(0·5)	−1·6	(0)	[1]4·2	(0·9)

[1] Estimate.

Source:
OECD Economic Outlook No. 40 (December 1986). Figures for 1986 have been updated in the light of information published since December 1986. Recent revisions to the data for the United Kingdom have also been incorporated.

In the forecast I published on 17 March in the FSBR I estimated that the current account for the United Kingdom would be in deficit by £2½ billion (¾ per cent. of GDP) in 1987.

Local Government Finance

Mr. Madden asked the Chancellor of the Exchequer what was the total capital allocation made to local authorities in England and Wales in each year since 1979 to the latest available date.

Mr. MacGregor [*pursuant to his reply*, 18 March 1987]: The present control system under which capital allocations have been distributed was introduced in 1981-82. The figures for capital allocations on the main local authority cash limits in England (DOE/LA1 and DOE/UA1) and Wales are provided in the table. Over this same period spending power from receipts has built up to around £2,700 million a year in England and £135 million a year in Wales. As a result gross capital spending has grown 33 per cent in England and 46 per cent. in Wales.

Capital allocations and gross spending—in England (DOE/LA1 and DOE/UA1) and Wales

	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88
England—allocations							
DOE/LA1	3,494	4,288	4,101	3,450	2,970	2,755	2,639
DOE/UA1	83	174	201	268	271	270	258
Total	3,577	4,462	4,302	3,718	3,241	3,025	2,897
—gross spending							
DOE/LA1	3,739	4,652	5,364	5,618	4,808	5,075	4,928
DOE/UA1	149	253	259	265	270	270	258
Total	3,888	4,878	5,623	5,883	5,078	5,345	5,186
Wales—allocations	237	325	343	271	263	323	369
—gross spending	275	367	415	337	332	381	402

NORTHERN IRELAND

St. Thomas and Lady Edith Dixon Hospital

Mr. Michael Brown asked the Secretary of State for Northern Ireland if any restrictive covenants exist which affect the proposal to sell the Sir Thomas and Lady Edith Dixon hospital, Cairndhu, Larne, Northern Ireland; and if he will make a statement.

Mr. Needham: There are no such restrictive covenants.

Mr. Michael Brown asked the Secretary of State for Northern Ireland if he will make it his policy to transfer the Sir Thomas and Lady Edith Dixon hospital, Cairndhu, Larne, Northern Ireland outright to Larne borough council.

Mr. Needham: No action can be taken on the disposal of this property until a ruling of the Chancery Court in Northern Ireland is known.

Mr. Michael Brown asked the Secretary of State for Northern Ireland what assessment he has made of the implications of the recital in the introductory part of the conveyance for the disposal of the Sir Thomas and Lady Edith Dixon hospital, Cairndhu, Larne, Northern Ireland.

Mr. Needham: No assessment has been made pending the ruling by the Chancery Court in Northern Ireland.

Adopted Persons

Mr. John David Taylor asked the Secretary of State for Northern Ireland what facilities exist for adopted persons to identify and locate their natural parents; if he proposes any new legislation in this respect; and if he will make a statement.

Mr. Needham: Each adopted person is listed in the adopted children register and the register of births, linked by a further record. Section 23 of the Adoption Act (NI) 1967 prohibits the disclosure of information from this record which would enable an adopted person to link his entry in the adopted children register with the corresponding entry in the register of births except by authority of a court order. However, an adopted person with sufficient independent information to identify the entry in the register of births may obtain his original birth record which identifies his natural parents. The question of locating his natural parents is a matter for the person himself to pursue.

A proposal for a draft Adoption (NI) Order, which was published for consultation on 20 October 1986, includes provision to give all adopted adults full access to their original birth records.

Driving Licences

Mr. John David Taylor asked the Secretary of State for Northern Ireland whether he will accept colour photographs with applications for new driving licences; and if he will make a statement.

Mr. Needham: No. Technical tests carried out by the Department of Environment for Northern Ireland as licensing authority indicate that the engraving equipment used in reproducing the appliant's photograph on to the driving licence offers a clearer image from a black and white photograph. The Department will continue to explore with the photographic industry the suitability of colour photographs.

Elderly Mentally Infirm Persons

Mr. John David Taylor asked the Secretary of State for Northern Ireland how many beds are available for the elderly mentally infirm in Ards district; what are their locations; how many elderly mentally infirm patients from Ards district are in Downshire hospital, Downspatrick; and what proposals he has to increase the number of beds for the elderly mentally infirm in Ards district.

Mr. Needham: There ar no beds specifically designated for the elderly mentally infirm in the Ards district. The number of such patients in the Downshire hospital is not known but the latest available figures show that there were 361 in-patients aged 65 or over in the hospital at 31 December 1986.

The eastern health and social services boards area strategic plan for the period 1987-92 contains a number of proposals for the development of new facilities including a 45-place residential home for the mentally confused elderly in the North Down and Ards area. It is a matter for the board to determine the priority to be accorded to each proposal.

Political Meeting, Bambridge

Mr. J. Enoch Powell asked the Secretary of State for Northern Ireland whether he authorised a civil servant to address a recent meeting held in Bambridge, County Down, by the Social Democratic and Labour party; and if he will make a statement.

Mr. Tom King: No member of the Northern Ireland Office or of a Northern Ireland Department addressed such a meeting.

AGRICULTURE, FISHERIES AND FOOD

Oils and Fats

10. **Mr. Parry** asked the Minister of Agriculture, Fisheries and Food what recent representations he has received concerning the proposed EEC tax on oils and fats.

Mr. Jopling: I have received many expressions of opposition to the European Commission's proposal for an oils and fats tax from representatives of our food industry and consumers, and from the Governments of certain of our trading partners. I have assured those concerned of the British Government's opposition to the Commission's proposal.

56. **Mr. Alton** asked the Minister of Agriculture, Fisheries and Food what assessment he has made of the impact upon producers, processors and consumers of the introduction of an oils and fats tax.

Mr. Gummer: The Commission proposals for a flat-rate levy would increase prices, particularly of the cheaper oils and the products made from them, and would distort competition between different oils and fats and between products. At the rate currently envisaged, it could lead to an increase of about three quarters of 1 per cent. in average retail food prices.

Freezer Trawlers

15. **Mr. Wareing** asked the Minister of Agriculture, Fisheries and Food how many freezer vessel licences he anticipates issuing during 1987.

Mr. Gummer: As I made clear in my written answer of 15 January to my hon. Friend the Member for Norwich, South (Mr. Powley), the Fisheries Ministers have decided to make available a total of five new licences for freezer trawlers for the pelagic fisheries, of which two have been assigned to the vessels already operating on the fisheries on a provisional basis.

Mr. Wallace asked the Minister of Agriculture, Fisheries and Food whether, pursuant to his answer to the hon. Member for St. Helens, North, 17 February, *Official Report*, columns *601-2*, he will state the factors which he treats as relevant in determining the allocation of the additional licences for freezer trawlers for the pelagic fisheries.

Mr. Gummer: I shall reply to the hon. Member as soon as possible.

Food Prices

16. **Mr. Tim Smith** asked the Minister of Agriculture, Fisheries and Food for each year from 1983 to 1986 what was the rise in *(a)* the price of food and *(b)* the retail prices index.

Mr. Donald Thompson: The annual average increase in retail prices in percentage terms for each year from 1983 to 1986 for food was 3·2, 5·6, 3·1 and 3·3. For all items the figures were 4·6, 5·0, 6·1 and 3·4. As my hon. Friend will see, food prices have remained stable over this period.

Mr. Ralph Howell asked the Minister of Agriculture, Fisheries and Food if he will show the average price to the consumer of *(a)* a pint of milk, *(b)* a 2lb loaf of bread and *(c)* a pint of beer in 1960, 1970, 1980 and 1986; and if he will also show the percentage increase between 1980 and 1986 in each case.

Mr. Donald Thompson [*pursuant to his reply*, 13 March 1987 c. *339*]: The readily available information is set out in the table. An index of prices is given for beer because national average prices are not calculated for this item.

Average Retail Prices in the United Kingdom[1]

	1960[2]	*1970*	*1980*	*1986*	*1980-1986 percentage change*	
					Actual Prices	Real (1980) Prices
Milk (p/pint)	3·3	4·7	16·5	23·9	46	−1
Bread, White Sliced (p/800g)	4·8	9·1	33·7	43·0	28	−13
Bread, White Unwrapped (p/800g)		8·9	36·6	53·7	47	[3]
Beer (Index 1980 = 100)	19	31	100	190	90	+30

[1] Prices collected in the construction of the retail prices index. Where unit prices have changed an equivalent price has been calculated.
[2] Average annual prices for 1960 are not readily available and the prices quoted are for October 1960. The October 1986 bread price is for a large white wheat loaf.
[3] No Change.

Land Use

17. **Mr. Heathcoat-Amory** asked the Minister of Agriculture, Fisheries and Food when he last met the president of the National Farmers' Union to discuss alternative land use.

Mr. Jopling: I continue to keep in touch with the NFU on a wide range of subjects, including alternative land use.

23. **Mr. Terlezki** asked the Minister of Agriculture, Fisheries and Food if he is now in a position to announce his detailed proposals on alternative land usage.

Mr. Jopling: As already announced, the Government have published a set of documents entitled "Farming and Rural Enterprise" which include details of my proposals on alternative land use. Copies are available from the Vote Office.

34. **Mr. Jackson** asked the Minister of Agriculture, Fisheries and Food what further steps he is taking to encourage diversification in the use of land.

Mr. Jopling: I announced on 9 February a package of measures, worth £25 million a year when fully operational, to encourage the alternative use of agricultural land and to assist diversification. These are described in the set of documents published by the Government on 10 March and entitled "Farming and Rural Enterprise". Copies are available from the Vote Office.

Food Aid

18. **Mr. Robert Atkins** asked the Minister of Agriculture, Fisheries and Food what representations he has received on the scheme to give free European Community food to the needy.

Mr. Gummer: I refer my hon. Friend to the reply given earlier to my hon. Friend the Member for Edmonton (Dr. Twinn).

24. **Mr. Dixon** asked the Minister for Agriculture, Fisheries and Food if he will take steps to ensure that United Kingdom charities do not lose financially as a result of the EEC food aid scheme.

Mr. Jopling: The Government made clear to the charitable organisations concerned from the outset of the scheme that the Community arrangements would not provide for financial support to charities for distribution of the foodstuffs from their own distribution points. I am not prepared to make further provisions from national funds.

42. **Mr. Conway** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the progress made by charities in distributing free food to the needy.

59. **Mr. Baldry** asked the Minister of Agriculture, Fisheries and Food what are the latest amounts of food products authorised for release under the European Economic Community food aid scheme.

62. **Mr. Patrick Thompson** asked the Minister of Agriculture, Fisheries and Food if he will report on the progress made by charities in distributing free food from the European Economic Community.

Mr. Jopling: I refer my hon. Friends to the reply I gave earlier to my hon. Friend the Member for Leicester, South (Mr. Spencer).

70. **Mr. Litherland** asked the Minister of Agriculture, Fisheries and Food what are the latest amounts of beef distributed in *(a)* the United Kingdom and *(b)* other European Economic Community member states under the European Economic Community food aid scheme.

Mr. Jopling: No fully comparable date are readily available, but the following tonnages of releases in individual member states were reported to the Beef Management Committee by the Commission on 3 March.

	Number
Belgium	49
Denmark	5
Germany	182
Greece	61
Spain	Nil
France	1,501

	Number
Ireland	662
Italy	87
Netherlands	10
United Kingdom	318

The most recent figure for authorised releases in the United Kingdom is 962 tonnes, but I do not have the more up-to-date figures for other member states.

Mr. Corbett asked the Minister of Agriculture, Fisheries and Food whether he will list those organisations in Birmingham, by each parliamentary constituency, responsible for the distribution of surplus European Economic Community butter, cheese and beef; and on what dates distribution of each commodity began in each constituency.

Mr. Gummer: I shall reply to the hon. Member as soon as possible.

Mr. Cohen asked the Minister of Agriculture, Fisheries and Food what representations he has received on the distribution of free EEC butter to the needy in Waltham Forest; and if he will make a statement.

Mr. Gummer [*pursuant to his reply*, 16 March 1987, c. *421*]: As I explained in my reply earlier today to my hon. Friend the Member for Edmonton (Dr. Twinn), a large number of letters have been received. I have no breakdown of these by particular geographical area: the cost of preparing such a breakdown would be disproportionate.

Rural Diversification

19. **Mr. Lofthouse** asked the Minister of Agriculture, Fisheries and Food in how many cases proposals for rural diversification on agricultural land, over which his Department has been consulted, have been refused.

Mr. Jopling: I regret that this information is not available. But it is, of course, Government policy to foster diversification in rural areas.

57. **Mr. Soames** asked the Minister of Agriculture, Fisheries and Food if he is in a position to announce his detailed plans for aiding rural diversification by giving help and encouragement to farmers to market more of their own produce.

Mr. Jopling: I refer my hon. Friend to the reply my right hon. Friend the Minister of State gave to my hon. Friend the Member for the New Forest (Mr. McNair-Wilson) on 19 February. I propose to issue a consultation document in the next few weeks which will set out in greater detail our proposals for assisting rural diversification.

EC (Cereals Land-diversion Scheme)

20. **Mr. Leigh** asked the Minister of Agriculture, Fisheries and Food what progress he has made in introducing a cereals land-diversion scheme in the European Economic Community.

Mr. Gummer: The socio-structures regulation recently agreed by the Agriculture Council requires member states to introduce schemes to encourage producers to reduce output of certain surplus commodities, including cereals, by 20 per cent. This will provide an opportunity for member states to encourage cereals land diversion.

Agriculture Policy

21. **Mr. Favell** asked the Minister of Agriculture, Fisheries and Food when he will publish a detailed policy document for agriculture.

54. **Sir Peter Mills** asked the Minister of Agriculture, Fisheries and Food when he will publish a detailed policy document for agriculture.

Mr. Jopling: "Farming UK" was published on 10 March. It is available separately, or as part of the package "Farming and Rural Enterprise", of which copies are obtainable from the Vote Office.

Wheat

22. **Mr. Kenneth Carlisle** asked the Minister of Agriculture, Fisheries and Food how much he estimates wheat yields will increase over the next decade as a result of scientific progress.

Mr. Gummer: Future trends in yields are always difficult to predict, but varietal improvements and the uptake of new husbandry techniques could contribute to a 2 per cent. per annum increase in wheat yields over the next decade.

28. **Mr. Ralph Howell** asked the Minister of Agriculture, Fisheries and Food upon what evidence with regard to recent trends in wheat prices and production he bases his policy of reducing prices in real terms as a means of curbing surpluses; and if he will make a statement.

Mr. Gummer: Since the mid-1970s the real producer price per tonne of wheat in the Community has declined on average by more than 2·5 per cent. a year. However, due to productivity improvements and rising yields, the real return per hectare actually increased. Not surprisingly, the long-term trend in the area of the crop shows little change. Price reductions sufficient to reduce returns per hectare will therefore be needed to achieve a better market balance.

Farm Forestry

25. **Mr. Lord** asked the Minister of Agriculture, Fisheries and Food what steps he is taking to assist farmers with the establishment and management of broadleaved woodland, and with the marketing of the timber produced; and if he will make a statement.

Mr. Donald Thompson: The Government have taken a number of steps to encourage broadleaved woodland.

As well as continuing the higher rates of forestry grant for the broadleaf content in mixed woodland, we introduced the broadleaved woodland grant scheme in 1985 which provides for even greater incentives for the planting and regeneration of broadleaved trees on their own. Our farm woodland scheme, put out to consultation last week, will also give special encouragement to broadleaved trees.

In addition, we are contributing funds to experimental projects designed to encourage farmers to develop a self-financing woodland management cycle, in some cases by bringing existing broadleaved woodland back into productive use and by co-ordinating marketing of the timber produced.

63. **Mr. Colvin** asked the Minister of Agriculture, Fisheries and Food if he is now in a position to give further details of his proposals to provide for annual payments for farm forestry schemes.

Mr. Jopling: A consultation document on the farm woodland scheme was included in the "Farming and Rural Enterprise" package we published last week. Copies are available in the Vote Office.

30. **Mr. Pollock** asked the Minister of Agriculture, Fisheries and Food if he is now in a position to announce his detailed plans on farm forestry.

Mr. Jopling: A consulation document on the farm woodland scheme as included in the "Farming and Rural Enterprise" package we published last week. Copies are available in the Vote Office.

Common Agricultural Policy

26. **Mr. Deakins** asked the Minister of Agriculture, Fisheries and Food what further steps are being taken by the EEC Agriculture Council to reduce the cost of the common agricultural policy.

Mr. Jopling: The Agriculture Council will start its consideration of the Commission's proposals for the 1987-88 CAP price fixing at its meeting on 30-31 March. If eventually adopted, the Commission estimates that these proposals would result in savings to the CAP of 1·1 billion ecu (£692 million) in 1987 and 3·7 billion ecu (£2,647 million) in 1988.

Fisheries Stock Management

27. **Mr. Hancock** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the current system of fisheries stock management.

Mr. Gummer: The current system of fish stock management under the common fisheries policy, which is based on total allowable catches and quotas allocated between the member states, supplemented by appropriate technical conservation measures, represents a major achievement of the present Government and has laid the foundations for a healthy and viable fishing industry.

Fishing Licences (Falkland Islands)

29. **Mr. Terry Lewis** asked the Minister of Agriculture, Fisheries and Food what recent discussions he has had with the Falkland Islands Government concerning the allocation of fishing licences.

Mr. Gummer: My right hon. Friend and I have had no such discussions.

EC (Butter Exports)

31. **Mr. Teddy Taylor** asked the Minister of Agriculture, Fisheries and Food what consideration has been given by the Council of Ministers to the Commission proposal that member states should finance the export rebates on butter exports; and if he will make a statement.

Mr. Gummer: The Commission has proposed a programme for disposal of butter stocks, including exports, in 1987 and 1988, with reimbursement to member states in four instalments from 1989 to 1992. The EAGGF will contribute to the interest costs borne by member states as a result of the delay in reimbursement. This proposal was agreed in principle by the Council of Agricultue Ministers on 9-10 February and, following further discussion in the Council of Economic and Finance Ministers on 9 March, is expected to be adopted shortly.

Cereals

32. **Mr. Thurnham** asked the Minister of Agriculture, Fisheries and Food what further representations he has received relating to compulsory quotas on cereals.

Mr. Gummer: I continue to receive representations for and against compulsory quotas on cereals from many different sources. I continue to believe that such quotas would be damaging to the United Kingdom and impossible to police in the Community.

49. **Mr. Hardy** asked the Minister of Agriculture, Fisheries and Food what was the total volume of cereal consumption and production within *(a)* the United Kingdom and *(b)* the Economic Community as a whole during the most recent year for which figures are available.

Mr. Gummer: The most recent information available is for the 1985-86 season and is as follows:

Million tonnes

	Cereal production in 1985	*Cereal consumption*[1]
United Kingdom	22·5	19·1
European Community (EC10)	139·0	115·1

[1] Includes imported cereals.
Sources: MAFF, European Commission.

Animal Diseases

33. **Mr. Key** asked the Minister of Agriculture, Fisheries and Food what steps he proposes to take to seek to reduce outbreaks of classical and African swine fever, foot and mouth disease and swine vesicular disease through the control of household scraps.

48. **Mr. Greg Knight** asked the Minister of Agriculture, Fisheries and Food what steps he proposes to take to seek to reduce outbreaks of classical and African swine fever, foot and mouth disease and swine vesicular disease through the control of household scraps.

Mr. Donald Thompson: An order came into force on 10 March banning the feeding to livestock or poultry of household scraps which contain or have been in contact with meat. The new legislation means that it is now illegal to feed any waste food unless it has been processed by a licensed waste food operator. This measure is designed to reduce the risk of disease outbreaks like the outbreaks of classical swine fever last year (the first since 1971) which were linked with the feeding of unprocessed scraps of pigmeat products.

Rhizomania

35. **Mr. Forth** asked the Minister of Agriculture, Fisheries and Food, further to his answer of 2 March, *Official Report*, column *525*, what consultations he has had with interested bodies on measures to control rhizomania.

Mr. Donald Thompson: Following some preliminary discussions, we are now arranging a consultative meeting with the interests affected by the proposals announced in my previous statement. There has, of course, been a series of consultations with trade and producer organisations since we first began to develop measures against rhizomania in 1983.

Pigmeats

36. **Mr. Nicholas Baker** asked the Minister of Agriculture, Fisheries and Food if he is satisfied with the way in which the sale of pigmeats is promoted in the United Kingdom.

Mr. Gummer: It is important to promote sales of our pigmeat if we are to increase competitiveness in home and overseas markets. I have been impressed by the activities of, amongst others, the Meat and Livestock Commission, Food From Britain and the Bacon and Meat Manufacturers Association. But there will be a constant need on the part of all concerned to review and improve their efforts to ensure continuing effectiveness.

Fishing Industry

37. **Mr. George Howarth** asked the Minister of Agriculture, Fisheries and Food what discussions he has had regarding the impact on the fishing industry, of the introduction of light dues.

Mr. Gummer: My Department and other Fisheries Departments have been closely involved with the Department of Transport in its consideration of the use which fishing vessels make of coastal navigation aids, and the impact which an extension of light dues liability to fishing vessels might have on the industry. On 12 March my right hon. Friend the Secretary of State for Transport announced in reply to my hon. Friend the Member for Banff and Buchan (Mr. McQuarrie) that he would be consulting the fishing industry about the scale of charges and appropriate administrative arrangements.

38. **Mr. Austin Mitchell** asked the Minister of Agriculture, Fisheries and Food how he proposes to compensate the Grimsby fishing fleet for the loss of fishing opportunities and income consequent on the reduced North sea quotas for 1987.

Mr. Gummer: I refer the hon. Member to the reply which I gave him to a similar question on 19 February.

Radiation

39. **Mr. Wood** asked the Minister of Agriculture, Fisheries and Food if he will take steps to publish a comprehensive analysis of the results of radionuclide levels of food, animals and agricultural products following the Chernobyl accident.

58. **Mrs. McCurley** asked the Minister of Agriculture, Fisheries and Food if he will take steps to publish a comprehensive analysis of the results of radionuclide levels in foods, animals and agricultural products following the Chernobyl accident.

Mr. Donald Thompson: I refer my hon. Friends to the publication "Radionuclide Levels in Food, Animals and Agricultural Products: Post Chernobyl Monitoring in England and Wales", a copy of which has been placed in the Library of the House. This gives the result of sampling from May to the beginning of December 1986. The purpose of this report is to make results available in a manageable format for researchers and others who wish to have the raw data. We do not propose to publish a comprehensive analysis of these results but, as the introduction to the report makes clear, they show that, with the exception of sheepmeat in certain areas for which special action has been taken, radionuclide levels in food, animals and agricultural products were below those upon which intervention to protect public health would have been necessary.

Milk Quotas

40. **Mr. Knox** asked the Minister of Agriculture, Fisheries and Food if he will make a further statement about the operation of milk quotas.

Mr. Gummer: I again refer my hon. Friend to the reply I gave him on 22 January. I have nothing further to add at present.

44. **Sir John Farr** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the operation of milk quotas in other European Economic Community countries.

Mr. Gummer: The EC Commission is responsible for ensuring compliance with Community regulations, but we take a keen interest in the operation of milk quotas in other EC member states in order to see that they are being properly applied throughout the Community.

61. **Mr. McLoughlin** asked the Minister of Agriculture, Fisheries and Food what impact he estimates the temporary suspension of quota with compensation scheme will have on the income of the average United Kingdom dairy producer with *(a)* 40 cows and *(b)* 80 cows.

Mr. Gummer: I would refer my hon. Friend to the reply I gave earlier today to my hon. Friend the member for Bexhill and Battle (Mr. Wardle).

Environmentally Sensitive Areas

41. **Sir Hector Monro** asked the Minister of Agriculture, Fisheries and Food if, further to his answer of 19 February, *Official Report*, column 791, he has made any assessment of the number of environmentally sensitive areas likely to result from the increased funding of £7 million announced on 9 February.

Mr. Jopling: I refer my hon. Friend to the reply given on 17 February 1987, at column 603, to my hon. Friend the Member for Newbury (Mr. McNair-Wilson).

Mr. Kenneth Carlisle asked the Minister of Agriculture, Fisheries and Food what meetings have been held between his staff and representatives of the internal drainage boards, water authorities and local authorities in environmentally sensitive areas, to discuss the management of water levels in such areas; and whether he will enter into agreements with the relevant bodies to ensure that their activities meet the management objectives of environmentally sensitive areas.

Mr. Donald Thompson: We are in close and regular contact with water and drainage authorities about the operation of environmentally sensitive areas. Where these bodies own land which is agriculturally managed, ESA

agreements will be available to them or their tenants. In all cases such bodies are required under section 22 of the Water Act 1973 as amended by section 48 of the Wildlife and Countryside Act 1981 to further conservation by adhering to guidelines jointly published by my Department and the Department of the Environment. These guidelines are being revised to include, inter alia, provisions specifically relating to the protection of environmentally sensitive areas. A draft of the new guidelines was circulated to all interested parties, including voluntary conservation bodies, last year and no substantive amendments to the sections on environmentally sensitive areas were received.

Farmers (Incomes)

43. **Mr. Tom Cox** asked the Minister of Agriculture, Fisheries and Food what steps he is taking to protect the real level of income of small farmers.

Mr. Gummer: The Government's policy of reducing agricultural surpluses and their associated budgetary costs, and bringing supply and demand into better balance, offers the best prospect for the long-term viability of all those involved in the agriculture industry.

Agricultural Land (Rating)

45. **Mr. Allan Stewart** asked the Minister of Agriculture, Fisheries and Food what representations he has received seeking the rating of agricultural land; and if he will make a statement.

Mr. Donald Thompson: My Department has received one letter over the past year advocating the rating of agricultural land.

Sea Fish Industry Authority

46. **Dr. Godman** asked the Minister of Agriculture, Fisheries and Food if he has any plans to extend the role and increase the staffing of the Sea Fish Industry Authority.

Mr. Gummer: No.

72. **Mr. Gareth Wardell** asked the Minister of Agriculture, Fisheries and Food what changes to the Sea Fish Industry Authority grant scheme he is considering.

Mr. Gummer: I refer the hon. Member to the reply which I have today given to the hon. Member for Sheffield, Attercliffe (Mr. Duffy).

Milk Outgoers Scheme

47. **Mr. Ashdown** asked the Minister of Agriculture, Fisheries and Food what is his latest information on the take-up of the milk outgoers scheme; and if he will make a statement.

Mr. Gummer: The closing date for submission of applications under the Community outgoers scheme was 15 February 1987. By this date 425 applications for 76·9 million litres had been submitted. Of these, 24 worth 3·9 million litres had been withdrawn and a further 40 worth 14·7 million litres were awaiting landlord's consent. The final uptake under the scheme is not yet known because these figures are subject to adjustment in the light of withdrawals and landlords' consents which may be received after the closing date.

Farm Grants

50. **Mr. Tony Banks** asked the Minister of Agriculture, Fisheries and Food how many farm grants have been made under section 22 of the Agriculture Act 1986.

Mr. Donald Thompson: None so far since section 22 does not become operative until orders have been made under it. We hope to lay these later this year.

Green Pound

51. **Mr. Cash** asked the Minister of Agriculture, Fisheries and Food what representations he has received calling for a green pound devaluation.

60. **Mr. Andrew Stewart** asked the Minister of Agriculture, Fisheries and Food what representations he has received calling for a green pound devaluation.

65. **Mr. Hunter** asked the Minister of Agriculture, Fisheries and Food if he is satisfied with the present value of the green pound; and if he will make a statement.

Mr. Jopling: I have received a number of such representations. I am considering what action to take in the context of the forthcoming price fixing but am concerned that the outcome on green currencies generally should be equitable to our farmers and traders who are adversely affected by the current disparities.

Farmers (Liabilities)

52. **Mr. Alex Carlile** asked the Minister of Agriculture, Fisheries and Food how many farmers had liabilities between 50 and 100 per cent. of assets in 1979; and how this figure compares with that for the latest available period.

Mr. Donald Thompson: From the farm business survey it is estimated that the percentages of farms in England with total external liabilities equal to or exceeding 50 per cent. of total assets, 1979 and 1986, according to tenure were:

All Farm Types (excluding Horticulture)	*Owner Occupied*		*Tenanted*		*Mixed-Tenure*		*All Types of Tenure*	
	1979	*1986*	*1979*	*1986*	*1979*	*1986*	*1979*	*1986*
50-100 per cent.	1	2	3	21	1	3	2	7
100 per cent. and above	—	—	—	5	—	—	—	1

Source: Liabilities and Assets Survey (Farm Business Survey).
Note: Figures relate to closing valuations of farm accounting years ending average in February.

Exchange Rate

53. **Mr. Temple-Morris** asked the Minister of Agriculture, Fisheries and Food what assessment he has made of the implications for the United Kingdom's agriculture industry of the current level of exchange rate fluctuations; and if he will make a statement.

Mr. Jopling: Because fixed green rates are used to convert CAP prices from ecu into national currencies, agricultural producers benefit from CAP support prices which are not generally affected by exchange rate fluctuations. In order to ensure that the relative terms of trade in agricultural products are also not affected by exchange rate fluctuations, movements in the value of sterling (and other EC currencies) are reflected in changes in the monetary compensatory amounts (mca). In the United Kingdom, these are currently charged on exports and paid on imports and are recalculated weekly.

Council of Ministers

55. **Mr. Livsey** asked the Minister of Agriculture, Fisheries and Food if he will outline the achievements of the Council of Ministers' since the beginning of 1987.

Mr. Gummer: In 1987, the Council of Agriculture Ministers has successfully completed the implementing arrangements for the reforms of the milk and beef regimes, as well as the package of socio-structural measures, all of which were agreed in principle in the December 1986 Agriculture Council under the presidency of my right hon. Friend the Minister. The Council has also reached agreement on monetary compensatory amounts for pigmeat, eggs and poultry following the 12 January EMS realignment; and on the use of intervention stores to provide food for the needy, who were suffering from the effects of exceptionally cold weather in January.

Dairy Industry

64. **Mr. Latham** asked the Minister of Agriculture, Fisheries and Food whether he will make a statement on the latest state of trade in the dairy sector.

Mr. Gummer: Detailed information on United Kingdom and EC trade in dairy products is given in *Overseas Trade Statistics in the United Kingdom* and *Eurostat External Trade — Analytical Tables*, copies of which are available in the Library of the House. However, the following tables give details of the United Kingdom's and EC's total trade in dairy products in each of the years 1980 to 1986.

United Kingdom Imports and Exports of Dairy Products[1] : 1980-86

tonnes

Year	Imports	Exports
1980	354,156	333,096
1981	381,999	294,831
1982	353,394	312,960
1983	376,632	295,138
1984	372,878	317,719
1985	365,453	294,650
1986	384,037	331,535

[1] SITC codes 022, 023 and 024
Source 'Overseas Trade Statistics of the United Kingdom'

EC Imports and Exports of Dairy Products[1] from and to Third Countries : 1980-86

tonnes

Year	Imports	Exports
1980	213,743	2,794,700
1981	238,651	2,615,527
1982	247,704	2,355,141
1983	233,000	2,090,663
1984	224,331	2,450,037
1985	223,338	2,377,527
1986[1]	212,176	2,060,813

[1] CCT codes 04.01-04.04
Source: Eurostat.
Note: All figures for EC10 except those for 1980 and 1986 which are for EC9

Horticulture Industry

66. **Mrs. Roe** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the performance of the vegetable sector of the horticulture industry in 1986.

Mr. Donald Thompson: I refer my hon. Friend to the reply I gave earlier today to my hon. Friend the Member for Lewisham, East (Mr. Moynihan).

"Home Defence and the Farmer"

67. **Mr. Banks** asked the Minister of Agriculture, Fisheries and Food what response has been received from the farming community to the publications of his Department's advisory leaflet "Home Defence and the Farmer."

Mr. Donald Thompson: The advisory leaflet "Civil Defence and the Farmer" was published by my Department in June 1985. To date 3,750 copies at £1·50 each have been sold to the public.

EC (Two-tier Pricing)

68. **Mr. Shepherd** asked the Minister of Agriculture, Fisheries and Food what futher representations he has received on the implications of adopting a policy in the European Economic Community of two-tier pricing.

Mr. Gummer: I refer my hon. Friend to the reply I gave earlier today to my hon. Friend the Member for Scarborough (Sir Michael Shaw).

Hill Farmers

69. **Mr. Kennedy** asked the Minister of Agriculture, Fisheries and Food if he wil give the latest estimates of the prospects for hill farmers' incomes in 1987.

Mr. Gummer: I refer the hon. Member to my earlier reply today to the hon. Member for Orkney and Shetland (Mr. Wallace).

Milk Producers (Inspections)

71. **Dr. Michael Clark** asked the Minister of Agriculture, Fisheries and Food what further representations he has received on the proposals to require milk producers to pay £90 per visit for inspections associated with public health.

Mr. Gummer: Detailed proposals for regulations on charges for work in connection with milk and dairies regulations were issued to interested organisations for

comments on 4 December 1986. A number responded, including the National Farmers Union, the Farmers Union of Wales and the Milk Marketing Board. We also received representations from, and on behalf of, a number of individual milk producers. The regulations were made and laid before Parliament in February and a prayer against them was defeated on 2 March.

Sugar Consumption

73. **Mr. Willie W. Hamilton** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the decision made by his Department to withdraw from the Health Education Council's new healthy eating guide a warning to cut sugar consumption.

Mr. Donald Thompson: My Department has not imposed any amendment on any publication issued by the Health Education Council relating to sugar. A publication on healthy eating which is being sponsored jointly by the Government and the Health Education Council will contain an agreed section on the consumption of sugar which is in line with current medical and scientific opinion as regards the effect of this substance on diet and health.

Cow Subsidies

Mr. Best asked the Minister of Agriculture, Fisheries and Food what information he has on the amount of subsidy per cow that is provided by the Governments of *(a)* France, *(b)* Germany and *(c)* Italy.

Mr. Gummer: The information requested is not available. The Commission of the European Community is responsible for monitoring such national subsidies and ensuring that they are compatible with the treaty of Rome.

Mrs. Ann Winterton asked the Minister of Agriculture, Fisheries and Food what information he has concerning the average level of financial support per cow in each of the other European Economic Community countries.

Mr. Gummer [*pursuant to his reply*, 10 March 1987, c. *146*]: Member states' shares of Community expenditure in the milk sector in 1985, on a per cow basis, are set out in the following table. These do not, however, give any indication of the relative levels of total support enjoyed by dairy farmers in different member states arising from the operation of the Community price support arrangements for milk. The variations in Community expenditure result from differences in the patterns of production, marketing and consumption of milk and milk products and in the technical support arrangements operated by individual member states—for example, some member states do not implement certain support measures, while others are reimbursed for intervention purchases or receive export refunds in respect of products produced elsewhere and transhipped.

	ECU/Cow
Belgium	271
Denmark	424
France	196
Germany	297
Greece	37
Ireland	312
Italy	48
Luxembourg	59
Netherlands	539

Source: EC Commission Milk Marketing Board.

Quick Frozen Foods

Mr. Foulkes asked the Minister of Agriculture, Fisheries and Food if he will estimate the cost to the United Kingdom retail trade of the investment in capital equipment necessary to comply with the provisions of the European Community draft directive on quick frozen foods.

Mr. Donald Thompson: I am not in a position to make such an estimate since, on the one hand, I do not have details of the number, age and type of retail cabinets currently in use in the United Kingdom and, on the other, the retail provisions of the draft directive has not yet been agreed. I am, however, aware that if the directive were adopted in its present form there could be significant capital costs for retailers who had to purchase equipment more powerful than commercial considerations would demand.

Broads

Mr. Kenneth Carlisle asked the Minister of Agriculture, Fisheries and Food whether farmers in the Broads, who are at present receiving payments under the Broads grazing marshes scheme, will be able to enter into management agreements under the environmentally sensitive areas scheme in the current year.

Mr. Donald Thompson: Participants in the Broads grazing marshes scheme may now enter an environmentally sensitive area agreement on any land which they chose not to put into the grazing marshes scheme. All land which they have put into that scheme will become eligible for environmentally sensitive area agreements next year. The grazing marshes scheme is a three-year experiment which is being closely monitored and assessed. To allow farmers to transfer land from that scheme before its completion would be to undermine the value of the experiment and its lessons for future Government policy.

Conservation Guidance

Mr. Kenneth Carlisle asked the Minister of Agriculture, Fisheries and Food, if he is now able to announce when he will issue the revised land drainage and conservation guidance notes on procedures for water authorities, internal drainage boards, the Nature Conservancy Council and the Countryside Commission; and what action he will take to ensure that drainage authorities comply with the guidance notes.

Mr. Donald Thompson: We are currently considering the points raised by the organisations we consulted on a revised version of the guidelines in September 1986. We hope to be able to issue a final version in the summer. My Department will be closely monitoring drainage authorities' compliance with the guidelines.

Surplus Food (Quality)

Mr. Pike asked the Minister of Agriculture, Fisheries and Food how many instances have occurred where supplies of surplus European Economic Community food have been withdrawn after distribution due to doubts regarding its quality.

Mr. Gummer: I shall reply to the hon. Member as soon as possible.

Fishing Fleet

Mr. Duffy asked the Minister of Agriculture, Fisheries and Food, what plans he has for accelerating the modernisation of the United Kingdom fishing fleet.

Mr. Gummer: Consideration is currently being given to a possible new grant scheme, in the light of views expressed by representatives of the fishing industry. I hope to be able to make a further announcement shortly.

Food Subsidies

Mr. Hicks asked the Minister of Agriculture, Fisheries and Food if he will state the quantities of whole milk, semi-skimmed milk, whole milk yoghurt, semi-skimmed milk yoghurts, buttermilk, natural cheese and processed cheese, supplied to each local education authority in Great Britain on which an EEC subsidy was claimed for the 1984-85 and 1985-86 school years.

Mr. Gummer: I shall reply to my hon. Friend as soon as possible.

SOCIAL SERVICES

NHS (Staff)

Mr. Ralph Howell asked the Secretary of State for Social Services if he will give figures for the years 1982-83, 1983-84, 1984-85 and 1985-86 for the average cost of a National Health Service employee; and if he will break down the average cost into pay, national insurance, superannuation, and other costs such as office space, heating, lighting, car allowance and so on.

Mr. Newton: I refer my hon. Friend to my reply to him on 3 March at columns *579-580*.

Competitive Tendering

Mr. Gerald Bowden asked the Secretary of State for Social Services what savings have been achieved through the competitive tendering programme in the latest year for which figures are available.

Mr. Newton: Health authorities continue to make very substantial progress in testing the cost effectiveness of their domestic cleaning, catering and laundry services. By 31 December 1986, almost three quarters of these services had been tested. Our latest estimates show that annual savings of £86 million have been generated. This is an increase of £13 million over the figure reached at 30 September 1986. These figures come in part from the use of private contractors who have secured a total of 187 contracts saving £25.7 million a year. In-house organisations have demonstrated their own cost effectiveness in a total of 936 tendering exercises saving £60.3 million a year.

Table A summarises the progress of and savings made by each Health Authority.

Table B lists the results of tendering exercises where decisions have been made in the quarter October—December 1986.

TABLE A

Districts	*Percentage of Service put out to Tender*			*Estimated Annual Savings £'000*
	Catering	*Domestic*	*Laundry*	
Northern Regional Health Authority				
Hartlepool	100	100	100	225
North Tees	100	100	100	249
South Tees	100	100	100	549
East Cumbria	100	100	100	229
South Cumbria	100	100	100	209
West Cumbria	nil	100	100	1
Darlington	100	100	100	300
Durham	100	100	100	425
North West Durham	100	100	100	145
South West Durham	37	32	100	7
Newcastle	100	92	100	1,845
North Tyneside	nil	100	100	176
South Tyneside	38	100	nil	295
Sunderland	3	100	100	410
Northumberland	82	80	57	276
Gateshead	100	100	nil	375
Yorkshire Regional Health Authority				
Hull	80	38	nil	361
East Yorkshire	nil	100	56	366
Grimsby	76	94	100	425
Scunthorpe	100	71	100	289
Northallerton	100	100	100	26
York	100	100	nil	697
Scarborough	75	71	100	92
Harrogate	21	84	nil	150
Bradford	100	100	nil	819
Airedale	100	100	nil	266
Calderdale	100	100	100	530
Huddersfield	57	100	100	803
Dewsbury	nil	47	100	397
Leeds Eastern	nil	6	nil	26
Leeds Western	24	30	100	433

Districts	Percentage of Service put out to Tender			Estimated Annual Savings £ '000
	Catering	Domestic	Laundry	
Wakefield	11	86	100	369
Pontefract	100	100	100	556
Trent RHA				
North Derbyshire	100	100	100	611
South Derbyshire	10	100	nil	169
Leicestershire	66	80	nil	1,790
North Lincolnshire	100	100	100	361
South Lincolnshire	100	100	nil	319
Bassetlaw	nil	100	100	112
Notts	nil	100	100	476
Nottingham	100	100	100	1,330
Barnsley	100	100	100	846
Doncaster	100	100	100	304
Rotherham	100	100	100	459
Sheffield	100	100	100	699
East Anglian RHA				
Cambridge	100	85	100	481
Peterborough	100	100	100	115
Huntingdon	100	100	100	498
Great Yarmouth/Waverley	100	100	100	319
West Norfolk/Wisbech	100	100	100	399
Norwich	100	100	100	1,239
West Suffolk	nil	100	100	421
East Suffolk	19	98	100	417
North West Thames RHA				
North Bedfordshire	100	100	100	436
South Bedfordshire	nil	100	100	653
North Hertfordshire	nil	100	100	18
North West Hertfordshire	33	99	100	305
South West Hertfordshire	nil	65	nil	223
East Hertfordshire	nil	100	100	50
Barnet	100	100	100	258
Harrow	100	100	100	422
Hillingdon	100	100	100	469
Ealing	100	100	100	656
Hounslow/Spelthorne	nil	100	100	1,412
Hammersmith/Fulhan	nil	100	100	1,097
Paddington & North Kensington	100	100	100	1,104
Riverside	100	100	75	1,549
Brent	nil	nil	nil	nil
Barking	100	97	nil	784
Basildon	100	100	100	543
Bloomsbury	nil	nil	100	265
City and Hackney	nil	49	100	1,039
Enfield	nil	100	100	508
Hampstead	nil	50	67	26
Haringey	55	100	100	661
Islington	2	58	nil	146
Mid Essex	nil	100	100	1,016
Newham	80	100	100	517
Redbridge	nil	55	nil	239
Tower Hamlets	nil	89	100	379
Waltham Forest	10	77	100	1,012
West Essex	100	100	100	497
Southend	nil	100	100	499
North East Essex	72	71	nil	233
South East Thames RHA				
Bexley	100	100	100	334
Brighton	100	100	100	154
Bromley	100	100	100	1,185
Camberwell	100	100	100	864
Canterbury/Thanet	100	100	nil	527
Dartford/Gravesham	100	59	100	231
Eastbourne	100	100	nil	326
Greenwich	nil	nil	nil	nil
Hastings	100	100	100	105
Lewisham/North Southwark	nil	nil	nil	nil
Maidstone	22	62	100	496
Medway	100	100	100	326
South East Kent	100	100	nil	573

Districts	Percentage of Service put out to Tender			Estimated Annual Savings £ '000
	Catering	Domestic	Laundry	
Tunbridge Wells	13	26	100	215
West Lambeth	5	40	100	244
South West Thames RHA				
North West Surrey	nil	100	100	482
West Surrey/North East Hants	64	91	94	272
East Surrey	22	92	36	463
Mid Surrey	30	90	30	107
South West Surrey	95	100	nil	461
Mid Downs	100	100	100	393
Chichester	93	92	100	389
Worthing	100	100	100	330
Kingston/Esher	8	53	94	564
Croydon	28	65	62	318
Richmond/Twickenham Roehampton	96	86	93	925
Wandsworth	65	98	100	967
Merton/Sutton	54	100	26	1,248
Wessex RHA				
East Dorset	100	100	nil	1,024
West Dorset	100	100	100	69
Portsmouth	100	100	100	1,163
Southampton	100	100	100	527
Winchester	100	100	100	209
Basingstoke	100	100	100	147
Salisbury	100	100	100	392
Swindon	100	100	100	198
Bath	nil	100	100	644
Isle of Wight	100	100	100	15
Oxford RHA				
East Berkshire	nil	90	100	351
West Berkshire	6	94	50	235
Aylesbury Vale	54	100	100	526
Milton Keynes	100	100	100	99
Wycombe	nil	100	100	134
Kettering	nil	100	100	167
Northampton	44	100	100	319
Oxford	7	76	100	705
South Western RHA				
Cheltenham	100	50	100	129
Gloucester	70	72	100	205
Frenchay	37	36	nil	76
Bristol/Weston	nil	100	100	593
Southmead	40	25	100	241
Somerset	100	100	100	933
Exeter	11	14	100	172
North Devon	nil	100	100	131
Torbay	100	100	100	271
Plymouth	100	nil	100	60
Cornwall/Isles of Scilly	78	89	100	811
West Midlands RHA				
Mid Staffordshire	100	100	100	537
South Warwickshire	44	72	100	314
Kidderminster	nil	83	100	222
Shropshire	100	92	nil	817
North Staffordshire	69	94	nil	899
Coventry	87	79	95	381
Bromsgrove and Redditch	nil	40	100	109
Herefordshire	nil	85	nil	175
Rugby	100	100	100	51
North Warwickshire	97	60	100	176
Solihull	97	98	nil	435
Wolverhampton	100	100	100	1,219
Walsall	100	100	95	602
North Birmingham	100	100	100	102
Dudley	nil	95	100	677
Sandwell	65	16	100	45
East Birmingham	nil	97	79	371
Central Birmingham	100	72	100	1,167
South Birmingham	49	98	100	400
South East Staffordshire	43	92	100	454

Districts	Percentage of Service put out to Tender			Estimated Annual Savings £'000
	Catering	Domestic	Laundry	
Worcester	nil	73	100	193
West Birmingham	nil	100	100	196
Mersey RHA				
Southport/Formby	100	100	100	158
South Sefton	nil	100	100	603
St. Helens/Knowsley	100	38	100	817
Wirral	100	100	100	715
Liverpool	100	100	100	nil
Macclesfield	nil	84	nil	398
Malton	100	100	100	47
Warrington	58	100	100	829
Chester	100	100	100	1,086
Crewe	43	100	100	614
North Western RHA				
North Manchester	100	100	100	48
Central Manchester	100	100	100	657
Wigan	100	100	100	350
Stockport	100	100	100	844
Tameside/Glossop	28	100	100	80
Bolton	100	100	100	713
Bury	100	100	100	429
Chorley/South Ribble	100	100	100	153
Preston	100	100	100	204
Lancaster	100	100	100	198
Blackpool	100	100	100	128
Burnley	100	100	100	659
South Manchester	100	100	100	310
Trafford	nil	98	100	279
Oldham	100	100	100	160
Salford	75	100	64	479
West Lancashire	100	100	100	25
Blackburn	100	100	100	149
Rochdale	100	100	100	38
Special Health Authorities				
Bethlem & Maudsley	100	100	100	87
Eastman	100	100	100	nil
Hammersmith	nil	90	100	969
Hospital for Sick Children	nil	nil	100	nil
Moorfields	nil	100	100	30
National Heart and Chest	nil	76	100	50
National Hospital for Nervous Diseases	nil	nil	100	—
Royal Marsden	46	100	100	214

Table B
Results of Tendering Exercises
Domestic Services

Health Authority	Hospital	Contractor on In-House
Northern RHA		
Durham	Dryburn	In-House
East Cumbria	Garlands/Mental Health Unit	In-House
Hartlepool	District	In-House
Hartlepool	General	In-House
North Tees	District	In-House
South Tees	St. Luke's	ISC
Sunderland	DGH	In-House
Sunderland	Cherry Knowle	In-House
Yorkshire RHA		
Airedale	General	Taylor-Plan
Bradford	Royal Infirmary	In-House
Grimsby	DGH North Side	Initial
Harrogate	District and General	In-House
Hull	Withernsea	In-House
Leeds East	St. George's	In-House
Leeds West	Community	In-House
Leeds West	Leeds General Infirmary/Clarendon Wing	Initial
Northallerton	District	In-House
Trent RHA		
Barnsley	DGH	In-House
Central Notts	Balderton	In-House
Doncaster	Tickhill Rd/ Loversall	In-House
Leicestershire	Stretton Hall/ Stoneygate Hostel	In-House
North Derbyshire	Buxton/Cavendish	In-House
North Lincolnshire	St. John's	Taylor-Plan
Nottingham	QMC	In-House
Nottingham	General	In-House
Nottingham	Highbury	In-House
Nottingham	City	In-House
Nottingham	Community	In-House
Nottingham	QMC (Med School)	In-House
Nottingham	QMC (Staff Res)	In-House
Rotherham	Firbeck	In-House
Rotherham	DGH	In-House
Rotherham	Wathwood	In-House

Health Authority	Hospital	Contractor on In-House
Rotherham	Doncaster Gate	In-House
Sheffield	Mental Illness Unit	In-House
South Derbyshire	City Hospital	In-House
South Derbyshire	Babington Group	In-House
South Derbyshire	Bretby	In-House
East Anglian RHA		
Norwich	West Norwich	In-house
North West Thames RHA		
Paddington and North Kensington	Samaritan/Western Ophthalmic	In-house
North East Thames RHA		
Enfield	St. Michael's	Initial
Mid-Essex	Black Notley	In-house
Newham	General	In-house
North East Essex	Heath	In-house
Redbridge	Goodmayes	In-house
Tower Hamlets	Mile End	In-house
South East Thames RHA		
Bromley	Cheyne	In-house
Camberwell	Kings/Belgrave	In-house
Camberwell	Dulwich/St. Giles	In-house
Camberwell	Community	In-house
Camberwell	Dental School	In-house
Dartford	Joyce Green	In-house
South East Kent	Ashford	In-house
South West Thames RHA		
Merton and Sutton	Nelson/others	In-house
North West Surrey	Residences	Andmarc
Richmond, Twickenham & Rochampton	St. John's	In-house
South West Surrey	St. Luke's	In-house
Wessex RHA		
East Dorset	Alderney	In-house
East Dorset	Hahnemann Home	In-house
East Dorset	Swanage/others	In-house
Portsmouth & South East Hampshire	Community	In-house
Portsmouth & South East Hampshire	Queen Alexandra	In-house
Southampton & South West Hampshire	Tatchbury	Knight + Co.
Swindon	Princess Margaret	In-house
Oxford RHA		
East Berkshire	Church Hill House	In-house
East Berkshire	Heatherwood	In-house
East Berkshire	Wrexham Park	Mediclean
Northampton	General	In-house
West Midlands RHA		
Bromsgrove and Redditch	Highfield/St John's	In-house
Coventry	City Unit	In-house
Herefordshire	St. Mary's	In-house
Mid-Staffordshire	White Lodge	In-house
Mid-Staffordshire	DGH	In-house
North Staffordshire	City Gen/N S Maternity	In-house
North Staffordshire	Central Out-Patients/others	In-house
North Staffordshire	Royal Infirmary	In-house
North Staffordshire	St. Edwards	In-house
North Staffordshire	Bucknall	In-house
North Staffordshire	Westcliffe	In-house
Sandwell	Heath Lane/others	In-house
Shropshire	Royal Shrewsbury	In-house
South Warwickshire	Weston	In-house
South Warwickshire	Stratford/others	In-house
South Warwickshire	Central	In-house
Walsall	Manor Hospital	In-house
Walsall	St. Margaret's	In-house
Walsall	Community	In-house
Walsall	Goscote Hospital	In-house
Wolverhampton	New Cross	In-house
Worcester and District	Newtown	In-house
Mersey RHA		
Wirral	Clatterbridge	Mediguard
South Sefton	Walton	In-house
North Western RHA		
Blackburn, Hyndburn & Ribble Valley	Royal Infirmary	Mediclean
Blackburn, Hyndburn & Ribble Valley	Accrington Victoria	In-house
Blackpool, Wyre & Fylde	Victoria	In-house
Burnley, Pendle & Rossendale	Rossendale	In-house
Burnley, Pendle & Rossendale	District	In-house
South Manchester	Withington	In-house
Rochdale	Infirmary	In-house
Salford	Community	In-house
Salford	Hope/Royal/others	In-house
Salford	Ladywell	In-house
Stockport	Mauldeth Home	In-house
Stockport	Stepping Hill	Mediguard
Stockport	Offerton House	Mediguard
Stockport	Infirmary	In-house
Stockport	St. Thomas'	In-house
Stockport	Cherry Tree	In-house
Stockport	Ollersett View	In-house
Tameside and Glossop	Peripheral Hospitals	In-house
Trafford	Altrincham General	In-house
Trafford	Park Hospital	In-house
	Catering Services	
Northern RHA		
Durham	District	In-house
Hartlepool	Brierton Hospital	In-house
Hartlepool	General Hospital	In-house
Newcastle	Hunter's Moor/ others	In-house
Newcastle	RVI/others	In house
Newcastle	St. Nicholas	In-house
North Tees	North Tees General	In-house
North West Durham	District	In-house
Yorkshire RHA		
Bradford	District	In-house
Huddersfield	H. Royal Infirmary	In-house
Hull	Kingston General	In-house
Hull	Tilworth Grange	In-house
Hull	Hornsea	In-house
Hull	Withernsea	In-house
Trent RHA		
Barnsley	DGH	In-house
Doncaster	St. Catherine's/ others	In-house
North Lincolnshire	Lincoln County/ others	In-house
North Lincolnshire	St. John's	In-house
North Lincolnshire	Louth	In-house

Health Authority	Hospital	Contractor on In-House
North Lincolnshire	John Coupland	In-house
Rotherham	Firbeck	In-house
Rotherham	DGH	In-house
Rotherham	Badsley Moor	In-house
Sheffield	Jessop	In-house
North West Thames RHA		
Hillingdon	Harefield	In-house
Riverside	St. Stephen's/others	Compass
South East Thames RHA		
Brighton	Bevendean	In-house
Brighton	Brighton General	In-house
Canterbury and Thanet	Mental Handicapped/ Community Hotel	In-house
Eastbourne	DGH/St. Mary's	In-house
West Lambeth	District	In-house
South West Thames RHA		
Richmond, Twickenham and Roehampton	Queen Mary's Putney	In-house
Richmond, Twickenham and Roehampton	Normansfield	In-house
West Surrey and North East Hampshire	Frimley Park/others	In-house
Wandsworth	Springfield	In-house
Wessex RHA		
Basingstoke and North Hampshire	Trelor Chase Unit	In-house
East Dorset	Hahnemann Home	In-house
East Dorset	St. Leonard's	In-house
Portsmouth and South East Hampshire	St. James'	In-house
Portsmouth and South East Hampshire	St. Mary's	In-house
Portsmouth and South East Hampshire	Community	In-house
Oxford RHA		
Northampton	St. Crispin/Princess Marina	In-house
South Western RHA		
Gloucester	Royal Hospital	In-house
Somerset	Taunton LMT	In-house
West Midlands RHA		
Coventry	Walsgrave In-house	
Mid Staffordshire	Rugeley	In-house
Mid Staffordshire	DGH	In-house
Mid Staffordshire	St. George's/ Kingsmead	In-house
South Birmingham	W. Heath	In-house
North Western RHA		
Bolton	Royal Infirmary/ Bolton General/others	In-house
Burnley, Pendle and Rossendale	Calderstones	In-house
Burnley, Pendle and Rossendale	District	In-house
North Manchester	Ancoats	In-house
Oldham	DGH/Westhulme	In-house
Preston	Royal Preston/ others	In-house
Salford	Ladywell/others	In-house
Laundry services		
Northern RHA		
Hartlepool	District	In-house
Newcastle	Newcastle Gen/RVI	In-house
North Tees	District	In-house
Yorkshire RHA		
Huddersfield	Storthes Hall	In-house
Trent RHA		
Rotherham	District	In-house
Oxford RHA		
East Berkshire	District	In-house
West Midlands RHA		
Central Birmingham	Queen Elizabeth	In-house
Walsall	Manor	In-house
Mersey RHA		
Crewe	Leighton Hospital	In-house
North Western RHA		
Blackpool, Wyre and Fylde	District	In-house

Nurses (Community Care)

Mr. Ralph Howell asked the Secretary of State for Social Services what was the total number of nurses involved only in community care for each of the years from 1980 to 1986, inclusive.

Mr. Newton: The table shows all nursing and midwifery staff recorded as working in the Primary Health Care area of work, for each year from 1980 to 1985.

I regret that figures for 1986 are not yet available to this level of detail.

Primary Health Care Nursing & Midwifery Staff[1]

At 30 September	England
Years	Whole-Time Equivalent[2]
1980	36,600
1981	39,700
1982	40,700
1983	41,200
1984	41,400
1985	43,100

Source: DHSS Annual Census of NHS Non-Medical Manpower

[1] Includes agency staff.

[2] All figures are independently rounded to the nearest 100 whole-time equivalents.

Trent RHA

Mr. Skinner asked the Secretary of State for Social Services how many ancillary jobs have been lost in the Trent regional health authority since 1979.

Mr. Newton: The information sought is not available centrally in the precise form requested. The following table shows the change in the number of ancillary whole-time equivalent staff in post directly employed by health authorities in the Trent region in 1979 and 1986.

NHS Ancillary Staff in Post at 30 September	*Trent Regional Health Authority Whole Time Equivalent*[1,2]
1979	16,450
[3]1986	12,970

[1] Figures are rounded to the nearest ten (10) whole-time equivalents.
[2] On the 1 April 1984 some 330 (wtes) Operating Department Assistants were re-classified from the Ancillary to the Professional and Technical staff group. The figures have not been adjusted for this re-classification.
[3] Provisional.

Mr. Skinner asked the Secretary of State for Social Services how many people have been on hospital waiting lists in the Trent regional health authority area for *(a)* more than two years and *(b)* more than four years.

Mr. Newton: I am sorry I cannot give the hon. Member the information he seeks in precisely the form requested. At 30 September 1986, the latest date for which information is available centrally, the number of cases on the list for more than one year for admission to National Health Service hospitals in Trent region was 16,111. The hon. Member may wish to write to the chairman of the Trent regional health authority for further information.

Mr. Skinner asked the Secretary of State for Social Services how many people are currently on hospital waiting lists for operations that do not require overnight stays throughout the Trent regional health authority area.

Mr. Newton: I am sorry I cannot give the hon. Member the information he seeks. Statistical information on cases awaiting day surgery will be collected centrally from 1 April 1987 when the recommendations of the steering group on health services information are implemented. The hon. Member may wish to write to the chairman of the Trent regional health authority for current information.

Health Education Council

Mr. Kirkwood asked the Secretary of State for Social Services with what organisations he consulted before he decided the membership of the Health Education Authority.

Mr. Newton: Representations from a wide variety of sources were taken into account in determining the membership of the new authority.

Abortions

Sir John Biggs-Davison asked the Secretary of State for Social Services if, pursuant to his answer of 27 February to the hon. Member for Epping Forest, *Official Report*, column *449*, he will require information to be collected concerning cases in which parental consent *(a)* is and *(b)* is not obtained for general anaesthetics to be given to minors seeking abortion; and if he will give details of the manner in which the practice in such cases has been monitored hitherto.

Mr. Newton: No information is collected either from the NHS or private sector indicating whether a general anaesthetic or abortion was carried out on the basis of a girl's consent alone or with the involvement of her parents and there are no plans to do so. The General Medical Council has issued guidance to doctors about the considerations to which a doctor should have regard before offering advice or treatment to a child below the age of 16 who consults him and is not accompanied by a parent or person in loco parentis. The principles set out in that guidance apply equally to all forms of treatment, including where a general anaesthetic forms part of the treatment. The Department does not routinely monitor the operation of these procedures.

AIDS

Mr. Steel asked the Secretary of State for Social Services what representations he has received on the subject of compensation for haemophiliacs infected with the human immunodeficiency virus.

Mr. Newton: The Department has received 15 letters from hon. Members and two letters from haemophilia reference centre directors.

Mr. Austin Mitchell asked the Secretary of State for Social Services (1) pursuant to his answer of 22 January, *Official Report*, column *716*, whether he will cite the precise epidemiological research which shows that the HIV (AIDS virus) is transmitted during sexual intercourse;

(2) pursuant to his answer of 22 January, *Official Report*, column *716*, whether he will cite the precise epidemiological research which shows that HIV (AIDS virus) is transmitted in semen.

Mr. Newton: I refer the hon. Member to the letter in the British Medical Journal of 14th February from the Director of the Public Health Laboratory Service written on behalf of the Government's expert advisory group on AIDS. There is overwhelming evidence that the majority of those who are infected with HIV in the USA and Europe have been engaged in penetrative sexual intercourse with men who were either subsequently found to be themselves infected or were thought to be so infected. Several studies have shown that the partner who receives semen from another is at particular risk and there is also evidence that wearing a condom provides some protection. I am sending the hon. Member a list of references to the relevant literature and placing a copy in the Library.

Mr. Austin Mitchell asked the Secretary of State for Social Services, pursuant to his answer of 22 January, *Official Report*, column *716*, whether he will explain why his Department gave advice to dentists that masks should be worn during dental surgery to reduce the risk of transmission of the human immunodeficiency virus.

Mr. Newton: There is no evidence that HIV has ever been transmitted to or from a dentist in the course of his or her work. The Department recommended the wearing of face masks as a precaution for dentists when using high speed drills or ultrasonic scalers because aerosol spray or splashing and splattering of blood or blood-stained saliva is likely. It is not known if blood containing HIV is infectious when inhaled, but as it can transmit infection following other parenteral routes, wearing of face masks by dentists appears a sensible precaution. It should also provide protection against commoner infections that are transmitted through saliva.

Mr. Meacher asked the Secretary of State for Social Services (1) how many young persons held in community homes have been tested for HIV; how many of these were consulted before the tests were carried out; how many

agreed and refused; how many were HIV positive; and, in the case of this latter group, what consequent decisions have been taken concerning their treatment or detention;

(2) how many young persons he estimates have been, or are, currently held in secure units in community homes under care orders who have the AIDS virus; under what Act and section they are held; and how long they have been held.

Mr. Fowler: I shall let the hon. Member have a reply tomorrow.

Mr. Mason asked the Secretary of State for Social Services if he will make it his practice to *(a)* gather and *(b)* publish information relating to treatment facilities for AIDS sufferers by (i) region and (ii) district.

Mr. Newton: Regions and districts submit to the Department their plans for dealing with AIDS in their area. The AIDS (Control) Bill, currently before the House, makes provision for publishing detailed information about the facilities and services available in each health authority for the treatment and care of people with AIDS.

NHS (Theft and Fraud)

Mr. Ralph Howell asked the Secretary of State for Social Services what was the number of cases of theft or fraud *(a)* which were reported to management, *(b)* which were reported to the police and *(c)* in which prosecutions took place in the National Health Service in England in each year from 1980 to 1986, inclusive.

Mrs. Currie: The number of cases of theft, fraud and arson and so on reported to the Department was as follows:

	Number
1979-80	3,540
1980-81	3,923
1981-82	4,049
1982-83	4,289
1983-84	4,181
1984-85	5,316
1985-86	5,213

We do not collect centrally the other information requested.

Attendance Allowance

Mr. Wareing asked the Secretary of State for Social Services what changes in the payment of the higher rate of attendance allowance he plans in view of the Court of Appeal judgment in the case of Mrs. Dorothy Moran; and if he will make a statement.

Mr. Major: The wider application of the Appeal Court judgment in Mrs. Moran's case, and in particular the court's interpretation of the "continual supervision" test, is a matter for the Independent Attendance Allowance Board. We shall be considering the judgment in the light of advice from the board.

Liverpool (Rates)

Mr. Wareing asked the Secretary of State for Social Services what was the total amount of payments in respect of the rate rebates element of housing benefit subsidy which were withheld from the Liverpool city council during the period 1 April to 14 June 1985 when that local authority delayed setting a rate; and what amount of interest accrued to his Department on the payments withheld.

Mr. Lyell: I shall let the hon. Member have a reply as soon as possible.

Cervical Cancer

Mr. Dobson asked the Secretary of State for Social Services what information he has as to whether Calderdale health authority is operating a full computerised call and recall scheme for screening all women at risk of cervical cancer covering all the family doctor practices in the district.

Mrs. Currie [*pursuant to her reply*, 18 March 1987, c. *506*]: Calderdale health authority has had a fully computerised call and recall capacity since November 1986. A rolling programme commenced at that time designed to achieve call arrangements covering all women aged 20 and over in the district by March 1988. To date some 50 per cent. of all family doctor practices in the district have already been asked to participate in the scheme with the remainder to be included as the programme develops.

The authority already has a well established district-wide recall system and between 1964 and December 1986 provided a sub regional cervical cytology service for adjacent districts.

HOUSE OF COMMONS

Members of Parliament (Retirement Pension)

Mr. Willie W. Hamilton asked the Lord Privy Seal, if he will publish in the *Official Report* a table showing what payments a Member of Parliament will receive on retirement in October 1987, assuming he has given 20, 30 and 35 years' service, respectively, and that his age on retirement is, respectively, 63, 65, 68 and 70 years.

Mr. Biffen: The following are the pensions Members of Parliament would receive if they retired on 1 October 1987:

Age: 63 years	*Service years*		
	20	*30*	*35*
Retirement during lifetime of a Parliament:			
Actuarially reduced pension[1]			
Male £ a year	5,467	8,090	9,401
Female £ a year	5,594	8,278	9,620
Ill-health retirement pension[2] £ a year	7,088	10,139	11,664
At a General Election[3] £ a year	6,357	9,407	10,932

[1] Payable immediately — Pensions are not normally payable before age 65. However, Members who retire during the lifetime of a Parliament and are aged 50 years or more can choose to take their pension earlier at a reduced rate and thus receive an immediate pension.

[2] Payable immediately—Members who retire under the age of 65 years and who qualify for an ill-health pension are entitled to an immediate pension at a higher level, compensating for the loss in years of service.

[3] Payable immediately—A resettlement grant of up to £18,500 is also payable to any Member retiring at a general election who has not attained age 65 at the time of the Dissolution of Parliament (Resolution of the House of 19 July 1983).

Additionally:

1. All Members have the option to commute a proportion of their pension in return for a tax-free lump sum in accordance with the

provisions of the Parliamentary Pensions (Maximum and Abated Pensions and Pension Commutation) Order 1984 (S.I. 1984 No. 1909). The option to commute must be exercised either before the pension comes into payment, or no later than one month thereafter.

2. All Members leaving the House are entitled to claim for the reimbursement of expenses incurred in winding up their parliamentary duties, subject to a limit of one-sixth of the annual amount of the office, secretarial and research allowance currently in force.

Members aged 65 years or over at the time of retirement (on 1 October 1987) would, whether they retired at a general election or during the lifetime of a Parliament, receive the same immediate pension as follows:

Age 65, 68, 70 years

Service years	*£ a year*
20	6,357
30	9,407
35	10,932

Written Answers to Questions

Friday 20 March 1987

HOUSE OF COMMONS

Cervical Cancer Screening

Mr. Alfred Morris asked the Lord Privy Seal what consideration has been given to providing cervical cancer screening facilities in the Palace of Westminster for women employed there or alternatively paid release for those in public employment; and if he will make a statement.

Mr. Biffen: I refer the right hon. Member to the Second Report of the Services Committee, Session 1985-86 (HC266). The recommendations made in that report have been implemented by the House authorities; and in particular the management of House Departments have reaffirmed that staff will be granted reasonable time off work for health screening purposes.

EDUCATION AND SCIENCE

Whooping Cough Vaccine

Mr. Ashley asked the Secretary of State for Education and Science what research there has been in the United Kingdom into the efficacy and safety of acellular whooping cough vaccines.

Mr. Walden: The Medical Research Council, which receives its grant-in-aid through the Department, is the main Government agency for the promotion of medical research in the United Kingdom.

Grants have been awarded by the MRC to the Centre for Applied Microbiology and Research, Porton, and by the Department of Health and Social Security to St. George's hospital medical school, for collaborative studies of the immunology of whooping cough infection and the response to the currently used whole cell vaccine. These studies were a necessary preliminary to studies of acellular whooping cough vaccines. A comparative study of the safety and immunogenicity of whole cell and acellular vaccines in infants has now been planned and will be funded by the MRC.

Mr. Ashley asked the Secretary of State for Education and Science what consultation there has been with the World Health Organisation regarding trials into the safety and efficiency of acellular whooping cough vaccines.

Mr. Walden: I understand that Professor D. L. Miller of St. Mary's hospital medical school, who acts as a consultant to the World Health Organisation on respiratory infections, has been involved with WHO co-ordination of an acellular whooping cough vaccine trial in Sweden. Professor Miller also provides a link between WHO and United Kingdom research effort through his membership of the Medical Research Council's committee on the development of vaccines and immunisation procedures and its whooping cough vaccines subcommittee.

Her Majesty's Inspectors

Mr. Ashdown asked the Secretary of State for Education and Science, further to his reply to the hon. Member for Yeovil on 9 March, *Official Report*, column 22, concerning a review by management consultants of Her Majesty's inspectors' procedures, if he will undertake to announce the findings of the review in due course; and if he will make a further statement.

Mrs. Rumbold: The review is of Her Majesty's inspectorate's internal procedures for writing, clearing, printing and distributing its inspection reports. It will be for Her Majesty's inspectorate to respond to the findings of the review as it sees fit. My right hon. Friend will announce in general terms what, if any, changes in procedure are introduced in due course.

Swann Report

Mr. Ashdown asked the Secretary of State for Education and Science, further to his reply to the hon. Member for Leeds, West (Mr. Meadowcroft) on 12 March, *Official Report*, column 260, in what month he expects to issue the draft circular on recommendations of the Swann report mentioned in his reply to the hon. Member for Yeovil on 24 February, *Official Report*, column 152; whether there have been any delays in preparing this draft circular; and if he will make a statement.

Mrs. Rumbold: I expect that the draft circular on the collection of ethnically based educational statistics will be issued for consultation during the summer. I regret that this information was inadvertently omitted from my reply of 12 March to the hon. Member for Leeds, West (Mr. Meadowcroft) at column *760*.

OVERSEAS DEVELOPMENT

Police (Training)

Mr. Anderson asked the Secretary of State for Foreign and Commonwealth Affairs to which countries Britain has provided training for police and special force personnel during 1986 *(a)* in Britain and *(b)* overseas; which of these arrangements were financed by the British Government; and which of those were financed by the aid programme.

Mr. Chris Patten: Britain provided police training for the following countries in 1986:

(a) in Britain

Anguilla
Bahamas
Bangladesh
Barbados
Belgium
Belize
Botswana
British Virgin Islands
Brunei
Cook Islands
Cyprus
Denmark
Dominica
Ethiopia
Egypt
Falkland Islands
France
Fiji
Gibraltar
Grenada
Hong Kong
India
Indonesia
Italy
Jamaica
Jordan
Kenya
Lesotho
Luxembourg
Malawi
Malaysia
Maldives
Netherlands
Nepal
Oman
Philippines
Portugal
Qatar

St. Helena
St. Lucia
St. Vincent
Sri Lanka
Swaziland
Tanzania
Tonga
United States of America
Vanuatu
Western Samoa
Zambia
Zimbabwe

(b) Overseas

Bahamas
Barbados
Belize
Botswana
Falkland Islands
India
Indonesia
Jamaica
Kenya
Lesotho
Malawi
Mauritius
Oman
Pakistan
Swaziland
Turkey
Tuvalu
Vanuatu
Zimbabwe

The training was arranged by a number of Government Departments, principally the Overseas Development Administration and the Home Office. The bulk of this training was financed under the aid programme, but precise details of the financing arrangements for individual countries are not readily available in the form requested and could be provided only at disproportionate cost.

It is not our practice to provide details of training for special force personnel.

AGRICULTURE, FISHERIES AND FOOD

Milk

Mr. Strang asked the Minister of Agriculture, Fisheries and Food what assessment he has made of the effect on the total number of jobs in the United Kingdom of a cut of 6 per cent. in milk production.

Mr. Gummer: Changes to the numbers of jobs in agriculture, the agricultural supplying industries and in milk processing and distribution will depend on many factors, of which the quota cut is but one. Dairy farmers, facing a cut in their milk output, will strive to substitute or expand other enterprises. Even with reduced quotas milk output would still be above the level of the mid-1970s although numbers employed will be less reflecting the productivity improvements achieved.

HOME DEPARTMENT

Political Asylum

Mr. Stuart Holland asked the Secretary of State for the Home Department (1) if he will publish the number, and breakdown by nationality, of those persons seeking political asylum in the United Kingdom who were detained on 1 February, or the nearest convenient date;

(2) if he will provide a table indicating the period of time spent in detention by persons seeking asylum in the United Kingdom, who were detained on 1 February, or nearest convenient date showing numbers detained for not more than *(a)* one, *(b)* two, *(c)* three, *(d)* four, *(e)* five, *(f)* six months and *(g)* for six months or more, respectively.

Mr. Waddington: Information is readily available only in respect of persons claiming asylum on arrival in the United Kingdom. On 1 March there were 160 such persons in detention. Their nationalities were as follows:

	Number
Sri Lankan	101
Iranian	33
Ethiopian	12
Indian	4
Somalian	3
Afghani	1
Chilean	1
Ghanaian	1
Pakistani	1
Turkish	1
Stateless	2

The periods in detention were:

	Number
Not more than 1 month	68
Over 1 month but not more than 2	30
Over 2 months but not more than 3	29
Over 3 months but not more than 4	16
Over 4 months but not more than 5	6
Over 5 months but not more than 6	2
Over 6 months	9

DEFENCE

Nuclear Safety

Mr. Frank Cook asked the Secretary of State for Defence whether he will make available the public safety schemes for Holy Loch, Chatham, Faslane, Rosyth and for landside research and training reactors.

Mr. Stanley: The Holy Loch and Faslane areas are covered by the Clyde area public safety scheme. My Department is directly responsible for public safety schemes relating to two landside research and training reactors; these are maintained by the department of nuclear science and technology, royal naval college, Greenwich, and the atomic weapon research establishment, Aldermaston. Safety arrangements for the reactor at Greenwich are covered in its emergency procedures (RNC/NS/SC205). I have arranged for a copy of this document, together with a copy of the Clyde area public safety scheme, to be placed in the Library, where a copy of the Rosyth area public safety scheme is already held. There are detailed safety arrangements for AWRE Aldermaston, but for security reasons these cannot be made public. Since Chatham ceased to be a royal naval base my Department has not conducted any activities there requiring such arrangements; therefore, no public safety scheme is maintained for that area.

Mr. Frank Cook asked the Secretary of State for Defence whether he will provide the total activity and fissile inventory of a source term release from British submarine reactors in which *(a)* the fuel is new and *(b)* the fuel has been used for 90 days.

Mr. Stanley: The total activity and fission product inventory that might form the source term for release to the environment following an accident to the reactor of a royal naval submarine depends upon the operating history of the reactor, the type and severity of the accident and the performance of the containment system. The maximum design accident, the probability of which is assessed to be no greater than 1 in 10,000 years, may result in a slow release from the primary to the secondary containment of up to 40TBq (1,000

Curies) of Iodine 131, together with up to 4 PBq (100,000 Curies) of other volatile and gaseous fission products. Secondary containment procedures ensure that only a small proportion of this release will reach the atmosphere. A more serious accident, the probability of which is estimated to be no greater than 1 in 1,000,000 years, is one in which the primary containment is breached. It may result in a more rapid release of up to 4 PBq (1,000,000 Curies) of Iodine 131, together with 400PBq (10,000,000 Curies) of other volatile and gaseous fission products.

Mr. Frank Cook asked the Secretary of State for Defence whether there are public safety schemes for the event in which a release of radioactivity occurs from a nuclear warhead on a nuclear-powered submarine; and if he will make a statement.

Mr. Stanley: My Department maintains detailed contingency plans to deal with the protection of the public in the extremely unlikely event of an accident resulting in a release of radioactive material from a nuclear warhead on a nuclear-powered submarine. For security reasons, I cannot go into detail.

Hardware Sales

Mr. Colvin asked the Secretary of State for Defence if he will make a statement on the balance of reciprocal sales of defence hardware between the United Kingdom and the United States of America, giving figures for the latest year for which statistics are available.

Mr. Archie Hamilton: I refer my hon. Friend to the answer I gave my hon. Friend the member for Hastings and Rye (Mr. Warren) on 19 February 1987 at column 778. The figure for 1985-86 is 1·5:1 which represents a further improvement in our defence sales programme in the United States.

Boarding Schools (Fees)

Mr. Latham asked the Secretary of State for Defence what is the current range of costs per annum for children of service personnel who are attending boarding schools in the United Kingdom and in respect of whom the fees are met wholly or partly by his Department; what is the average cost per pupil; and whether he will identify the costs separately for *(a)* independent and *(b)* maintained schools.

Mr. Freeman: Fees of boarding schools attended by the children of service personnel drawing boarding school allowance range between £1,800 and more than £6,000 per annum, based on the figures which I gave to my hon. Friend on 18 February, *Official Report* at column 686, and before allowing for taxation, the current average annual cost of boarding school allowance is some £4,300 per pupil. Separate average costs for pupils in independent and maintained schools are not available.

TRANSPORT

Rillington Bypass

Mrs. Shields asked the Secretary of State for Transport if he has any plans for the establishment of a bypass around the village of Rillington in north Yorkshire.

Mr. Peter Bottomley: A review of the road programme is under way. The results will be published in the spring. I cannot comment before then.

ATTORNEY-GENERAL

Westland plc

Mr. Dalyell asked the Attorney General if the Director of Public Prosecutions will request the police to investigate allegations of offences under the Companies Act in relation to allegations of a concert party involving dealings in shares of Westland plc in 1985-86.

The Attorney-General: No.

Zeebrugge Disaster

Mr. Greenway asked the Attorney General whether he will introduce legislation to prohibit contracts between potential litigants and insurance claims assessors in relation to a personal injury or bereavement arising from disasters; and if he will make a statement.

The Attorney-General: I refer my hon. Friend to the answer I gave on 13 March in reply to the right hon. and learned Member for Aberavon (Mr. Morris) at column 344.

Police Officers (Prosecution)

Mr. Cohen asked the Attorney-General why charges against two police officers based at Golders Green police station alleging breaches of the Official Secrets Act were not proceeded with at Hendon magistrates' court in February; what was the nature of the charges brought against the officers; whether alleged abuse of the police national computer was involved; and if he will make a statement.

The Attorney-General: The criminal proceedings against two police officers based at Golders Green police station were reconsidered in the light of representations made on behalf of the two men, as a result of which it was decided that the public interest did not require the continuation of those proceedings. The police officers were charged under section 2 of the Official Secrets Act 1911. The allegations against the police officers related to abuse of the police national computer.

WALES

Labour Statistics

Mr. Geraint Howells asked the Secretary of State for Wales if he will say how many people are employed in the following institutions at the present time and how many were employed in the same institutions in 1979 *(a)* university college of Wales Aberystwyth, *(b)* the national library of Wales, *(c)* the college of librarianship, *(d)* The agricultural college of Wales, *(e)* St. David's university college, Lampeter, *(f)* college of further education in Ceredigion and *(g)* all secondary schools in Ceredigion; and if he will make a statement.

Mr. Wyn Roberts: Information for all persons employed is not centrally available. The available figures, for teaching or research staff only, are given in the following table:

	1979-80	*1985-86*
University College, Aberystwyth[1]	439	374
St. David's College, Lampeter[1]	69	69
College of Librarianship, Wales[2]	—	37
Welsh Agricultural College[2]	—	19
Ceredigion College of Further Education[2]	—	67
Maintained Secondary Schools in Ceredigion[3]	377	387

[1] Full-time teaching and research staff, as at December each year.
[2] Teaching staff in full-time equivalent terms (average for academic year). Figures for 1979-80 are not available.
[3] Full-time and part-time teachers in September 1979 and September 1986 respectively.

The numbers of industrial and non-industrial staff at the national library of Wales in October 1979 and October 1986 were148 and 142 respectively.

"A Growing Health Service for a Healthier Wales"

Mr. Barry Jones asked the Secretary of State for Wales what was the cost to his Department both in manpower and material of producing the leaflet "A Growing Health Service for a Healthier Wales"; and if he will make a statement.

Mr. Nicholas Edwards: The final cost to the Department of design and photographic work, printing, publication and distribution of the leaflet is just over £9,000. In addition, the estimated cost of time spent on the project by a small number of Welsh Office staff in the normal course of their duties is £4,000. I regard it as a perfectly proper function of my Department to provide factual information about the Health Service to those who use it and that is what we have done.

FOREIGN AND COMMONWEALTH AFFAIRS

Visas (India and Pakistan)

Mr. Rooker asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the operation of the visa requirements for visitors from India and Pakistan, giving numbers of applications, refusals, and appeal results since the new arrangements began.

Mr. Eggar The visit visa-issuing operation in India and Pakistan continues to run smoothly. The vast majority of applications are processed within 24 hours. For the very small number of cases requiring a further interview, the waiting time is nowhere longer than 10 days.

In the first three months of the visa regime for which full statistics are available, the figures are:

	Applications received	*Visas issued*	*Visas refused*
India	14,286	13,075	647
Pakistan	10,014	9,698	863

No visit visa appeals have yet been decided. In the first three full months of operation 97 visits visa appeals were lodged in India and 112 in Pakistan.

Boarding Schools (Fees)

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs what is the current range of costs per annum for children of his Department's staff serving overseas who are attending boarding schools in the United Kingdom and in respect of whom the fees are met wholly or partly by his Department; and what is the average cost per pupil.

Mr. Eggar Current costs of fees range from £2,247 per annum up to £5, 085.57 per annum, which is the maximum allowance payable for a boy at senior school. Costs over and above this maximum are met by individual officers. The estimated average annual cost per pupil for the 1986-87 financial year is £4,222.30.

FCO costs also include those of concessionary journeys (normally at Apex rates) to enable children to rejoin their parents during school holidays. Cost in respect of such journeys are expected to total £906,000 in the 1986-87 financial year, that is, an average of £1,192 per pupil.

Western European Union

Mr. Murphy asked the Secretary of State for Foreign and Commonwealth Affairs if he will place in the Library a copy of his speech of 16 March relating to the Western European Union to the Royal Institute of International Relations, Brussels.

Mr. Renton: Copies of my right hon. and learned Friend's speech of 16 March on European security have been placed in the Library of the House.

UAR (Member's Correspondence)

Mr. Alan Williams asked the Secretary of State for Foreign and Commonwealth Affairs if he will make representations to the Government of the United Arab Emirates as to why it has not replied to correspondence from the right hon. Member for Swansea West, a copy of which has been sent to his Department, concerning a constituent of the right hon. Member; and if he will make a statement.

Mr. Eggar: The right hon. Member was informed in my letter of 9 March 1987 of the position regarding his constituent and also in earlier correspondence of the limitations which I regret apply in this case.

Timeshare

Mrs. Dunwoody asked the Secretary of State for Foreign and Commonwealth Affairs what steps are being taken by British missions abroad to advise British citizens holidaying in Spain, Portugal and elsewhere in Europe about soliciting by timeshare touts.

Mr. Eggar: Her Majesty's missions abroad advise inquirers to seek legal advice if they consider taking up timeshare offers. Copies of the Department of Trade and Industry leaflet "Your Place in the Sun" are held by Her Majesty's missions in Spain, Portugal, Greece, France, Malta and Cyprus.

South Pacific

Mr. Gregory asked the Secretary of State for Foreign and Commonwealth Affairs what is the policy of Her Majesty's Government to the convention for the protection and development of the natural resources and environment of the south Pacific region, and to the protocols to the south Pacific nuclear free zone treaty.

Mr. Renton: The United Kingdom welcomes the extension of the regional seas programme of the United Nations environment programme to the south Pacific, with the convention for the protection and development of the natural resources and environment of the south Pacific region. Such a convention in which all states in the region can participate will be of considerable value. Arrangements are in hand to enable the United Kingdom to sign this convention in respect of Pitcairn, our sole remaining dependent territory in the region. This is a further indication of our continued strong interest in the affairs of a region with whose members we have close ties.

We have also given careful consideration to the protocols to the south Pacific nuclear-free zone treaty (the treaty of Rarotonga). We have taken full account of our security interests in the region and more widely, the views of our allies and the regional states themselves, the texts of the treaty and protocols and the announced policy of the Soviet Union.

Against this background we have concluded that it would not serve our national interest to become party to the protocols to the treaty.

At the same time, we remain ready as a matter of policy to respect the intentions of the regional states as set out in protocol I. In other words, we have no intention of testing, manufacturing or basing nuclear weapons on Pitcairn, the only territory under our jurisdiction within the area covered by the treaty. Further, with respect to protocol II, we reaffirm the British undertaking given in 1978 to non-nuclear weapon states which are parties to the NPT or equivalent commitments, not to use nuclear weapons against such states except in the case of an attack upon the United Kingdom, its dependent territories, its armed forces or its allies by such a state in association or alliance with a nuclear weapon state. Third, in respect of protocol III, we note that we have no intention of conducting nuclear tests in the south Pacific.

We intend to keep our attitude to the treaty and the protocols under review. Any decision on a new approach would need to take account inter alia, of the following factors:

(i) Signature and ratification of the treaty by all states elegible to become parties to it;

(ii) Certain issues arising from the text of the treaty and the protocols, which have already been the subject of confidential discussion with the regional states;

(iii) The status and implications of the Soviet declaration on signing the protocols, that it regards transit of nuclear weapons and visits by nuclear ships and aircraft as inconsistent with the nuclear-free status of the zone established by the treaty;

(iv) The outcome of discussion of nuclear weapon-free zones at the third UN special session on disarmament; and the implications of this discussion and of any future extension of such zones to other regions for the security interests of the United Kingdom and our allies.

TRADE AND INDUSTRY

EC (Aid)

Mr. Cohen asked the Secretary of State for Trade and Industry how many applications have been made by member states under article 93(2) of the treaty of Rome seeking a decision from the Council of Ministers that an aid which that state is granting, or intends to grant, shall be considered to be compatible with the Common Market in derogation from the provisions of article 92 of the treaty, by year from 1983 and in 1987 to date; and if he will list them in the *Official Report*, together with the Councils decision in each case.

Mr. Alan Clark: No information is available on applications made by Member states to the Council under article 93(2) but the European Commission has provided the following list of state aids authorised by the Council from 1983 to 1986:

(1) 86/648/EEC: Council Decision of 16 December 1986, on the grant of a national aid in the form of a payment on account of the premium for ewes in the sheepmeat sector in France.
Official Journal No. L382 of 31.12.86 page 0003

(2) 86/603/EEC: Council Decision of 8 December 1986, on the granting of national aid in the wine sector in Italy following the serious crisis affecting that sector as a result of the 'methanol-adulterated wine' affair.
Official Journal No. L352 of 13.12.86 page 0043

(3) 86/196/EEC: Council Decision of 23 May 1986, on the granting by certain Member States of an aid for the short-term private storage of table wine and must.
Official Journal No. L139 of 24.09.86 page 0049

(4) 85/272/EEC: Council Decision of 23 May 1985, on the granting of aid for the short-term private storage of table wine and must in Greece, France and Italy.
Official Journal No. 151 of 10.06.85 page 0049

(5) 85/213/EEC: Council Decision of 26 March 1985, on the granting of aid for the distillation of wines obtained from table grapes in Sicily.
Official Journal No. L096 of 03.04.85 page 0034

(6) 84/361/EEC: Council Decision of 30 June 1984, concerning an aid granted to farmers in the Federal Republic of Germany.
Official Journal No. L185 of 12.07.84 page 0041

(7) 84/258/EEC: Council Decision of 7 May 1984, on the granting of aid for the short-term private storage of table wine and must in Greece.
Official Journal No. L124 of 11.05.84 page 0044

(8) 84/230/EEC: Council Decision of 27 April 1984, on the granting of aid for the short-term private storage of table wine and must in France and Italy.
Official Journal No. L115 of 01.05.84 page 0083

In 1987 the Council approved on 16 March an application from France to grant aid in the form of a contribution to the social security payments of certain milk producers. This decision has not yet been published in the Official Journal.

AE Takeover (Share Buying)

Mr. Cohen asked the Secretary of State for Trade and Industry what was the nature of the information which his Department received from the Bank of England about the alleged activities of Cazenove and Hill Samuel in setting up with the aid of Barclays and Midland Banks a share buying mechanism in connection with the bid by Turner

and Newall for AE, in respect of which the two banks were subsequently indemnified against any loss; and if he will make a statement.

Mr. Howard: The information provided to me by the Bank of England is subject to section 19 of the Banking Act 1979. That section forbids the disclosure of information provided under the Act except in certain specified circumstances.

Communications (Competition)

Mr. Amess asked the Secretary of State for Trade and Industry what steps he is taking to promote competition in the field of communications.

Mr. Pattie: Among the duties set on both my right hon. Friend and the Director General of Telecommunications by the Telecommunications Act 1984 is one to maintain and promote effective competition. As part of this continuing process, the Government announced on 25 February two major new licences to liberalise business use of telecommunications and the provision of value added and data services. New licences will also shortly be issued to two competing operators of nationwide private mobile radio networks, as well as to regional and London pmr network operators and to new operators of national radiopaging networks. We shall also be publishing shortly for public comment an independent consultant's report on the scope for applying market forces and the price mechanism to the management of the radio spectrum.

Product Liability

Mr. Bermingham asked the Secretary of State for Trade and Industry what representations he has had concerning the adequacy of the provisions relating to product liability in the Consumer Protection Bill as they relate to the entitlement of injured parties to receive compensation where the defect is latent.

Mr. Howard: My Department has received some comments about the provisions of schedule 1 to the Consumer Protection Bill, which implement in particular the three year limitation period under article 10 of the EC directive on product liability. These provisions were amended in certain respects when the Bill was at Report stage in another place and are reflected in the draft of the Bill which has been introduced into this House.

Timeshare Operators

Mrs. Dunwoody asked the Secretary of State for Trade and Industry whether he plans to take any further steps to issue guidance to British holidaymakers in Europe during the summer of 1987 about the high sales techniques of timeshare operators.

Mr. Howard: The Government's consumer advice leaflet continues to be freely available at many information centres (including some airports). Larger supplies may be obtained direct from my Department. The leaflet has had considerable coverage in the media. I expect this to continue as my Department maintains contact with travel and consumer correspondents.

Mr. Michael Cocks asked the Secretary of State for Trade and Industry (1) how many complaints he has received about the selling methods employed by timeshare operators;

(2) how many representatives he has received calling for greater protection for consumers against the selling practices of timeshare operators.

Mr. Howard: My Department has received over 40 written complaints and representations about the selling methods employed by timeshare developers and a substantial number of complaints by telephone.

Mrs. Dunwoody asked the Secretry of State for Trade and Industry when he last met representatives of companies engaged in selling timeshare properties.

Mr. Howard: I met representatives of some major timeshare developers on 18 March.

Mrs. Dunwoody asked the Secretary of State for Trade and Industry if he will estimate how many companies in the United Kingdom are engaged in the timeshare business within the United Kingdom; and what information he has about the situation elsewhere in Europe.

Mr. Howard: The three major timeshare trade associations have some 20 United Kingdom-based developers among their membership. It is not possible to give accurate information about the number of United Kingdom developers outside these trade associations.

About 30 European-based developers belong to the United Kingdom trade associations and several United Kingdom companies are undertaking developments in Europe. I have no information about other locally based developers in Europe.

Shipbuilding

Dr. Godman asked the Secretary of State for Trade and Industry how many ships have been built in shipbuilding yards of each EEC member state with the assistance of funds from the European shipbuilding intervention fund with engines supplied from non-EEC member states in each of the past five years; what has been the total value of EEC aid given in such cases; and if he will make a statement.

Mr. Giles Shaw [*pursuant to his reply*, 12 March 1987, c. *276*]: There is no support for merchant shipbuilding paid to member states from European Community funds. Each member state administers a regime of aid which is agreed with the European Commission within the framework of successive Council directives on shipbuilding aids. The number of vessels built with non-EEC engines, which received shipbuilding intervention fund support from Her Majesty's Government since 1982 is as follows:

	Number
1982	2
1983	—
1984	1
1985	6
1986	3

EMPLOYMENT

Skillcentres

Mr. Leighton asked the Paymaster General (1) if he will list the skillcentres *(a)* open in June 1979 and *(b)* closed since 1979, and what was the unemployment rate in the local travel-to-work area for each skillcentre (i) in June 1979 and (ii) at the latest date for which figures are available;

(2) for each skillcentre closed since 1979, what was the local unemployment rate *(a)* in June 1979, *(b)* in the month of closure and *(c)* at the latest date for which figures are available;

(3) for each skillcentre what was *(a)* the number of trainees completing courses and *(b)* the total training hours offered (i) in 1979 and (ii) in the most recent year for which figures are available.

Mr. Lee: The available information is contained in the table:

Skillcentre or Skillcentre Annexe open in 1979	*Month of closure if no longer open*	*Travel-to-Work area*	*Unemployment Rate[1] 12 February 1987 Per cent.*	*Unemployment Rate[1,2] in month of closure Per cent.*	*No. of Trainees[4] completing courses 1985-86*	*Total training [4,5] weeks offered 1985-86*
Barking		London	10·0		217	8,455
Basildon		Southend	13·2		163	5,466
Bellshill		Lanarkshire	21·5		879	10,307
Bellshill Annexe	November 1985	Lanarkshire	21·5	20·9		
Billingham		Stockton-on-Tees	18·4		279	7,204
Birmingham		Birmingham	15·5		621	15,992
Birmingham YIC	March 1986	Birmingham	15·5	16·4	[3]—	[3]—
Birmingham (Castle Bromwich)	January 1986	Birmingham	15·5	16·7	184	6,256
Bradford		Bradford	14·8		287	6,131
Bristol		Bristol	10·5		654	14,237
Bristol Annexe	December 1985	Bristol	10·5	11·3	[3]—	[3]—
Cardiff		Cardiff	13·6		426	18,009
Charlton		London	10·0		[3]—	[3]—
Chelmsford		Chelmsford and Braintree	7·2		100	3,075
Chesterfield		Chesterfield	15·4		81	3,634
Coventry		Coventry and Hinckley	14·4		273	6,993
Doncaster	March 1986	Doncaster	19·7	20·6	119	2,528
Dumbarton	October 1985	Dumbarton	20·1	20·3	14	115
Dundee		Dundee	16·5		561	6,840
Dunfermline		Dunfermline	16·9		242	6,240
Durham		Durham	13·6		326	10,196
East Lancashire (Accrington)		Accrington and Rossendale	13·0		338	7,238
Edinburgh		Edinburgh	12·0		334	8,456
Edinburgh Annexe	March 1986	Edinburgh	12·0	11·6		
Enfield		London	10·0		298	10,032
Glasgow		Glasgow	17·2			
Glasgow (Govan)	June 1985	Glasgow	17·2	17·6		
Glasgow (Queenslie)	August 1985	Glasgow	17·2	17·8	16	136
Gloucester		Gloucester	9·0		409	8,200
Gloucester Annexe	February 1986	Gloucester	9·0	10·1	86	2,134
Hull		Hull	16·8		545	6,480
Ipswich		Ipswich	8·4		147	5,767
Irvine		Irvine	25·6		191	4,830
Killingworth	December 1985	Newcastle-upon-Tyne	17·8	18·5	79	4,823
Kirby-in-Ashfield (Nottingham)	January 1986	Nottingham	13·3	14·0	275	2,754
Leeds		Leeds	11·9		483	9,769
Leicester		Leicester	10·0		236	7,160
Letchworth		Hitchin and Letchworth	7·6		462	14,319
Lambeth YTC	March 1986	London	10·0	10·7	3	3
Liverpool	February 1986	Liverpool	19·8	21·2		
Llanelli	February 1986	Llanelli	17·4	19·0	114	2,035
Long Eaton (Nottingham)	February 1986	Nottingham	13·3	13·9	254	5,636
Manchester (Denton)	February 1986	Manchester	13·7	14·6	103	2,375
Manchester (Trafford)		Manchester	13·7		477	10,861
Hindley Annexe	February 1986	Manchester	13·7	14·6		
Maryport		Carlisle	11·8			
Medway South		Medway and Maidstone	11·3		306	11,385
Medway Annexe	March 1986	Sittingbourne & Sheerness	14·5	15·0	111	2,798
Middlesbrough	December 1985	Middlesbrough	21·7	23·2	75	1,775
Milton Keynes		Milton Keynes	12·2		153	5,451
Newport (Gwent)		Newport	15·2			
Northampton		Northampton	9·2		89	1,881
North Staffs (Stoke on Trent)		Stoke	11·9			

Skillcentre or Skillcentre Annexe open in 1979	Month of closure if no longer open	Travel-to-Work area	Unemployment Rate[1] 12 February 1987 Per cent.	Unemployment Rate[1,2] in month of closure Per cent.	No. of Trainees[4] completing courses 1985-86	Total training [4,5] weeks offered 1985-86
Norwich		Norwich	10·0		250	7,160
Nottingham		Nottingham	13·3			
Perivale		London	10·0		160	6,667
Peterborough		Peterborough	12·9		162	5,445
Plymouth		Plymouth	14·7		438	8,208
Plymouth Annexe	January 1986	Plymouth	14·7	15·8	121	1,967
Portsmouth		Portsmouth	12·2		277	8,231
Preston		Preston	11·0		300	5,927
Reading		Reading	6·8		178	6,309
Redditch	January 1986	Birmingham	15·5	16·7	218	4,114
Redruth		Redruth and Cambourne	21·5		311	6,599
Rochdale		Rochdale	16·4		286	6,180
Runcorn		Widnes and Runcorn	18·2			
St. Helens		Wigan and St Helens	18·4		211	5,896
Sheffield		Sheffield	16·0		359	8,246
Slough		Slough	6·4		226	8,405
Southampton		Southampton	11·4		319	961
Southampton (Millbrook)		Southampton	11·4		271	7,130
Swindon		Swindon	11·6		228	6,509
Twickenham		Heathrow	6·8			
Twickenham Annexe		Heathrow	6·8		262	8,898
Tyneside (Gateshead)		South Tyneside	24·7		737	12,449
Tyneside Annexe	November 1985	South Tyneside	24·7	25·5	3	3
Waddon (Sydenham)	September 1985	London	10·0	10·9	64	1,156
Waddon Annexe	March 1986	London	10·0	10·7	49	2,552
Wakefield		Wakefield and Dewsbury	14·9		206	4,727
West Glamorgan		Neath and Port Talbot	13·4		477	9,826
West Gwent	December 1985	Newport	15·2	15·8	87	1,804
West Sussex (Lancing)		Worthing	8·3		295	8,487
West Sussex Annexe	December 1985	Worthing	8·3	8·6	87	2,993
Wigan		Wigan and St. Helens	18·4		192	4,872
Wolverhampton		Wolverhampton	18·0		321	7,415
Wolverhampton Annexe	January 1986	Wolverhampton	18·0	19·2	87	4,546
Wrexham		Wrexham	17·2		334	6,647
Blaenau, Gwent[6]	February 1983	Blaenau, Gwent and Abvergavenny	18·6			

[1] The unemployment rate is the number of unemployed expressed as a percentage of employees in employment plus the unemployed.
[2] The comparison of unemployment rates is affected by seasonal factors and changes in the collection and compilation of data, furthermore unemployment statistics are not available for travel-to-work areas in 1979 on the same basis as 1987 because of major revisions to the boundaries in 1984. Statistics for travel-to-work areas as defined in 1978 are available in the Library.
[3] Figures no longer available.
[4] Numbers of trainees completing courses and training weeks offered are not available in 1979.
[5] STA no longer keeps statistics of trainee hours available the number of training weeks offered is used instead.
[6] The Blaenau, Gwent Skillcentre closed in February 1983. The unemployment rate in that month in the Ebbw Vale travel-to-work area was 24·3 per cent. This area is now covered by the Blaenau, Gwent and Abvergavenny travel-to-work area, and an unemployment rate for this area for February 1983 is not available.

Pensions

Mr. Speller asked the Paymaster General if he will take steps to aid men made redundant below the age of 60 years who have pensions frozen until they are 65 years but are now employed in work which requires a retiring age of 60 years.

Mr. Trippier: The Government have no proposals for special measures to help this particular group of employees as opposed to other employees whose pension provision may be effected by a change of jobs. However, recent social security legislation means that, in future, employees in this situation will have more flexibility to adapt their pension arrangements to their own particular circumstances. People changing jobs from 1 January 1986, for whatever reason, will often be able to transfer their pension rights from the former employers' scheme to the new employers' scheme and those changing jobs from 1988 will also have the option of transferring to their own personal pension scheme.

Labour Statistics

Ms. Harman asked the Paymaster General if he will give the number of people unemployed in the constituencies of Peckham, Bermondsey and Dulwich for each year since 1979.

Mr. Trippier: Following is the available information, which is also in the Library. The table shows the numbers

of unemployed claimants in the parliamentary constituencies of Peckham, Southwark and Bermondsey and Dulwich in February of each year since 1984. The comparison is affected by the change in the compilation of the unemployment statistics in March 1986. Statistics of unemployment for parliamentary constituencies are derived from the ward-based system and are available only from June 1983.

	Peckham	*Southwark and Bermondsey*	*Dulwich*
February 1984	8,106	6,509	4,437
February 1985	8,806	6,875	4,910
February 1986	9,256	7,709	4,904
February 1987	8,877	7,501	4,556

NATIONAL FINANCE

European Commission (Finances)

Mr. Andrew MacKay asked the Chancellor of the Exchequer if he will make a statement about the European Commission's latest cash position and the implications for the United Kingdom.

Mr. Brooke: The European Commission estimates that its spending obligations this month will exceed available revenues under the budget for 1987.

The Commission has therefore requested member states to advance from April into March the payment of own resources other than VAT in accordance with article 10(2) of Council regulation 2891/77: a similar advance was made last month. The Government are satisfied that this request is within the vires of article 10(2) and accordingly will today make an advance payment of some £148 million from the Consolidated Fund under section 2(3) of the European Communities Act, 1972. The payment of levies and duties on 20 April will be reduced by the amount of the advance.

The Commission has informed us that it expects in addition to have to overdraw its accounts with member states this month in accordance with article 12(2) of Council regulation 2891/77. The amount involved for the United Kingdom is expected to be of the order of £95 million. The Government propose to meet this obligation too from the Consolidated Fund in accordance with section 2(3) of the European Communities Act 1972. Repayment of any drawing under this facility will be made by deduction from our April own resources payments. The amount drawn by the Commission in February under this provision, some £24·2 million, was recovered from the VAT payment made on 2 March.

Neither of these facilities will involve increasing the total amounts which the Community is authorised to spend during 1987. There will therefore be no net additions to public expenditure.

Shareholders

Mr. Gordon Brown asked the Chancellor of the Exchequer if he will list, region by region, including Scotland and Wales, the numbers and proportions of shareholders identified in his survey; and if he will list shareholders by income groups.

Mr. Norman Lamont: I shall let the hon. Member have a reply as soon as possible.

EC Butter Surplus (Expenditure)

Mr. Teddy Taylor asked the Chancellor of the Exchequer what response the Council of Ministers has had from the Court of Auditors following the decision of the Council of 9 March to approve an expenditure of 3·2 billion ecu on the disposal of the butter mountain, in light of the published opinion of the Court of Auditors prior to the meeting that such expenditure was unlawful; and if he will make a statement.

Mr. Brooke: The Court of Auditors has made no further response to the Council's proposal to delay reimbursement to member states for butter stock disposals. This measure was formally adopted by the Council on 16 March. The Council considered the Court of Auditor's opinion, but decided that delayed reimbursement was justified as an exceptional measure, since it was agreed as part of a package producing genuine and substantial CAP savings.

ENERGY

Welsh Anthracite

Mr. Woodcock asked the Secretary of State for Energy (1) what was the total production by the National Coal Board of Welsh anthracite in 1984, 1985 and 1986, respectively; and what is the anticipated production in 1987;

(2) what tonnages of Welsh anthracite were allocated for disposal to each National Coal Board region in 1984, 1985, 1986 and 1987, respectively;

(3) what tonnage of Welsh anthracite was shipped to Northern Ireland in 1984, 1985 and 1986, respectively; and what is proposed to be shipped in 1987;

(4) what tonnage of Welsh anthracite was exported in 1984, 1985 and 1986, respectively; and what exports are planned for 1987.

Mr. David Hunt: This information is not immediately available. I shall give my hon. Friend a fuller reply as soon as possible.

Private Coal Businesses

Mr. Woodcock asked the Secretary of State for Energy if he will make it his policy not to sanction further expenditure by the National Coal Board on the acquisition of private sector coal merchanting businesses.

Mr. David Hunt: My policy is to agree to the acquisition of businesses by British Coal where my approval is required, only if I consider there are good grounds for the aquisitions to be made.

Concessionary Coal

Mr. Woodcock asked the Secretary of State for Energy if he will take steps to ensure that competitive tendering is introduced for the delivery of concessionary fuel to mineworkers.

Mr. David Hunt: This is a matter for the British Coal Corporation or the appropriate trade union responsible for arranging the delivery of concessionary fuel.

Mr. Woodcock asked the Secretary of State for Energy if he will estimate the average consumption of house coal

and smokeless fuel per household in the United Kingdom; and if he will publish details of the supply of concessionary fuel to mineworkers in each National Coal Board area.

Mr. David Hunt: The information requested on average consumption of solid fuel per household is not immediately available. I shall give my hon. Friend a fuller reply as soon as possible. The provision of concessionary coal is a matter for the British Coal Corporation, and governed by agreements between them and the mining unions. I have asked the chairman to write to my hon. Friend.

Nuclear Power Stations

Mr. Ashdown asked the Secretary of State for Energy what is the minimum requirement for modern nuclear power station design in terms of ability to withstand earthquake shock; and what size shock the latest tests show that Hinkley Point could withstand.

Mr. Goodlad [*pursuant to his reply*, 12 March 1987, c. *281*]: New nuclear stations are designed to be safely shut down following a seismic event that has a frequency of occurrence of about once in 10,000 years.

The CEGB has a continuing programme of extensive seismic assessment of its existing installations; and the indications are that magnox stations such as that at Hinkley Point have substantial resistance to earthquakes.

The NII is actively discussing these matters with the CEGB and findings will be published when the long-term reviews of magnox stations are concluded.

ENVIRONMENT

Play Schemes

Ms. Harman asked the Secretary of State for the Environment how much each local authority has spent on children's play in each of the last five years.

Mr. Tracey: The information is not available centrally.

Homelessness

Mr. Spearing asked the Secretary of State for the Environment if he will set out for the London borough of Tower Hamlets, Southwark and Newham, respectively, for each of the years 1981 to 1986 in terms of the number of person days and family days, the number of families placed in bed-and-breakfast accommodation for the homeless and numbers of applicants on the housing lists of each borough, respectively, together with respective totals for the three boroughs.

Mr. Tracey: Local authorities' reported figures of household days provided in bed and breakfast accommodation for those accepted as homeless, are included in the CIPFA publications "Homelessness Statistics" for each financial year. The issues from 1983-84 to 1985-86 also include figures of homeless households accommodated during each year allocated to the type of accommodation in which they spent most time. Copies of these publications are available in the Library

The numbers of households on the housing lists at 1 April 1986 are contained in section B of the boroughs' housing investment programme returns, but were not collected in earlier years. Copies of the returns are also available in the Library.

Local Authority Housebuilding

Mr. Stuart Holland asked the Secretary of State for the Environment what was the total expenditure on local authority housebuilding for each year since and including 1979 to 1986 in terms of (i) current prices, (ii) 1986 prices and (iii) share of gross domestic product.

Mr. Tracey: The available estimates of capital expenditure on house-building by English local authorities are as follows:

	Current prices £ million	*1985-86 prices £ million*	*Percentage share of gross domestic product*
1978-79	1,096	2,076	0·63
1979-80	1,065	1,726	0·52
1980-81	965	1,317	0·41
1981-82	720	893	0·28
1982-83	685	795	0·24
1983-84	682	758	0·22
1984-85	730	778	0·22
1985-86	568	568	0·16

Mr. Stuart Holland asked the Secretary of State for the Environment what was the share respectively of *(a)* public direct labour schemes and *(b)* private contractors' schemes in local authority housebuilding for the years 1985 and 1986, respectively, in (i) England and Wales and (ii) Greater London.

Mr. Tracey: I shall answer this question shortly.

Rate Support Grant

Mr. Hannam asked the Secretary of State for the Environment when he will announce the final rate support grant settlement for 1987-88.

Mr. Ridley: I have today laid before the House the rate support grant report for 1987-88. Individual authorities' entitlements to grant will be in line with the proposals I issued on 5 March. I have also laid the first rate support grant supplementary report for 1986-87, and the rate support grant supplementary report (No. 3) 1985-86.

I have also today formally notified the 20 authorities selected for rate limitation in 1987-88 of their rate limits for next year. There are no changes from those notified earlier this month. My right hon. Friends the Home Secretary, the Secretary of State for Education and Science and the Secretary of State for Transport have notified precept-limited authorities in similar terms.

Copies of the reports have been placed in the Vote Office and Libraries of the House.

Compulsory Purchase

Mrs. Shields asked the Secretary of State for the Environment if he has any plans to extend the terms of compulsory purchase orders to include adequate compensation for any inconvenience experienced by the owner of a property.

Mr. Tracey: I shall answer this question shortly.

Inner Urban Areas

Mr. Sheerman asked the Secretary of State for the Environment if he will list all those local authorities in England and Wales which are designated or include areas

that are designated under the Inner Urban Areas Act 1978; and in respect of which of these authorities arrangements have been made with him under section 7 of the Act.

Mr. Tracey: I shall answer this question shortly.

Local Acts

Mr. Sheerman asked the Secretary of State for the Environment what information he has as to which local authority areas still have local acts in force.

Mr. Chope: By virtue of section 262 of the Local Government Act 1972 almost all pre-1 April 1974 local legislation will have been automatically repealed, in general, at the end of 1986 unless specifically replaced by new local or general legislation.

There are certain exceptions. Greater London is excluded because its local legislation was reviewed under the London Government Act 1963; such powers as protective provisions and provisions relating to statutory undertakers are also excluded from the effect of section 262; and some individual local Act provisions have been preserved by order (S.I. 1986, No. 1133). The 1986 deadline has also been extended by order (S.I. 1986, No. 2106) for one year to preserve pre-1 April 1974 local legislation from repeal for eight local authority areas in England and Wales to enable their replacement local legislation to complete its passage through Parliament.

The following local authority areas in England have promoted local legislation by virtue of section 262:

The metropolitan counties of Greater Manchester, Merseyside, South Yorkshire, Tyne and Wear, West Midlands and West Yorkshire.

The counties of Avon, Berkshire, Cheshire, Cleveland, Cornwall, Cumbria, Derbyshire, East Sussex, Essex (Bill in Parliament), Hampshire, Humberside, Isle of Wight, Kent, Lancashire, Leicestershire, Nottinghamshire, Oxfordshire, Staffordshire and Surrey.

The districts of Bournemouth, Cambridge, Durham, Epsom and Ewell, Exeter (Bill in Parliament), Harrogate, Hereford, Kingston upon Hull, Lincoln, Luton, Norwich, Plymouth, Poole, Scarborough, Warwick, Worcester and York (Bill in Parliament).

Apart from section 262 local legislation, the following local authority areas in addition to Greater London have obtained local powers for various purposes since 1 April 1974:

The metropolitan counties of Greater Manchester, South Yorkshire and West Yorkshire.

The metropolitan districts of Barnsley, Birmingham, Sheffield and Solihull.

The counties of Cleveland, Cumbria, Devon, East Sussex, Essex, Isle of Wight and Nottinghamshire.

The districts of Aylesbury Vale, Bath, Castle Morpeth, East Lindsey, Gosport, Great Yarmouth, Hove, Nottingham, Plymouth, Preston, Shrewsbury and Atcham, South Lakeland, South Cambridgeshire, Suffolk Coastal, Thurrock, Torbay, Vale of White Horse, and Weymouth and Portland.

Washington Development Corporation.

West Yorkshire Metropolitan County Council

Mr. Harrison asked the Secretary of State for the Environment what information he has as to the current state of the superannuation fund of the former West Yorkshire metropolitan county council; and if he will make a statement.

Mr. Chope: The local government superannuation funds are valued at five-yearly intervals. The date of the most recent valuation was 31 March 1984. In the case of the fund then administered by the former West Yorkshire metropolitan county council, this produced a reduction in the contributions required from employers in the area of about 2 per cent. of payroll. I have no more up to date information about the fund now administered by Bradford metropolitan district council.

Mr. Harrison asked the Secretary of State for the Environment what information he has as to how many properties have been sold by the West Yorkshire residuary body to the private sector which previously belonged to the former West Yorkshire metropolitan county council; if he is able to provide any breakdown by location of the total receipts from those sales; and if he will make a statement.

Mr. Chope: The information available to the Department is that the West Yorkshire residuary body had sold 89 properties to the private and public sectors by the end of February 1987. Receipts were some £2·8 million.

Mr. Harrison asked the Secretary of State for the Environment what information he has as to how many employees of the West Yorkshire metropolitan county council were declared redundant in the abolition of that council on 31 March 1986; and if he will make a statement.

Mr. Chope: I refer the hon. Member to my answer to the hon. Member for Newham, North-West (Mr. Banks) on Monday 16 February at column *420*.

Mr. Harrison asked the Secretary of State for the Environment (1) what information he has as to the current state of the revenue account of the personnel committee of the former West Yorkshire metropolitan county council; and if he will make a statement;

(2) what information he has as to the current financial state of the county fund balance sheet of the former West Yorkshire metropolitan county council; and if he will make a statement;

(3) what information he has as to the current state of the revenue account and analysis of capital expenditure of the public transport committee of the former West Yorkshire metropolitan county council; and if he will make a statement;

(4) what information he has as to the current state of the revenue and analysis of capital expenditure of the technical services and traffic and highways committees of the former West Yorkshire metropolitan county council; and if he will make a statement;

(5) what information he has as to the current state of the revenue and analysis of capital expenditure of the recreation and arts committee of the former West Yorkshire metropolitan county council; and if he will make a statement;

(6) what information he has as to the current state of the revenue account and capital expenditure of the police committee of the former West Yorkshire metropolitan county council; and if he will make a statement;

(7) what information he has as to the current state of the revenue account of the environment committee of the former West Yorkshire metropolitan county council; and if he will make a statement;

(8) what information he has as to the current state of the revenue account of the consumer protection committee of the former West Yorkshire metropolitan county council; and if he will make a statement;

(9) what information he has as to the current state of the financial statement of the finance and general purposes committee of the former West Yorkshire metropolitan county council; and if he will make a statement;

(10) what information he has as to the current state of the revenue account of the fire committee of the former West Yorkshire metropolitan county council; and if he will make a statement.

Mr. Chope: The final accounts of the West Yorkshire county council as prepared by the West Yorkshire residuary body were published in December 1986. These set out the financial position of the county council and its various committees as at the date of abolition. Copies of the abstract of accounts are available from the West Yorkshire residuary body.

Mortgages

Mr. Amess asked the Secretary of State for the Environment what consideration he is giving to reform of the present law of mortgages in the light of proposals of the Law Commission working paper No. 99 of 1986, with a view to simplification of the law and provision of greater protection for home owners.

The Attorney-General: I have been asked to reply.

This working paper was published as recently as October 1986 and has been circulated by the Commission as a consultation paper for comment and criticism only. The paper contains a number of proposals but these do not represent the final views of the Commission. Consideration will be given to the final recommendations once they have been produced as a report.

SCOTLAND

Environmentally Sensitive Areas

Mr. Home Robertson asked the Secretary of State for Scotland (1) when he intends to lay before Parliament the statutory orders designating the Breadalbane and Loch Lomond environmentally sensitive areas;

(2) what sites he will consider for designation as environmentally sensitive areas in 1988 in Scotland.

Mr. John MacKay: I shall reply to the hon. Member as soon as possible.

Police (Establishments)

Mr. Allan Stewart asked the Secretary of State for Scotland (1) what is the currently authorised police manpower establishment for each police authority in Scotland;

(2) what is the latest information on police numbers in post for each police authority in Scotland.

Mr. Rifkind: The information, as at 31 December 1986, is as follows:

Police Authority	*Authorised Establishment*	*Actual Strength*[1]
Central	556	549 (12)
Dumfries and Galloway	333	338 (5)
Fife	732	725 (9)
Grampian	997	995 (8)
Lothian and Borders	2,393	2,442 (44)
Northern	609	610 (6)
Strathclyde	6,954	6,769 (47)
Tayside	1,001	1,000 (11)
Total: Scotland	13,575	13,428 (142)

[1] Including officers on central service or with the Scottish Crime Squad as indicated in parenthesis.

Strathclyde and Lothian Regional Councils (Budgets)

Mr. Allan Stewart asked the Secretary of State for Scotland what representations he has received from industrial and commercial interests requesting action against Strathclyde and Lothian regional councils in respect of their proposed budgets for 1987-88; and when he expects to reply.

Mr. Rifkind: I have received 17 such representations from industrial or commercial interests or from their representative bodies in the last few weeks. I have also received numerous letters from members of the public. I shall shortly be assessing all local authorities' budgets in detail and expect to announce any decisions on selective action around the end of April.

Medicine (Training Opportunities)

Sir Alex Fletcher asked the Secretary of State for Scotland if he will review the arrangement for training opportunities in general medicine as part of the vocational training for doctors wishing to enter general practice, in the light of the reduction in the number of senior house officer posts in general medicine in the Lothian health board area.

Mr. Rifkind: In Scotland the number of doctors undertaking vocational training for general practice is more than sufficient compared to the number of vacancies. The detailed arrangements for allocation of training posts within overall hospital establishments in Lothian is a matter for the health board.

Local Authority Housebuilding

Mr. Stuart Holland asked the Secretary of State for Scotland what was the share respectively of *(a)* public direct labour schemes and *(b)* private contractors' schemes in local authority housebuilding for the years 1985 and 1986, respectively, in Scotland.

Mr. Ancram: Complete information is not available centrally. However schemes covered by returns made by local authorities to the Scottish Development Department for the years 1985 and 1986, covering approximately 70 per cent. of all new-build dwellings in tenders accepted for those years, were all by private contractors.

Drugs

Mr. Dewar asked the Secretary of State for Scotland how many offences under the Misuse of Drugs Act have been dealt with by Glasgow district court in each of the last five years, and in the most recent period for which figures are available.

Mr. Rifkind: The information requested is set out in the table:

Drugs Offences Dealt with by Glasgow District Court

	Persons proceeded against
1981	0
1982	4
1983	0
1984	1
1985	98
1986[1]	[2]363

[1] January to September.
[2] Provisional.

Mr. Dewar asked the Secretary of State for Scotland how many prosecutions for *(a)* supply and *(b)* possession of controlled drugs have taken place in Scotland in each of the last five years; and how many have resulted in conviction.

Mr. Rifkind: The available information on persons proceeded against for offences under Drugs legislation and other offences where controlled drugs are involved, and on persons found guilty, is as follows. Figures for 1986 are not yet available.

Offence and Year	*Persons proceeded against*	*Persons found guilty*
Unlawful supply		
1981	26	18
1982	40	23
1983	55	28
1984	107	66
1985	260	181
Possession with intent to supply		
1981	45	23
1982	87	58
1983	135	88
1984	249	191
1985	371	275
Unlawful possession		
1981	1,122	761
1982	1,618	1,197
1983	1,800	1,425
1984	2,217	1,815
1985	2,560	2,103

Criminal Procedure (Scotland) Act 1975

Mr. Dewar asked the Secretary of State for Scotland in how many cases a fine has been imposed in terms of section 193B of the Criminal Procedure (Scotland) Act 1975; and how many of these fines have been *(a)* less than £10,000, *(b)* more than £10,000 but not exceeding £20,000, *(c)* exceeding £20,000 but not exceeding £50,000 and *(d)* exceeding £50,000.

Mr. Rifkind: Section 193B of the 1975 Act came into force on 30 December 1985. Provisional figures for January to September 1986 show that seven persons were fined by Scottish courts for offences under sections 4(2), 4(3) or 5(3) of the Misuse of Drugs Act 1971, in addition to sentences of imprisonment following proceedings on indictment. Of these, six were fined less than £10,000 and one was fined between £10,000 and £20,000. Information on the fines imposed for other offences mentioned in section 193B is not available.

Mr. Dewar asked the Secretary of State for Scotland in how many cases a fine imposed under section 193B of the Criminal Procedure (Scotland) Act 1975 has been paid in full; and in how many cases an additional term of imprisonment has been imposed as a result of non-payment.

Mr. Rifkind: I regret that this information is not collected centrally.

Drug Offences

Mr. Dewar asked the Secretary of State for Scotland if he will give the numbers of people who have appeared in the High Court charged with drug offences in the most recent year for which records are available and the percentage which that number represents of the total number of appearances in the High Court for all offences.

Mr. Rifkind: In 1985, the most recent year for which figures are available, 310 people were proceeded against for drugs offences in the High Court in Scotland. This represented 26 per cent. of all persons proceeded against in the High Court. These figures include persons remitted to the High Court for sentence.

Scottish Legal Aid Board

Mr. Millan asked the Secretary of State for Scotland if he will list the names of the members of the Scottish legal aid board, their qualifications for appointment, and their period of appointment.

Mr. Rifkind: The information is as follows:

	Period of appointment		
	From	*To*	*Background*
Chairman			
Mr. Donald B. Grant, TD, CA	20 October 1986	31 March 1990	Business
Members			
Mrs. Christine Davis	17 November 1986	31 March 1989	Consumer Affairs
Mr. Peter C. Rendle	17 November 1986	31 March 1989	Public Service
Mr. Alistair R. Brownlie, OBE, LLB	17 November 1986	31 March 1990	Solicitor
Mr. W. Menzies Campbell, CBE, QC	17 November 1986	31 March 1990	Advocate
Mr. Brian G. Donald, LLB	17 November 1986	31 March 1990	Solicitor
Mr. Archibald Gilchrist	17 November 1986	31 March 1990	Business
Mr. Ranald N. M. Maclean, QC	17 November 1986	31 March 1990	Advocate
Mr. W. Norman Hunter Smart, CA	17 November 1986	31 March 1990	Business
Mr. Graham H. Speirs, LLB	17 November 1986	31 March 1990	Public Services
Mr. Desmond Queen, LLB	17 November 1986	31 March 1990	Solicitor
Mr. George Barrie, CA	1 December 1986	31 March 1990	Business

	Period of appointment		
	From	*To*	*Background*
Professor Thomas F. Carbery, OBE	1 December 1986	31 March 1990	Information Technology
Mrs. Anne B. Ward	1 December 1986	31 March 1990	Consumer Affairs
Mr. John A. C. Weir	1 December 1986	31 March 1990	Sheriff Courts

Out-of-Town Shopping Developments

Mr. Millan asked the Secretary of State for Scotland what guidelines he has issued to local authorities in Scotland regarding planning applications for out-of-town shopping developments; and if he will make a statement.

Mr. Rifkind: In recognition of the significant changes which have taken place in recent years in shopping facilities and shopping patterns, my Department initiated consultations early last year on a revision of the national planning guidelines on the location of major retail developments. This led to the issue of new guidelines in December 1986. The guidelines were issued under cover of Scottish development circular No. 38/1986, and I am arranging for a copy to be sent to the right hon. Member.

Redundancies

Mr. Gordon Brown asked the Secretary of State for Scotland how many companies have reported redundancies to him, and how many have closed down, in Fife since June 1979.

Mr. Ian Lang: There are no comprehensive statistics on redundancies. The following information relates to the numbers of redundancies and closures affecting 10 or more workers notified to the Manpower Services Commission as due to occur in Fife during the period July 1979 to December 1986. During this period there were 411 reports of confirmed redundancies of which 125 related to closures.

Scottish Development Agency (Expenditure)

Mr. Gordon Brown asked the Secretary of State for Scotland how much has been spent by the Scottish Development Agency in *(a)* Fife, *(b)* Dunfermline district and *(c)* Kirkcaldy district in each year since 1975, and as a proportion of rural expenditure on (i) environmental improvement, (ii) industrial investment and (iii) all Scottish Development Agency expenditure.

Mr. Lang: I shall reply to the hon. Member as soon as possible.

NORTHERN IRELAND

Sir Thomas and Lady Edith Dixon Hospital

Mr. Michael Brown asked the Secretary of State for Northern Ireland if he will publish in the *Official Report* the recital in the introductory part of the conveyance under which the Department of Health and Social Services holds the Sir Thomas and Lady Edith Dixon hospital, Cairndhu, Larne, Northern Ireland.

Mr. Needham: The recital is as follows:

"And whereas the Donors have agreed to convey to the Ministry [now the Department of Health and Social Services] the lands hereditaments and premises known as "Cairndhu" hereinafter more particularly described for use as a Convalescent Home or Hospital said Convalescent Home or Hospital to be known as 'The Sir Thomas and Lady Edith Dixon Hospital'".

Mr. Michael Brown asked the Secretary of State for Northern Ireland if he is aware of any express declaration of trust inhibiting the sale of St. Thomas and Lady Edith Dixon hospital, Cairndhu, Larne; and if he will make a statement.

Mr. Needham: The conveyance under which the Department of Health and Social Services holds the Sir Thomas and Lady Edith Dixon hospital does not contain a declaration of trust in express terms. However, doubts have arisen as to the effect of the introductory recital and the matter is being referred to the Chancery court in Northern Ireland for a ruling.

Ballyharry Primary School

Mr. John David Taylor asked the Secretary of State for Northern Ireland when he expects work to commence on site for the new Ballyharry primary school, Newtownards; what plans he has to improve the Donaghadee road near the junction with Cronstown road in anticipation of increased traffic going to Ballyharry school; and how many road accidents there were between Cronstown road junction and the access to the new Ballyharry school in the last three months of 1986.

Mr. Needham: I understand that the South Eastern education and library board has scheduled work to start on site in August 1987.

The Department of the Environment has a proposal to improve a section of route A48 Newtownards to Donaghadee road near its junction with Cronstown. This scheme is at detailed preparation stage and its implementation will be dependent on the completion of the statutory processes and finance. The scheme is not considered to be related to the provision of the new Ballyharry primary school, which is to be accessed from the recently reconstructed Movilla road.

The only personal injury accident, during the last quarter of 1986, in the general area between the proposed school site and Cronstown road occurred within the estate road system, at the junction of Abbeydale avenue and Abbeydale park.

Calf Subsidy Payments

Mr. John David Taylor asked the Secretary of State for Northern Ireland how many calf subsidy payments are still outstanding for calves which were punched in September, October and November 1986; to what factors he attributes such delays; and if he will make a statement.

Mr. Viggers: Only 71 out of a total of 16,437 claims submitted under the calf premium scheme in the autumn 1986 period are still outstanding. These claims required further investigation. Computer programming difficulties and a shortage of funds prior to 31 December 1986, the end of the EC financial year, contributed to delays.

Comber

Mr. John David Taylor asked the Secretary of State for Northern Ireland what is the planned population growth for Comber over the next 15 years; what plans there are to reduce traffic congestion in the town during the same period; and if he will make a statement.

Mr. Needham: The North Down and Ards area plan covers the period 1984 to 1995 and allows for a population increase of the order of 1,500 people in Comber; the development of Comber beyond 1995 would be considered in the context of a review of the Plan at the appropriate time.

During 1987-88 the Department of the Environment's roads service will be reviewing the proposed scheme for a southern bypass of Comber which would direct through traffic away from the centre of Comber.

At this stage it is not possible to give an indication of when the scheme will start.

Adult Education

Mr. Hume asked the Secretary of State for Northern Ireland what consideration has been given to the establishment of a comprehensive review of adult education in Northern Ireland.

Dr. Mawhinney: The Government have no such plans at present. However, it will keep the need for a review under consideration, especially in light of any recommendation which might be made to it by the Northern Ireland Council for continuing education.

Mr. Hume asked the Secretary of State for Northern Ireland whether the Government have any plans for the formation of an umbrella body to oversee and co-ordinate adult education in Northern Ireland.

Dr. Mawhinney: No.

Convicted Terrorists

Sir John Biggs-Davison asked the Secretary of State for Northern Ireland if he will initiate a review of the policy of remission for convicted terrorists; and if he will make a statement.

Mr. Scott: Like all aspects of the prison regime in Northern Ireland, the current arrangements for remission of sentences and the accompanying conditional release scheme are kept under regular review. It is Government policy that as far as possible there is no distinction made between the treatment of prisoners convicted of scheduled offences and those convicted of non-scheduled offences.

Landlords

Mr. Hume asked the Secretary of State for Northern Ireland if he will make a statement regarding the enforcement of articles 54 and 56 of the Rent (Northern Ireland) Order 1978, indicating what responsibility the Department of the Environment or the Royal Ulster Constabulary exercise in the prosecution of landlords who illegally evict or harass tenants; and if he will detail any record of involvement by his Department or the police in such prosecutions or other aspects of enforcement of these articles.

Mr. Needham: I shall reply to the hon. Gentleman as soon as possible.

Border Security

Sir John Biggs-Davison asked the Secretary of State for Northern Ireland why it is found necessary to bring to the attention of the relevant authorities occasions when the forces of the United Kingdom or of the Irish Republic, acting against terrorists, cross or over-fly the Irish border; and if he will endeavour to improve co-operation and understanding with the security forces of the Republic.

Mr. Tom King: I shall write to my hon. Friend as soon as possible.

SOCIAL SERVICES

Waiting Lists

Mr. Simon Hughes asked the Secretary of State for Social Services if he will publish figures for the number of people on hospital in-patient waiting lists at 30 September 1986 in each health district and health region for which figures are now available.

Mr. Newton: I refer the hon. Member to my reply to my hon. Friends the Members for Norfolk, North (Mr. Howell) and Brentwood and Ongar (Mr. McCrindle) on 13 March at column *333*.

National Insurance Contributions

Ms. Clare Short asked the Secretary of State for Social Services how many individuals paid self-employed national insurance contributions for each year from 1957 to 1979.

Mr. Major: The information is as follows. The two tables are not directly comparable because of the changes in the system which took effect in 1975.

Average number of self-employed persons for whom flat-rate contributions were paid or excused—Great Britain 1962-74

Year	*Thousands*
1962	1,420
1963	1,420
1964	1,420
1965	1,420
1966	1,440
1967	1,480
1968	1,520
1969	1,580
1970	1,590
1971	1,600
1972	1,610
1973	1,620
1974	1,660

Notes:

1. All figures include persons excused contributions during unemployment or absence of work due to sickness, injury or maternity.
2. Figures not available for period before 1962.

Persons paying class 2 (self-employed) National Insurance contributions, United Kingdom

Year	*Thousands*
1975-76	—
1976-77	1,496
1977-78	1,515
1978-79	1,528
1979-80	1,608

Notes:

1. United Kingdom figure not available for 1975-76; in 1975-76

1,490 thousand persons paid Class 2 contributions in Great Britain.
2. The figures include those who paid a mixture of Class 1, Class 2 and Class 3 contributions.

Cows' Milk (Hormones)

Mr. Simon Hughes asked the Secretary of State for Social Services what measures he has taken to determine whether there are health risks associated with the human consumption of milk products derived from the milk of cows which have been treated with the hormone bovine somatotropin.

Mr. Newton: No product licence for any preparation of bovine somatotropin has been granted under the Medicines Act 1968. Animal trials are in progress under the terms of animal test certificates issued by the licensing authority, which consists of Health and Agriculture Ministers acting jointly. Before issuing these certificates, the licensing authority obtained the advice of the Veterinary Products Committee, an independent expert body established under the provisions of the Medicines Act. The committee scrutinised thoroughly evidence of safety and other matters, including the safety of consumers receiving milk or other produce from treated animals. No health risks were identified at any stage.

Nurses

Mr. Amess asked the Secretary of State for Social Services if he will list the numbers of nurses employed by the National Health Service for each of the past 10 years.

Mr. Newton: The information requested is shown in the table.

National Health Service directly employed Nursing and Midwifery Staff[1,2,3] (including agency staff) England

At 30 September	*Whole time equivalent*
1977	343,200
1978	351,000
1979	358,400
1980	370,100
1981	391,800
1982	397,100
1983	397,100
1984	397,500
1985	401,200
[4]1986	402,100

Source: DHSS Annual Census of NHS Non-Medical Manpower
[1] Figures are rounded to the nearest one hundred (100) whole time equivalents.
[2] Includes qualified staff, learners and unqualified staff.
[3] In 1980 nurses' working hours were reduced from 40 to 37·5 hours per week. Figures are not adjusted to take account of this change.
[4] Provisional

Spectacles

Mr. Dickens asked the Secretary of State for Social Services what evidence he has of restrictive trading practices being operated by opticians in the retail sale of spectacles.

Mr. Newton: The retail sale of spectacles is now conducted entirely through the private market and we have no information on restrictive practices relating to such sales. The Department is however considering allegations that opticians in one area are not providing patients with prescriptions following the National Health Service sight test.

Benefits

Mr. Deakins asked the Secretary of State for Social Services how many people in Walthamstow and in the London borough of Waltham Forest, respectively, have been in receipt of *(a)* supplementary benefit and *(b)* housing benefit in each year since 1980.

Mr. Lyell: Walthamstow is covered by the Department's local office at Walthamstow. The London borough of Waltham Forest is covered by the Department's local offices at Walthamstow, Leytonstone, Woodgrange Park and Edmonton but their boundaries are not conterminous with those of the borough. The table shows the number of people receiving supplementary benefit from these offices on 10 February 1987 — the latest information available — and on comparable dates since 1980.

Year	*Walthamstow*	*London borough of Waltham Forest*
1980	8,926	34,432
1981	9,944	38,976
1982	11,603	46,477
1983	12,956	51,385
1984	12,882	52,533
1985	13,255	54,570
1986	13,158	56,460
1987	13,719	58,374

Source: 100 per cent. count of cases in action.

The number of people who were in receipt of housing benefit or rebates or allowances under the Department of Environment schemes prior to 1982-83 in the London borough of Waltham Forest is as follows:

	Number
1979-80	12,900
1980-81	13,800
1981-82	16,800
[1]1982-83	22,500
1983-84	27,600
1984-85	35,600
[2]1985-86	30,000
[2]1986-87	26,500

Separate figures for Walthamstow are not available.
Source: Department of Environment and Local Authority Subsidy returns.
[1] The Housing Benefit Scheme, which replaced the Rent and Rate Rebate Scheme was partially introduced in November 1982 and fully implemented in April 1983.
[2] The figures for 1985-86 and 1986-87 are subject to revision.

Mr. Gordon Brown asked the Secretary of State for Social Services if he will estimate how many claims for *(a)* death grant and *(b)* maternity grant were made at (i) Cowdenbeath, (ii) Dunfermline and (iii) Kirkcaldy social security offices during 1986 or the last full year for which figures are available.

Mr. Lyell: The information requested is as follows:

	(a) Death grant	*(b) Maternity grant*
Cowdenbeath	529	556
Dunfermline	880	1,226
Kirkcaldy	1,560	459

The figures quoted are for the 1986 calendar year.

Mr. O'Brien asked the Secretary of State for Social Services, pursuant to the reply of 16 March 1987, at column *413* about the income of a 15 year-old child, in what circumstances the amount would be less or more than the £15·60 given in his reply.

Mr. Major: The figure of £15·60 represents the normal supplementary benefit requirements of a dependent child aged over 11 but under 16 where the person claiming benefit in respect of that child is either a householder or a member of someone else's household. Those requirements can be modified as follows:

Circumstances	*Amount of child's requirements*
1. Family resident in board and lodging accommodation.	An amount for the board and lodging charge plus any meals not included in the charge (subject to certain limits) plus £5·15 for personal expenses.
2. Child in hospital over 12 weeks.	£7·90
3. Family receiving benefit under the urgent cases provisions during the first 14 days of a claim.	£10·40

If the child suffers from an illness or disability which gives rise to necessary extra expenditure, for example, for heating, special diet, laundry, wear and tear on clothing, additional benefit may be paid.

Mr. O'Brien asked the Secretary of State for Social Services, pursuant to the answer of 16 March 1987, at column *413* about the income of a 15 year-old child, if the amount of £15·60 quoted in his reply includes child benefit.

Mr. Major: Yes.

Diet and Behaviour

Mr. Fallon asked the Secretary of State for Social Services what experiments are being carried out at Aycliffe school under the auspices of the British Society for Nutritional Medicine concerning the inter-relationship between diet and behaviour; whether this is with the consent of those involved; and if he will make a statement.

Mrs. Currie: I am advised that the British Society for Nutritional Medicine has had two preliminary meetings with staff of the Aycliffe community home with a view to providing a number of children with meals which have less sugar, salt and saturated fats but a higher fibre content than the meals traditionally provided. After a trial period comparisons could be made between those who had kept to the traditional meals and those who had been provided with the new meals. The meetings with the BSNM took place with the approval of the management board of Aycliffe, which is a controlled community home with education. The controlling authority is Durham county council.

Board and Lodging Charges

Mr. Ray Powell asked the Secretary of State for Social Services whether special consideration is being given, in connection with proposed changes in legislation for helping people on low incomes with board and lodging charges, to the position of women and children who because of violence in the family home are forced to seek accommodation at women's aid refuges.

Mr. Major: A wide range of interested organisations have responded to the consultative paper on proposals for help with board and lodging charges under the reformed social security scheme. We are giving close consideration to the points that have been raised, including the position of people living in women's aid refuges.

Breast and Cervical Cancer

Mr. Deakins asked the Secretary of State for Social Services how many women have died from cancer *(a)* of the cervix and *(b)* of the breast in the London borough of Waltham Forest in 1970, 1980 and the latest year for which figures are available.

Mrs. Currie: The information is shown in the table.

Number of deaths with underlying cause as Malignant Neoplasm of Female Breast (ICD[1] (8, 9) 174) and Cervix Uteri (ICD[1] (8, 9) 180) registered to women usually resident in the London Borough of Waltham Forest 1970, 1980, 1985

Year	*ICD[1] 174*	*ICD[1] 180*
1970	60	3
1980	58	3
1985	68	10

[1] International Classification of Diseases 8th and 9th revisions.

Dental Charges

Mr. Weetch asked the Secretary of State for Social Services whether he will extend the existing regulations to allow appeals in respect of financial assistance with dental charges, under the current low income grounds; and if he will make a statement.

Mrs. Currie: We have no plans to amend the regulations in the way suggested. If the hon. Member has evidence of a problem in a particular case perhaps he will write to me.

Health Education Authority

Mr. Kirkwood asked the Secretary of State for Social Services if he will make a statement on the proposed work of the new Health Education Authority in Northern Ireland.

Mr. Newton: The prime responsibility of the new authority will be health education in England, although it will take the lead for the United Kingdom as a whole in respect of the AIDS campaign. The Department of Health and Social Services (Northern Ireland) has arranged for the authority to provide it with health educational services and materials for a period on an agency basis.

Whooping Cough Vaccine

Mr. Ashley asked the Secretary of State for Social Services (1) whether the Committee on Safety of Medicines has assessed the similarities and differences between the Japanese acellular whooping cough vaccine and the development in vaccines made but not exploited by United States compaines in the 1960s;

(2) whether the Committee on Safety of Medicines has taken any steps to evaluate the difference in safety and

efficacy between the whole whooping cough vaccine used by the National Health Service and the acellular vaccine used in other countries;

(3) if he will request the Committee on Safety of Medicines to examine the relevance to current research of the evidence that has recently been produced in courts in the United States regarding attempts by American companies in the 1960s to produce a safe whooping cough vaccine; and if he will make a statement;

(4) whether the Committee of Safety on Medicines is liaising with the Swedish health authorities in their assessment of the efficacy and safety of the Japanese acellular whooping cough vaccine following tests with the vaccine on very young Swedish children; and if he will make a statement;

(5) if he will ensure that the Committee on Safety of Medicines, after the Swedish tests on the Japanese whooping cough vaccine are completed, will immediately assess whether there should be a British test with a view to using the vaccine in Britain, and if he will make a statement.

Mr. Newton: Consideration by the Committee on Safety of Medicines of data relating to acellular pertussis vaccines will take place only in the context of applications for clinical trial certificates under Section 31 of the medicines Act 1968. The Committee will take account of all the evidence available to it in deciding what advice to tender to the licensing authority.

Mr. Ashley asked the Secretary of State for Social Services if there is any mechanism whereby the Committee on Safety of Medicines is kept informed of the evidence given in American whooping cough court cases which are won by the plaintiff or are settled out of court in favour of the plaintiff; and if he will make a statement.

Mr. Newton: No. The Committee on Safety of Medicines would, however, consider any scientific evidence affecting the safety, quality or efficacy of a medicinal product currently on the market or in connection with an application for a product licence.

Mr. Ashley asked the Secretary of State for Social Services (1) which companies have provided whooping cough vaccine for the National Health Service;

(2) if he will list the American manufacturers of whooping cough vaccine which have supplied any such vaccine to the National Health Service; and if he will make a statement.

Mr. Newton: Whooping cough vaccine for use in the National Health Service is purchased, under central supply arrangements, from the Wellcome Foundation Ltd. No American manufactured vaccine has been used in the NHS.

Mr. Ashley asked the Secretary of State for Social Services what consultation there has been with the Japanese health authorities regarding their use of the acellular whooping cough vaccine.

Mr. Newton: The Department has not been in direct touch with the Japanese health authorities, but officials have attended international meetings and noted papers published in English language journals. The United States Public Health Service arranged a tour of Japan to monitor vaccine development, production and usage. The report on that visit was made freely available to the Medical Research Council's subcommittee on whooping cough vaccines, which is part of the Committee on the Development of Vaccines and Immunisation Procedures.

Mr. Ashley asked the Secretary of State for Social Services whether there have been any discussions between the manufacturers of the whooping cough vaccine used in Britain and his Department regarding the court cases that families of vaccine-damaged children are bringing to seek compensation; and if he will make a statement.

Mr. Newton: In 1985 Wellcome discussed with officials the role of the Department in legal proceedings relating to whooping cough vaccines. Discussions have since been held with the solicitors acting for the manufacturer about the use to be made in the Loveday case currently before the High Court of documents obtained by the manufacturer from the Committee on Safety of Medicines and the Department as a result of an application for discovery of documents in the earlier Kinnear case.

Mr. Ashley asked the Secretary of State for Social Services if the Committee on Safety of Medicines has made any study of the incidence of whooping cough, and, in particular, hospitalisation and deaths resulting from whooping cough, in those countries which have stopped advising parents to have their children vaccinated; and if he will make a statement.

Mr. Newton: No. However, in considering an application for a licence for whooping cough vaccine, the Committee on Safety of Medicines would take account of all available scientific evidence on the incidence and effects of whooping cough.

Mr. Ashley asked the Secretary of State for Social Services what information he has as to whether the nature of the whole cell whooping cough vaccine used in Britain differs significantly from the whole cell vaccines used in the United States; and if he will make a statement.

Mr. Newton: The only significant difference between the whole cell vaccines used in the United Kingdom and in the United States of America is that the latter has a higher potency than the former. The vaccine used in this country conforms to the World Health Organisation standard.

Mr. Ashley asked the Secretary of State for Social Services what criticisms have been made to his Department of the conclusions of the National Childhood Encephalopathy Study about the statistical chances of a child suffering brain damage following whooping cough vaccination; who made the criticisms; and what alternative probabilities they suggested.

Mr. Newton: The principal criticisms of the Study's conclusions have been made by Professor G. C. Stewart in the *British Medical Journal* and at a World Health Organisation conference in Geneva in 1984. Professor Stewart's conclusion was that the estimated risk from vaccination was greater than the 1 in 100,000 three dose courses reached by the study.

The joint committee on vaccination and immunisation has studied these criticisms and does not accept Professor Stewart's calculations on the risks from whooping cough vaccination or from the disease itself. The joint committee remains firmly convinced that the benefits of whooping cough vaccination far outweigh the risks, and that, with

due attention to contra-indications, whopping cough vaccination should continue to be recommended as part of the basic course for childhood immunisation.

Severe Weather Payments

Mr. Gordon Brown asked the Secretary of State for Social Services if he will list the numbers in Dunfermline and Kirkcaldy district social security offices who have received exceptionally severe weather allowances in the current year.

Mr. Major: I shall let the hon. Member have a reply as soon as possible.

Doctors and Dentists (Hampstead)

Sir Geoffrey Finsberg asked the Secretary of State for Social Services how many doctors and dentists were employed in the Hampstead health authority or its predecessor in 1979, 1983 and the latest date for which information is available.

Mr. Newton: Information for the years 1983 and 1986 is as follows. I regret that information is not available on a comparable basis for 1979, due to the effects of boundary changes following the National Health Service re-organisation in 1982.

NHS Medical and Dental Staff Employed in Hampstead Health Authority (Teaching)

	Whole-time equivalents Staff in post at 30 September	
	1983	*1986*
Medical and dental staff[1]	297	296

[1] Figures include permanent whole-time and honorary staff and locums but exclude senior registrars whose contracts are held by North East Thames RHA.

Nurses (Hampstead)

Sir Geoffrey Finsberg asked the Secretary of State for Social Services how many nurses were employed by the Hampstead health authority, or its predecessor in *(a)* 1979, *(b)* 1983 and *(c)* the latest date for which information is available.

Mr. Newton: Information for the years 1983 and 1985 (the latest available to this level of detail), is as follows. I regret that information for the former North Camden district health authority is not available on a comparable basis for 1979, due to the effects of boundary changes following the National Health Service reorganisation in 1982.

NHS Nursing and Midwifery Staff Employed in Hampstead District Health Authority

	Whole-time equivalents[1] Staff in post as at 30 September	
	1983	*1985*
Total Nursing and Midwifery staff[2]	2,220	2,180

Source: DHSS Annual Census of NHS Non-Medical Manpower.
[1] Figures rounded to nearest 10 whole-time equivalents.
[2] Includes agency staff.

Camden Family Practitioner Service

Sir Geoffrey Finsberg asked the Secretary of State for Social Services what was the expenditure of the Camden family practitioner service or its predecessor in *(a)* 1979, *(b)* 1983 and *(c)* the latest date for which information is available; and what was the average size of patient list on each of those dates.

Mr. Newton: The information available in relation to the Camden and Islington family practitioner committee is as follows:

(a) Expenditure on the family practitioner services

Financial year	*£ million*
1979-80	13,123,470
1983-84	22,960,975
1985-86	26,753,570

(b) Average general medical practitioner list size

Year	*Average list size*
1979	2,020
1983	2,028
1986	2,049

Housing Benefit

Mr. Gorst asked the Secretary of State for Social Services if he will take steps to raise the capital cut-off of £6,000 provided for in section 22(6) of the new housing benefit reform Act as it affects owner-occupiers currently in receipt of rebate; and if he will make a statement.

Mr. Lyell: Section 22(6) of the Social Security Act contains a general power to prescribe a capital cut-off. The actual figure will be in regulations to be laid before Parliament. The White Paper "Reform of Social Security" (Cmnd. 9691) proposed for illustrative purposes that in all income-related benefits capital up to £3,000 should be ignored but a cut-off should be applied at £6,000. This is considerably higher than the £3,000 cut-off currently applied in supplementary benefit.

Pensions

Mr. Meacher asked the Secretary of State for Social Services if he has any plans to increase pensions in the light of the £6 million windfall in Government revenue.

Mr. Major: My right hon. Friend announced on 22 October 1986 that pensions would be increased by 2·1 per cent. from 6 April 1987, in line with the rise in prices over the appropriate period.

Mrs. Beckett asked the Secretary of State for Social Services what will have been the fall in the real value of the basic retirement pension rate to be paid from 6 April as a result of pensions and other long-term benefits, including the long-term rate of supplementary benefit, not having been increased in line with the percentage rise in average earnings since November 1978; and what would be the cost in 1987-88 of using the rise in average earnings as the yardstick for pension increases rather than the retail price index.

Mr. Major: If the basic retirement pension and linked long-term benefits had been increased in line with the

movement in average earnings (whole economy, seasonally adjusted) between November 1978 and September 1986, the end of the calculation period for the uprating taking place in April 1987, the pension at April would be £43·70 for a single person and £69·90 for a married couple. It is not possible to calculate changes in the real value at April until April retail price index figures are available. Prior to 1980, the long-term rate of supplementary benefit was not increased in relation to earnings, but by the same cash amount as the increase in retirement pension.

If pensions and linked long-term benefits were increased to these amounts in April 1987, and if supplementary pensions and the long-term rate of supplementary allowance for recipients of long-term contributory benefits were increased by the same cash amount, the additional cost in 1987-88 would be about £2 billion above that already provided for. No change in the level of housing benefit needs allowances has been assumed.

Maternity and Funeral Payments

Mr. Wood asked the Secretary of State for Social Services when he will announce the arrangements for the introduction of maternity and funeral payments under the social fund following enactment on 17 March of the Social Fund (Maternity and Funeral Expenses) Act 1987.

Mr. Major: Regulations were laid before Parliament for this purpose yesterday.

Supplementary Benefit

Mr. Watts asked the Secretary of State for Social Services how much was paid in supplementary benefit to single people under the age of 18 years in each of the last three years for which figures are available.

Mr. Lyell [*pursuant to his reply*, 10 February 1987, c. *196*]: Based on the number of single claimants aged under 18 and the average weekly payment to them on a particular day in December each year, the annual equivalent expenditure was as follows:

Year	*Expenditure £ million*
1982	188
1983	163
1984	191

These figures cannot be regarded as a complete or precise estimate of total expenditure on supplementary benefit to this group of claimants because—

(a) They take no account of the seasonal variations in the numbers in this group which are likely to arise because of the patterns in school leaving; and

(b) Only regular weekly payments are covered and not other payments such as single payments for exceptional needs.

Mental Hospitals

Mr. Gould asked the Secretary of State for Social Services if he will publish in the *Official Report* lists showing *(a)* those long-stay mental hospitals currently approved for closure, *(b)* those long-stay mental hospitals listed in regional strategic plans as proposed for closure before 1995 and *(c)* those long-stay mental hospitals that have been indicated by regional health authorities as possibilities for closure outside the strategic planning period listing in each instance the present number of in-patients.

Mrs. Currie [*pursuant to her reply*, 21 January 1987, c. *619-20*]: The primary objective of policy on services for people who are mentally ill is the development of a range of high quality local facilities so that people can use the services they need with the minimum of formality and delay, and without losing touch with their everyday lives. The reduction in size of some hospitals, and the closure of others, will be a consequence of achieving that aim, and accompanied by the development of psychiatric services in each district which now lacks them. These will provide in-patient facilities for people who need admission for assessment, acute treatment, or longer term care, together with a comprehensive range of community facilities.

Almost all mental illness hospitals care for both long-stay and short-stay patients, but I have obtained information on the one hundred or so large traditional mental illness hospitals (that is, those which had over 200 beds in 1975), which care for most long-stay patients. Of these hospitals, table 1 indicates those where public consultation has been completed and closure approved, in both cases with the support of the local community health council. It indicates when closure was approved, and the number of in-patients on 31 December 1985.

Table 2 lists those hospitals which regional health authorities have indicated they plan to close by about 1995, subject to the results of the public consultation, which has yet to take place or is now under way, and the provision of appropriate alternative accommodation and services. Some of the in-patient care provided by these hospitals will still be needed and some parts of hospitals, for example wards providing acute care and psychogeriatric care, will move with their patients to new locations meeting the aims set out in the first paragraph above. Regional health authorities' plans must also meet the needs of those long-stay patients who need continuing in-patient care. And plans must provide too for the identification of other suitable accommodation and support (which will need to be tailored to the needs of individual patients) for those who no longer need to remain in in-patient care.

Most of these closure proposals were included in regional strategic plans, but the list takes account of changes since then. Circumstances do not enable regional health authorities to indicate systematically any plans for the period after 1995 or so.

Table 1
Mental Illness hospitals with over 200 beds, approved for closure, following public consultation.

	Number of in-patients 31 December 1985	*Date closure approved*
Yorkshire		
Naburn Hospital, Near York	210	May 1985
South Western		
Horton Road Hospital	517	June 1986

Table 2
Mental Illness hospitals which have, or have had, over 200 beds, which Regional Health Authorities have indicated they plan to close, subject to consultation and to suitable alternative provision being made, by about 1995.

	Number of in-patients 31 December 1985
Yorkshire	
Storthes Hall Hospital, Near Huddersfield	820
Pastures Hospital, Near Derby	649
Carlton Hayes Hospital, Narborough	552
St. John's Hospital, Lincoln	524
Rauceby Hospital	361
Saxondale Hospital	396
Mapperley Hospital, Nottingham	265
Middlewood Hospital, Sheffield	610
East Anglian	
St. Audry's Hospital, Woodbridge	408
North West Thames	
Hill End Hospital	413
North East Thames	
Friern Hospital[1]	787
Claybury Hospital	833
South East Thames	
Cane Hill Hospital	628
Tooting Bec Hospital	719
Hellingly Hospital	396
St. Augustines Hospital	460
South West Thames	
Long Grove Hospital, Epsom	653
Brookwood Hospital	704
Wessex	
Whitecroft Hospital	103
Old Manor Hospital[1]	229
Knowle Hospital	395
St. James Hospital, Portsmouth[1]	336
Oxford	
St. John's Hospital, Aylesbury	385
St. Crispin's Hospital, Northampton	361
South Western	
Digby Hospital, Exeter	[2]
Mendip Hospital	398
West Midlands	
Powick Hospital, Worcester	136
Mersey	
Rainhill Hospital (except for Scott Clinic)	1007
North Western	
North Manchester (Springfield) Hospital[1]	351

[1] With some provision remaining on site.
[2] Digby is one of two branches of Exe Vale Hospital. There were 210 in-patients in both branches (Digby and Wonford) at 31 December 1985.

University Research Staff (Pay)

Mr. Wigley asked the Secretary of State for Social Services what provision he has made in his Department's research budget to allow for the pay settlement for university research staff which has just been agreed with the Association of University Teachers.

Mr. Newton [*pursuant to his reply*, 3 March 1987 c. *587*]: We are considering the implications of the pay settlement for non-clinical academic staff for the Department's research programme.

Competitive Tendering

Mr. Dobson asked the Secretary of State for Social Services if he will publish details of the progress being made by health authorities in putting their services out to tender in the manner of the answer of 25 November 1986, *Official Report* column *214*.

Mr. Newton [*pursuant to his reply*, 9 March 1987, c. *73*]: I refer the hon. Member to my reply to my hon. Friend the Member for Dulwich (Mr. Bowden) on 19 March.

Liverpool (Rates)

Mr. Wareing asked the Secretary of State for Social Services what was the total amount of payments in respect of the rate rebates element of housing benefit subsidy which were withheld from the Liverpool city council during the period 1 April to 14 June 1985 when that local authority delayed setting a rate; and what amount of interest accrued to his Department on the payments withheld.

Mr. Lyell [*pursuant to his reply*, 19 March 1987,]: As a result of its delay in setting a rate, advance payments on account of rate rebate subsidy totalling £4,705,838 were not made to Liverpool city council during the period 1 April 1985 to 14 June 1985. It is not possible to give a figure for the amount of interest since the calculation would depend on hypothetical assumptions about how central Government's financing would have been carried out in other circumstances.

AIDS

Mr. Meacher asked the Secretary of State for Social Services (1) how many young persons he estimates have been, or are, currently held in secure units in community homes under care orders who have the AIDS virus; under what Act and section they are held; and how long they have been held;

(2) how many young persons held in community homes have been tested for HIV; how many of these were consulted before the tests were carried out, how many agreed and refused; how many were HIV positive; and, in the case of this latter group, what consequent decisions have been taken concerning their treatment or detention.

Mr. Fowler [*pursuant to his reply*, 19 March 1987]: Following statements made by the hon. Member earlier this week, officials from my Department spoke to the officers in charge of each of the country's 40 secure units. Information from that check and from our two youth treatment centres shows that no child is being held because he or she has the AIDS virus.

Criteria for admission to secure accommodation are strict and are laid down by law. They are administered by the juvenile courts. I do not believe that a juvenile

court would issue a secure accommodation order simply because a child has the AIDS virus and it would be wrong to do so.

Medical records of children in secure accommodation are confidential and are not held centrally.

I hope the hon. Member will now withdraw his allegation that children are being locked away in secure accommodation because they have the AIDS virus.

INDEX TO THE

PARLIAMENTARY DEBATES

OFFICIAL REPORT

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SESSION 1986–87

9th March—20 March 1987

SCOPE OF THE INDEX, ARRANGEMENT AND ABBREVIATIONS

This index is derived from the House of Commons Library's Parliamentary On-Line Information System (POLIS), and the subject terms used are based on those used in POLIS. There are often changes in column numbering, etc, between the daily part or weekly Hansard (which simply collects together the daily parts without revision) and the bound volume. The index for the bound volume is revised to take account of these changes.

Scope and arrangement of the Index

Oral and Written Parliamentary Questions are indexed under subject headings and the names of Members asking and Ministers replying to them. Questions are not listed under the names of Departments replying. Departmental listings can be arrived at indirectly by looking under the names of the Minister(s) of that Department. There are, however, the headings 'Northern Ireland', 'Scotland', and 'Wales' under which one can find not only most Questions answered by the Northern Ireland Office, Scottish Office, Welsh Office but also Questions about these areas of the United Kingdom which are answered by other Departments. Ministerial statements are indexed under subject headings, under 'Ministerial statements' and the names of Ministers making them and Members speaking on them. General debates are indexed under broad subject headings and under the names of all Members and Ministers taking part. Debates on legislation (Bills, Orders, Regulations etc.) are indexed under the name of the Bill, Statutory Instrument etc, under subject headings and under the names of those taking part.

Rulings and Statements by Mr Speaker and his deputies are brought together under the heading Speakers rulings and statements.

Other contributions by Mr Speaker and his deputies appear under the heading Speaker.

Opposition Day Debates, Estimates Day Debates and Standing Order No. 10 applications are listed under those respective headings and under subject headings too.

The date of each item except Parliamentary Questions is inserted immediately before the reference.

Members' names are given in the form by which they prefer to be known and are printed in bold italics. Under their names, entries are arranged under one of the two headings *Debates etc* (to include interventions on statements, points of order and so on) or *Questions*.

Abbreviations

Bills 1R = first reading, 2R = second reading, Money res = money resolution, Com = Committee stage, Rep = Report stage, 3R = third reading, amendt/amendts = amendment/amendments, * = matter taken formally, without debate.

Column numbers followed by the letter W refer to Written Questions. These appear at the end of each daily part or volume with their own sequence of column numbers printed in italics.

A1-M1 link 16w
Motorway service areas 16w

A45 393w
Road safety barriers 393w

A46 393w
Road construction 393w

A56 14w
Stretford 14w

A330 Airbus 35w

A340 Airbus 35w

Aberdeen
Economic situation 244w

ABM treaty 919
Strategic defence initiative 912

Abolition of Domestic Rates Etc (Scotland) Bill 1986/87
Questions
386-7w

Abortion 144-5, 505w, (20.03.87) 1213-22
Clinics 334w
Dean Park Nursing Home 504w
Death 504-5w, 519w
Hampshire Clinic 505w
Highfield Hospital 505w
Leicester Nuffield Clinic 504w
NHS 521-2w
NHS & private practice 238w
Package holidays 144-5
Private health services 238w, 504-5w
Scotland 519-22w
Wellesley Hospital 504w
Young people 625-6w

Abortion Act 1967 144-5
Questions
144-5

Absent voting 447w

Access to Personal Files Bill 1986/87
Debates etc
Money res* (16.03.87) 789

Accident & emergency departments 118w
Singleton Hospital, Swansea 118w

"Accident Investigation & Prevention" 397w

Accidents
Armed forces discharges 569w

Accounting
Export Credits Guarantee Department 279-80w

Accounting officers 324w
Defence contracts 324w

Action for Community Employment 453
EC grants & loans 453

Adam, Graeme 289-90

Addenbrooke's Hospital 333w
Private health services 333w

Adjournment debates
Speaker's rulings & statements (11.03.87) 297

Adley, Mr Robert
Questions
Airports, Planning permission 114w
Airports, Railway network 678
British Rail, Cultural heritage 285-6w
British Rail Engineering, Redundancy 930
Business statement 466
Import controls, South Korea 584w
Israel, Passports 551-2w
South Africa, Diplomatic service 545w
Teachers, Pay settlements 467w

Administrative costs
Regional arts associations 81w

Administrative delays
Breast cancer 383w
Cervical cancer 383-4w
Council house sales 557w
Dept of Health & Social Security local offices 412w
House of Commons questions 506w
Invalid care allowances 162w
Land registration 350w
Land Registry Office 350w
Members' correspondence 21-2w, 52-3w, 89w, 234w, 300w, 407w, 477w, 517-8w
Planning appeals 438-40w
Screening 162-3w
Social security benefits 480w, 508w
Supplementary benefits 166-7w
Training grants 214w

Admission charges
Museums & galleries 16, 81w
Natural History Museum 21w

Adoption
Disclosure of information 597w

Adult education
Industrial training 248-9w
Industrial training schemes 132w, 257-8w
Leicester 257-8w, 345-6w
Literacy 465w
Northern Ireland 659w
Unemployed 465w

Advanced gas-cooled reactors
Manpower 203w
Nuclear safety 202w

Advertising
Car industry 588-9w
Dept of Employment 586w
Manpower Services Commission 586w
Severe weather payments 507w

Advice & Assistance (Assistance by Way of Representation) (Scotland) Regulations 1987
Debates etc
(12.03.87) 491

Advisory Committee on Pesticides 486w
Tributyl tin 423-4w

Advisory Committee on School Teachers' Pay & Conditions 181w

Advisory Council on the Misuse of Drugs 359w
Drug abuse 359w
Opium poppies 359w

Advisory services
AIDS 70w
Ethnic minorities 20w
Manpower Services Commission 20w

AE
Takeovers 640-1w

Aerosol propellants
Air pollution 405w

Aerospace industry
Government assistance to industry 113w
USA 925-6

Afghanistan
Prime Minister official engagements 225w
Refugees 543w
USSR 225w, 543w

Africa
Locusts 687-8

Africa Fund 547w
Overseas aid 547w

Age
Armed forces officers 576w
Army 576w
Retirement pensions 155w

Age participation rates
Higher education 804

Agricultural advisory services 1030

Agricultural Development & Advisory Service 87-8w, 341w
Cereals 341w
Income 341w

Agricultural land
Forestry 1023-4
Land use 305w, 599w, 601w, 1027-8
Planning permission 1028
Rates & rating 607w
Vegetables 1032

Agricultural marketing
Pigmeat 605w

Agricultural policy 602w

Agricultural production
Beef & veal 1028
Broadleaved woodlands 602w
Cereals 604w
Crops 1027-8
Wheat 602w

Agricultural products
Marketing 601w
Radioactivity 605-6w

Agricultural research
Animal diseases 305w

Agricultural subsidies
Cattle 146w
Dairy farming 305w, 611w

Agricultural support systems
Costs 341w
Expenditure 427-8w
National income 427-8w

Agricultural workers
East Anglia (16.03.87) 790-6

Agriculture
Civil defence 610w
Departmental publications 486-8w
Exchange rates 609w
Forestry 603w
Government assistance to industry 1030
Government grants 608w
Overseas aid 187-8w
Tributyl tin 486w

Agriculture Act 1986
Questions
608w

Aid financed trade 187-94w
British Rail Engineering 931
Developing countries 692
OECD countries 185w

AIDS 37w, 70w, 139-40, 151-2w, 156w, 159w, 213w, 235w, 248w, 265w, 299w, 304w, 326-8w, 384w, 410w, 466w, 477w, 626-7w, 672-4w
Advisory services 70w
Barnsley 410w
Blood 410w
Blood tests 299w
Children 140-1
Clinics 156w
Compensation 477w
Contraceptives 477w
Death 213w, 235w, 248w
Dentists 626w
Disease control 326w
Drug abuse 37w, 140
Ethics 140
Government grants 410w
Haemophilia 304w, 626w
Haemophilia Society 159w
Health education 139-41, 151-2w, 326-7w, 466w
Health services 627w
Health services finance 140
Homosexuality 139-40
Local press 151w
Medical treatments 156w
Merseyside 235w
Northern Ireland 213w
Religious education 326-7w
Research finance 327-8w
Schools 265w
Science education 327w
Scotland 248w, 384w
Screening 235w, 384w
Test tube babies 410w
Trent 410w
Venereal diseases 626w
Video recordings 152w, 466w
Women 299w
Young offenders 672-4w

Aids for handicapped
Contracts for services 481w

Air
Competition 391w

Air accidents
F111 aircraft 379w
Manchester Airport 201w
Military aircraft 379w

Air force
Contracts for services 572w

Air force bases
Armed forces catering services 570-1w
Armed forces civilians 571-2w
Privatisation 572w
Scotland 571-2w

Air force flying
Disclosure of information 93-4w
Hare, Squadron Leader 93-4w

Air force strength
Supply estimates (16.03.87) 788

Air pollution
Aerosol propellents 405w
Pollution control 405w

Air pollution control
Smoke & chimney gases 382w

Air routes
British Caledonian 674
Highland Express Airline 675
Regional airports 392w
Stansted Airport 675

Air safety
Safety measures 201w

Air traffic
Prestwick 681

Air traffic control
Manpower 680-1
Night flying 491w
Privatisation 681
Working hours 682

Air transport
Europe 391w

Air travel
Airlines 15w
Compensation 287w

Airbuses
British Aerospace 35w
Government assistance to industry 35w

Aircraft
Fishery protection 580w

Aircraft engines
Government assistance to industry 113w

Aircraft noise
Gatwick 492-3w
Noise control 492-3w

Airlines
Air travel 15w
Competition 675
Fees & charges 675
Illegal immigrants (16.03.87) 706-88
Loganair 674-5
Trade competitiveness 674
USA 674-5

Airports
Companies 114w
Fees & charges 492w
Planning permission 114w
Privatisation 391w
Railway network 678
Stornoway 377w

Aitken, Mr Jonathan
Questions
Wright, Peter, National security 695

Alcoholic drinks
Composition labelling 483w

Alcoholism & crime
Civil disorder 124w
Research 30w

Alexander, Mr Richard
Debates etc
Arts (12.03.87) 506
Cancer (13.03.87) 616-7
Sizewell B (12.03.87) 487
Questions
A46, Road construction 393w
Regional arts associations, Administrative costs 81w

Allason, Rupert 347-8w, 685

Alton, Mr David
Debates etc
Budget March 1987, Economic situation (18.03.87) 1009
Law enforcement (20.03.87) 1167-73, 1195
Local government finance, Liverpool (18.03.87) 1015-7, 1021
Public Order (Northern Ireland) Order 1987 (10.03.87) 239-42, 264
Questions
Anglo-Irish Agreement 275w
Anglo-Irish Agreement, Northern Ireland government 451
Business statement 466, 1042-3
Cervical cancer, Medical treatments 162w
Cervical cancer, Screening 153w
City technology colleges, Teachers 464w
Drug crimes, Northern Ireland 379w
Free ports 320w
Oils & fats, Taxation 598w
VAT, Free ports 320w

Alwyn House 385w
Blind 385w

Amersham International
Radioactivity 179w

Amess, Mr David
Debates etc
Cancer (13.03.87) 639-42
Questions
Abortion 144-5
City technology colleges, Private investment 530w
Communications, Competition 641w
Crime 809-10
London Docklands railway, Manpower 565w
Mortgages, "Law Commission Working Paper, 99" 653w
Nurses, NHS 661w
Richmond Terrace, House of Commons accommodation 438w
Ruskin College, Freedom of expression 368w
Special education 461w

Ammunition
Armed forces training 323w

Amusement arcades 527w

Ancient monuments
Wales 267w

Ancoats Hospital, Manchester (10.03.87) 268-74
Hospital closures (10.03.87) 268-74

Ancram, Mr Michael, Parliamentary Under-Secretary Scottish Office
Questions
Bed & breakfast accommodation, Scotland 290w
Building industry, Banff 241w
Community charge, Scotland 246w
Complaints against local government, Scotland 246-7w
Council house waiting lists, Scotland 291w
Council housing, Inverclyde 291w
Crofting, Community charge 280-1
Dogs, Liability for animals 336w
Glasgow Eastern Area Renewal 242w
Homelessness, Scotland 290-1w
Housing construction, Local authorities in Scotland 654w
Local income tax, Scotland 246w
M80, Road construction 337w
M80, Scottish Development Agency 337w
Nuclear fuel reprocessing, Dounreay 323w
Patients, Glasgow 580-1w
Public Health (Scotland) Act 1897 250-1w
Railway timetables, Scotland 240-1w
Rates & rating, Scotland 289-90w, 386-7w
Rented housing, Scotland 291w
Road traffic, Barrhead 381w
Smoke control areas, Scotland 382w

Anderson, Mr Donald
Questions
Mozambique, South Africa 689
Overseas aid, Police training 632-3w
Rolling stock, Repairs & maintenance 674
USSR, Human rights 917-8

Anglesey
Government grants 117w

Anglo-Irish Agreement 275w, 449-51, 453-9
Border security in Ireland 455, 457-8
Economic situation 458
Northern Ireland government 451
Publicity 456-7
Republic of Ireland 274-5w, 449-51, 453-4, 458

Anglo-Irish Intergovernmental Conference 143w, 456
Civil servants 143w
Republic of Ireland 451, 456

Anglo-Irish talks 275w

Angola
Official engagements 541w
South Africa 541w

Animal breeding
France 424w
Sheep 424w

Animal diseases
Agricultural research 305w
Disease control 604w

Animal feed
Cereals 423w

Animal products
Exports 366w
Imports 366-7w

Animal welfare
Codes of practice (17.03.87) 900
Horses 1034

Animals (Scotland) Bill (HL) 1986/87
Debates etc
Rep & 3R* (13.03.87) 664

Anthracite
Exports 648w
Industrial production 43w, 648w
Northern Ireland 648w
Scotland 43w
Wales 648w

Anti-aircraft missiles
Arms exports 258-9w
Export licensing 259w, 278w, 365w
Nicaragua 258-9w

Anti-dumping 35w

Anti-fouling paints 52-3w, 269-70w, 404-5w, 486w
Fines 52-3w
Pollution control 52-3w
Testing 270w
Water pollution 269-70w

Appeals
Courts martial 573-4w
Dental charges 664w
Dyslexia 308w
Legal costs 696
National security 697
Trials 449-50w

Apprentices
Engineering industries 19w, 134w

Archer, Rt Hon Peter
Debates etc
Public Order (Northern Ireland) Order 1987 (10.03.87) 224-31, 236, 241, 261
Questions
Action for Community Employment, EC grants & loans 453

Anglo-Irish agreement, Republic of Ireland 449

Argentina
Debts 208w
Foreign policy 211w, 582w
Ministers' visits abroad 546w

Argyll & Clyde Health Board 383-5w
Breast cancer 383w
Cervical cancer 383-4w

Armagh
Defective housing 540w
Housing construction 381w
Northern Ireland Housing Executive 442w
Slums 380-1w

Armed conflict 541w

Armed forces
Courts martial 573-4w
Cyprus 553-4w
Drug crimes 574-5w
Military balance 26w
Suicide 572w

Armed forces casualties
Armed forces discharges 173-4w
Crown proceedings 173w
Death 174w, 569w, 572w

Armed forces catering services
Air force bases 570-1w
Contract catering 570w

Armed forces civilians
Air force bases 571-2w
Compensation 172w
Nuclear weapons tests 172-3w

Armed forces deployment
Army in Northern Ireland 450
Nuclear weapons tests 173w
Republic of Ireland 311-2w

Armed forces discharges
Accidents 569w
Armed forces casualties 173-4w

Armed forces education allowances
Costs 635w

Armed forces housing
Empty housing 537-8w
North Yorkshire 537-8w

Armed forces married quarters
Stornaway 377w
Stornoway 377w

Armed forces officers
Age 576w

Armed forces reserves
Social security benefits rules 538w

Armed forces training
Ammunition 323w
Firearms 323w

Armed forces uniforms
Export licensing 259w, 365w

Armed forces welfare 267-8w
Gurkhas 538w

Arms control
Chemical weapons 549w
Opposition days (09.03.87) 28-81

Arms control treaties 258w
Cruise missiles 554w
NATO 546w
Nuclear disarmament 461
Nuclear weapons 910-2
Pershing missiles 911
Strategic defence initiative 266w
Strategic nuclear weapons 912
Theatre nuclear weapons 26w, (09.03.87) 28-81, 147-8, 461, 911-2, 918-9
USA 266w
USSR 145, 147-8, 546w

Arms embargoes
South Africa 135w, 545w

Arms exports
Anti-aircraft missiles 258-9w
EC countries 548w
End user certificates 195w
Export licensing 195w, 365w
Iran-Iraq War 548w, 550-1w
Nicaragua 259w, 365w
South Africa 543w

Arms trade
Iran 924-5
Iran-Iraq War 922-3

Army
Age 576w
Blood sports 96w
Horses 96w
Inquiries 94w

Army Air Corps 575w

Army in Northern Ireland
Armed forces deployment 450
Republic of Ireland 311-2w

Army strength
Supply estimates (16.03.87) 788

Arnold, Mr Tom
Questions
Registered homes, Safety standards 163w
Residential care 232w

Arrests
Racial attacks 121-2w

Art works 14-5
Museums & galleries 83w
Objects in lieu of tax 14-5, 177-8w

Arthur Bell & Sons 247w
Takeovers 247w

Artificial insemination of animals
Cattle 306w

Artificial Limb & Appliance Centres Review (10.03.87) 151-62
Ministerial statements (10.03.87) 151-62

Arts (12.03.87) 492-560
Charitable donations 84w
Consumer expenditure 83w
Economic situation 80-1w
Employment schemes 18w
Expenditure 83-4w
Local government expenditure 79w, 84-5w
Marketing 85-6w
North West region 79w
South West region 79w
Tourism 79w, 82w
West Midlands 85w

Arts Council
Government grants 85w

Arts finance
Arts sponsorship 82w
Choral music 86w
EC countries 83w
Glasgow 13-4
Jazz musicians 86w
Photography 86w
Scotland 13-4

Arts sponsorship
Arts finance 82w
Office of Arts & Libraries 379w

Ashfordby
Coal mining 582w

Ashby, Mr David
Questions
Coal mining, Leicestershire 6
Crafts Council, EC grants & loans 85w
M24, Contracts 677
Wright, Peter, National security 696

Ashdown, Mr Paddy
Questions
Business statement 1046
Dairy farming, Outgoers scheme 607-8w
Early warning systems, Defence contracts 94w
Educational finance, Local government expenditure 25w, 564-5w
Ethnic minorities, Education 632w
GCE O level, Examinations 183w
General Certificate of Secondary Education 182w, 469w
General Certificate of Secondary Education, Curriculum 263w
General Certificate of Secondary Education, Educational publications 183w
General Certificate of Secondary Education, Educational standards 263w, 802
General Certificate of Secondary Education, Examinations 263-4w
General Certificate of Secondary Education, HM Inspectorate of Schools 22-3w
General Certificate of Secondary Education, In-service training 263w
General Certificate of Secondary Education, Local government expenditure 100-1w
General Certificate of Secondary Education, Local government finance 101-2w
General Certificate of Secondary Education, Teachers 182-3w
HM Inspectorate of Schools, Management consultants 22w, 632w
Local education authorities, Capital investment 262w
Local education authorities, Greater London 262-3w
Local education authorities, Metropolitan districts 261-3w
Local education authorities, Non-metropolitan counties 263w
London Docklands railway 393w
Nuclear power stations, Design 649w
Nuclear power stations, Earthquakes 285w
Primary education, Greater London 265w
Primary education, Metropolitan districts 264-5w
Primary education, Non-metropolitan counties 264-5w
Primary education, School buildings 264w
School buildings, Building repairs 99w
Schools, HM Inspectorate of Schools 23w
Teachers, Pay settlements 808
Technical & vocational education initiative, Local education authorities 132-4w

Ashfield
Hospices 144

Ashley, Rt Hon Jack
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 155
Sizewell B (12.03.87) 482-3
Questions
AIDS, Haemophilia Society 159w
Armed forces casualties, Armed forces discharges 173-4w
Armed forces casualties, Crown proceedings 173w
Armed forces casualties, Death 174w
Audiology technicians, Manpower 503-4w
Business statement 468
Deaf, Children 497w
Deaf, Government grants to voluntary organisations 65-6w
Deafness, Industrial diseases 497w
Ear disorders, Testing 498w
Hearing aids 502w
Hearing aids, Elderly 502-3w
Hearing aids, Health services 501w
Hearing aids, Medical research 501w
Hearing aids, NHS 503w
Hearing therapists 496w
Hearing therapists, District health authorities 496w
Hearing therapists, Manpower 495w
Hospital consultants, Ear disorders 496-8w
Hospital consultants, Ear nose & throat 501-2w
Hospital waiting lists, Surgery 498-502w
Muscular dystrophy, Children 164w
Nuclear weapons tests 173w
Nuclear weapons tests, Armed forces civilians 172w
Nuclear weapons tests, Armed forces deployment 173w

Nuclear weapons tests, Compensation 173w
Nuclear weapons tests, Congenital abnormalities 173w
Nuclear weapons tests, Ex-servicemen 171-2w
Nuclear weapons tests, Radiation hazards 172w
Pressurised water reactors, Nuclear safety 205-6w
Prosthetics, Costs 165w
Research, Vaccination 631w
Severe disability premium, Attendance allowance 135
Universities, Research finance 466w
Vaccination, Drug industry 666w
Vaccine damaged children, Compensation 330-1w
Wheelchairs 165w
Wheelchairs, Children 165w
Wheelchairs, Costs 164-5w
Wheelchairs, Muscular dystrophy 165w
Whooping cough, Children 331-2w
Whooping cough, Clinical trials 329w
Whooping cough, Death 330w
Whooping cough, Vaccination 329-30w, 417-8w, 664-7w
Whooping cough, Vaccine damaged children 329-30w

Ashton, Mr Joseph
Questions
British Rail Engineering, Redundancy 932
Tax exemption certificates, Russell David Construction 591-2w

Assisted places scheme
School fees 91-3w
Scotland 91-3w

Association for Business Sponsorship of the Arts 379w

Association of County Councils 17w

Association of Directors of Social Services
Fine defaulters 286

Atkins, Mr Robert
Debates etc
Motor industry (11.03.87) 347, 357-64, 402
Questions
Food surpluses, Charities 599w
Foxhunter radar, Tornado aircraft 378w
Lancashire County Council, Capital investment 470w
Museums & galleries, Northern Ireland 447-8
Royal Ordnance, Privatisation 322w, 377-8w
Royal Ordnance, Trafalgar House 377w

Atkinson, Mr David
Questions
Abortion, Dean Park nursing home 504w
Retirement pensions, Age 155w
Turkey, Bulgaria 136-7w
USSR, Afghanistan 543w
USSR, Postal services 913

Atomic Weapons Research Establishment
Cancer hazards 74w

Attendance allowance
Judgments 627w
Moran, Dorothy 627w
Severe disability premium 135

Attorney-General
Director of Public Prosecutions 125w
Rape 350w

Auctions
Prices 14

Audiological medicine
Manpower 496-8w

Audiology technicians 503-4w
Manpower 503-4w

Audit
Companies 33w
Electricity area boards 119-20w
Private patients 6w

Automation
London Underground 13-4w

Average earnings
Income tax 139w
Population studies 303-4w
Tax allowance 463
Taxation 141-2w

Ayr road route 243w, 381w
Public inquiries 243w

Babies
Clothing 111-2w

Bacterial diseases
Hospitals 230-1w

Baker, Rt Hon Kenneth *Secretary of State for Education & Science*
Questions
City technology colleges 464w, 798-9
City technology colleges, Curriculum 798
City technology colleges, Solihull 799
City technology colleges, Sponsorship 798-800
Class sizes 530w
Dept of Education & Science, Cash limits 102-4w
Education (No 2) Act 1986, Departmental circulars 309w
Local education authorities, Local government expenditure 802-3
Pupil-teacher ratios 534w
Pupil-teacher ratios, Local education authorities 532-4w
School population, Local education authorities 530-2w
Teachers, Pay settlements 467w, 807-9

Baker, Mr Nicholas
Questions
Business statement 1043
Cattle, Artificial insemination of animals 306w
Pigmeat, Agricultural marketing 605w
Public health laboratory service 295w
Student grants, Taxation 462w

Balance of payments 272w, 278w, 537w
Industrial production 146-7

Balance of trade 595-6w
Defence equipment 635w

Baldry, Mr Tony
Debates etc
Budget March 1987, Economic situation (18.03.87) 954-5, 966
Budget March 1987, Employment (19.03.87) 1095, 1103-6
Questions
Food surpluses, Charities 600w

Ballyharry School 658w
Construction 658w
Road traffic 658w

Bambridge
Political meetings 598w

Banff
Building industry 241w

Banfield, A D 408w
Compensation 408w
War pensions 408w

Bank of England
Interest rates 208w

Banks, Mr Robert
Debates etc
Arts (12.03.87) 520

Banks, Mr Tony
Debates etc
Agricultural workers, East Anglia (16.03.87) 790
Arts (12.03.87) 502, 510-1, 516, 520, 524, 532, 534, 556
Budget March 1987, Employment (19.03.87) 1059-60
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 712, 746, 756, 762-3, 766, 768, 781, 783-4
Law enforcement (20.03.87) 1162-3
Local Government Finance Bill, Lords amendments (11.03.87) 431-2, 435
Questions
Agriculture, Civil defence 610w
Agriculture, Government grants 608w
Arms exports, Nicaragua 365w
Brazil, Debts 916
Business statement 1050
Car industry, Advertising 588-9w
Central America, Peace negotiations 541w
Civil defence, Local authorities 360w
Council house rents, Local authorities 434w
Estate Action, Council housing finance 403w
Factory Inspectorate, Control of Industrial Major Accident Hazards Regulations 1984 344w
General consents, Local government reform 560-1w
Greater London Council, Local government expenditure 403w
Health & Safety Executive, Civil service manpower 344w
Health & Safety Executive, Lorries 344w
Local government expenditure, Greater London 404w
Local government staff, Compensation 404w
Local government staff, Redundancy pay 404w
London Docklands, Land values 558w
Lorries, Greater London 393w
Metropolitan Police, Complaints against police 529w
Metropolitan Police, Police firearms 360w
Metropolitan Police, Police photographs 360w
Planning permission 403w
Police, Civil proceedings 357w
Police, Road traffic controls 554-5w
Supplementary benefits, Chief Adjudication Officer 413w
Thamesmead Town, Land values 561w
Thamesmead Town, Property transfer 109w, 439-40w, 557-8w
Thamesmead Town, Public sector housing sales 440w
Thamesmead Town, Tenants 440w
Thatcher, Mark, Marriage 31w
Victoria & Albert Museum, Building repairs 15

Barnes, Mrs Rosie
Questions
Park Vista, Greenwich, Restrictive covenants 538w

Barnsley
AIDS 410w

Barnsley Hospital 301-2w, 410w, 417w
Contracts for services 302w
Hospital ancillary 302w
Hospital beds 301w
Hospital discharges 301-2w
Hospital length of stay 301-2w
Hospital waiting lists 301w
Hospital wards 302w
Maternity services 302w
Pay beds 302w
Private patients 302w
Privatisation 417w

Barrhead
Distillers Group 276
Road traffic 381w

Barristers
Crown Prosecution Service 350w

Barron, Mr Kevin
Debates etc
Coal mining (11.03.87) 306-8, 321-2, 329
Sizewell B (12.03.87) 483
Questions
Arts, Local government expenditure 84w
British Coal Corporation 38w
Nuclear power stations, Emergency planning 120-1w

Bascombe, Linda 517-8w
Members' correspondence 517-8w

Batiste, Mr Spencer
Debates etc
Coal mining (11.03.87) 327-30

Batley
Community programme 354w
Youth training scheme 354-5w

Battered wives
Board & lodging charges 663-4w

BBC
Police right of search 17w, 91-2w, 523w

Beaumont-Dark, Mr Anthony
Debates etc
Members' conduct, Members' Tea Room (11.03.87) 296
Motor industry (11.03.87) 345

Beckett, Mrs Margaret
Questions
Arts finance, EC countries 83w
Board & lodging charges, Supplementary benefits 73w
Retirement pensions, Social security benefits uprating 668-9w
Severe weather payments, Pensioners 143
Unemployment benefits, Mortgage interest rates 157-8w

Bed & breakfast accommodation
Children 65-6w
Ealing 138-9
Homelessness 649w
Housing standards 290w
Local government expenditure 138-9
Scotland 290w

Bedding
St James' Hospital, Balham 160w

Bedfordshire
Prime Minister domestic visits 113-4w
Teachers 367w

Bedfordshire Local Education Authority 367w

Beef
Food surpluses 600-1w

Beef & veal
Agricultural production 1028
East Anglia 1029
Farm incomes 1025
Green Pound 1024, 1028-9
Scotland 244w

Beira corridor 524w
EC aid 524w

Beith, Mr A J
Debates etc
Arms control (09.03.87) 41, 44, 62, 73-7
Questions
Arms control treaties, USSR 148
British Library, Construction costs 85w
Central America, Overseas aid 45w
Coal fired power stations, Construction 11-2
Customs & Excise, MV Silver Sea 321w
Deportation, National security 363w
Diabetes, Disposable syringes 138
Higher education 22w
HM Silver Sea, Customs & Excise 273w
Lebanon 211w
Lebanon, EC Foreign Affairs Council 137w
Members' travel, House of Commons Select Committees 370-2w
MV Silver Sea, Export licensing 279w
Nicaragua, Anti-aircraft missiles 258-9w
Nicaragua, Arms exports 259w
Nuclear weapons tests, USSR 259w

Belfast
Nursery schools 453

Bell, Mr Stuart
Debates etc
Oral question time point of order (17.03.87) 814
Public Order (Northern Ireland) Order 1987 (10.03.87) 257-60
Questions
Anglo-Irish Intergovernmental Conference, Republic of Ireland 456
Flats, Northern Ireland Housing Executive 145w
Maternity benefits, Middlesbrough 292w
Sinn Fein, Terrorism 455
Unity Flats, Building repairs 145w
Unity Flats, Council house transfers 144-5w
Unity Flats, Demolition 144w
Unity Flats, Empty housing 144w
Unity Flats, Housing benefits 144w
Unity Flats, Land use 144w
Unity Flats, Northern Ireland Housing Executive 143-4w
Unity Flats, Payments for Debt (Emergency Provisions) Act (Northern Ireland) 1971 144w

Bellingham, Mr Henry
Questions
Forestry, Agricultural land 1023

Benn, Rt Hon Tony
Debates etc
Sizewell B (12.03.87) 480-1

Bennett, Mr Andrew F
Questions
Local education authorities, Local government expenditure 803
North Western Regional Health Authority, NHS finance 134
Student grants, Expenditure 462w
Student grants, National income 461-3w
Student grants, Student loans 805

Benyon, Mr W
Debates etc
Parliamentary Constituencies (England) (Miscellaneous Changes) Order 1987 (09.03.87) 122
Questions
Anglo-Irish agreement 449
Mitchell, Graham, National security 319-20w

Bermingham, Mr Gerald
Debates etc
Budget March 1987, Employment (19.03.87) 1083, 1100, 1105-9
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 756, 758-9, 765-6
Questions
Business statement 1044
Product liability 641w

Bermondsey
Personal income 578w
Unemployment 646-7w

Best, Mr Keith
Debates etc
Arms control (09.03.87) 36
Regional planning & developments (09.03.87) 86
Questions
Cash limits, Welsh Office 455-7w
Dairy farming, Agricultural subsidies 611w
Dairy farming, Food inspection 419w
Dairy farming, Wales 216-8w
Government grants, Anglesey 117w
Social fund, Voluntary organisations 414-5w

Bevan, Mr David Gilroy
Debates etc
Motor industry (11.03.87) 393-4
Questions
Tourist attractions, Government grants 579-80w

Bidwell, Mr Sydney
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 709, 743-4, 780
Questions
India, Ministers' visits abroad 550w
Natural History Museum, Admission charges 21w
Singh, Jeffrey, Death 94w

Biffen, Rt Hon John, Lord Privy Seal and Leader of the House of Commons
Questions
Business statement 465-74, 1041-52
Ethnic minorities, Lord Privy Seal 1w
House of Commons staff, Screening 631w
Members' facilities, Newspaper press 1w, 313w
Members' facilities, Taxis 1-2w, 214-5w
Members' pensions 628-30w
Palace of Westminster, Contracts for services 2w
Television licences, Palace of Westminster 171w

Biggs-Davison, Sir John
Questions
Abortion, Young people 625-6w
Anglo-Irish Agreement, Border security in Ireland 455
Argentina, Foreign policy 211w
Border security in Ireland 660w
Falkland Islands, Fishing limits 909-10
Hospital waiting lists, NHS finance 137
London Underground 680
Police, Schools 121w
Remission, Terrorism 659w
Workers' Educational Association, Government grants 261w

Bilateral aid 692

Birds
Nature conservation (12.03.87) 491

Birds of prey 72w
Injuries 72w

Birmingham
Derelict land 436w
Derelict land grants 103w
Food surpluses 601w
Inner city partnerships 518-9w
Schools 466w

Birthweight 75-80w
Childbirth 75-80w

Blackburn, Dr John G
Questions
USSR, Human rights 916-7

Blair, Mr Tony
Debates etc
Budget March 1987, Employment (19.03.87) 1122-8, 1131, 1134
Questions
Arts Council, Government grants 85w
Discount houses, Loans 208w
Discount houses, Spot checks 208w
Government securities 208w
Interest rates, Bank of England 208w

Blaker, Rt Hon Sir Peter
Questions
Land Registry Office, Administrative delays 350w

Blind
Alwyn House 385w
Training 385w

Blood
AIDS 410w

Blood glucose meters
Prescriptions 137-8

Blood plasma 71-2w, 410w

Blood Products Laboratory 410w

Blood sports
Army 96w

Blood tests 299w, 327w
AIDS 299w
Science education 327w

Board & lodging charges 65-6w, 73w, 478-9w, 506w, 663-4w
Battered wives 663-4w

Social security recipients 65-6w, 73w, 410-1w
Social security reform 663-4w
Supplementary benefits 73w, 478-9w

Boarding schools 562w
Costs 562w
Educational finance 562w
School closures 562-3w

Boarding Schools Association 562w

Body, Sir Richard
Debates etc
Agricultural workers, East Angha (16.03.87) 792
Questions
Hospitals, Bacterial diseases 230-1w
Milk, Co-responsibility levy 422w

Body searches 539w
Maghaberry Prison 539w

Boeing 737 201w

Bogus qualifications 308w, 562w
Degrees 308w

Bolton
Ophthalmic services 168w

Bolton General Hospital 151w, 236w
Construction 151w
Medical records 236w

Bombings
Libyan Arab Republic 113w

Bonsor, Sir Nicholas
Questions
Food surpluses, Charities 1033-4

Bookmakers 29w
Greyhound racing 111w
Office of Fair Trading 33w
Satellite Information Systems 111w

Bophuthatswana
Ministers visits abroad 544w

Border security in Ireland 275w, 660w
Anglo-Irish Agreement 455, 457-8

Bottomley, Mr Peter, *Under-Secretary of State for Transport*
Questions
A1-M1 link, Motorway service areas 16w
A45, Road safety barriers 393w
A46, Road construction 393w
A56, Stretford 14w
Bus services, Heathrow 431w
Buses, Motorways 115w
Driving tests, Leicester 679
Driving tests, Privatisation 679-80
Highway code 15w
Inland waterways, Road construction 15-6w
Lorries, Greater London 393w
M6, Motorway service areas 16w
M23, Road traffic control 492w
M25, Lighting 115w, 201-2w
M25, Motorway service areas 16w, 312-3w
M25, Road traffic 116w, 288-90w, 391w
Motor vehicle horns, Orders & regulations 431w
Motorways, Lighting 115w, 201w
Motorways, Road construction 684
Motorways, Road safety barriers 398w
Parking offences 432w
Rillington bypass, Road construction 636w
Road accidents, Motorways 431w
Road assessment studies, Greater London 493-4w
Road construction, Earls Court 566-7w
Road construction, Garages & petrol stations 17w
Road construction, High Court 489w
Road construction, Somerset 114-5w
Road construction, West Sussex 390w, 682
Road safety, Cost effectiveness 396w
Road safety, Local authorities 397w
Road safety education, Government grants 684
Road traffic, Greater London 429w, 432-3w
Roads, Local government expenditure 393-4w
Roads, London boroughs 489-91w
Roads, Repairs & maintenance 432w
Safety belts, Children 286w
Severn bridge 392-3w
Shrewsbury bypass, High Court 430-1w
Transport 565-6w
Transport, Greater London 116w
Transport supplementary grants, Bradford 392w

Bottomley, Mrs Virginia
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 160
Law enforcement (20.03.87) 1157-8, 1168, 1173-8
Questions
Child care 156w
Education (No 2) Act 1986, Departmental circulars 309w
Employment schemes, Arts 18w
Energy efficiency 40w
Family practitioner services, Surrey 66-7w
Health service staff, West Surrey & North East Hampshire Health Authority 67w
Labour Party, Defence 462-3
Nurses, South West Surrey Health Authority 68w
Nurses, West Surrey & North East Hampshire Health Authority 67w
Security, Northern Ireland 275w
Severe weather payments, Pensioners 142
Taxation, Average earnings 141-2w
Taxpayers, Personal income 61w
West Surrey & North East Hampshire Health Authority, Expenditure 68-9w

Bowden, Mr Andrew
Questions
Pensioners, Personal savings 142
Severe weather payments, Social security benefits rules 153w

Bowden, Mr Gerald
Questions
Departmental forms, Civil service 18
English language, Languages education 103w
Museums & galleries, Building repairs 15
NHS, Contracts for services 614-24w
Smith, T F, Council house sales 557w

Boyes, Mr Roland
Debates etc
Arts (12.03.87) 497-8, 503, 517-8
Questions
Government car service, Driving instruction 52w
Government car service, Pay 51-2w
Official cars, Radiophones 53w
Photography, Arts finance 86w
Theatre nuclear weapons 575w
Theatre nuclear weapons, Arms control treaties 26w
Water authorities, Members' correspondence 53w
Water charges, Price increases 398-9w

Boyson, Dr Rhodes, *Minister of State for the Environment*
Debates etc
Local Government Finance Bill, Allocation of Time motion (11.03.87) 410-2
Local Government Finance Bill, Lords amendments (11.03.87) 421, 427, 434-8
Rates & rating, Ealing (13.03.87) 669-72

Bradford
Educational finance 468-9w
Transport supplementary grants 392w
Youth clubs 271w

Bradford Metropolitan Council 392w

Bradford University 563w
University finance 563w

Braine, Rt Hon Sir Bernard
Questions
Youth training scheme, Essex 344-5w

Brandon-Bravo, Mr Martin M
Questions
Airports, Privatisation 391w

Bray, Dr Jeremy
Questions
British Steel Corporation, Industrial production 699-700
Business statement 1051-2
Maternity benefits, Motherwell 63w, 232w
Plant Breeding Institute, National Seed Development Organisation 470w
Unemployment, Lanarkshire 280

Brazil
Debts 208w, 445w, 915-6

Breast cancer
Administrative delays 383w
Argyll & Clyde Health Board 383w
Death 213w, 383w
Health services finance 383w
Liverpool 162-3w
Merseyside 162-3w
Northern Ireland 213w
Scotland 147w
Screening 147w, 154w, 163w, 383w
Surgery 383w
Waltham Forest 664w

Breast Cancer Screening Working Party (13.03.87) 601-56

Brent
Planning permission 53-4w

Brentford
Maternity benefits 294w, 409w

Bright, Mr Graham
Debates etc
Budget March 1987, Economic situation (18.03.87) 999
Questions
Rover Group, Privatisation 589-90w
Tax allowances, Motor industry 59w

British Aerospace
Airbuses 35w

British Airports Authority
Privatisation 683-4
Shareholders 683-4
Shares 683
Stansted Airport 683

British Caledonian
Air routes 674

British citizenship 122w
Commonwealth immigrants 255-6w
Departmental leaflets 448w
Exceptional needs payments 299-300w
Fees & charges 299-300w

British Coal Corporation 4-5, 38-9w, 44w, 204w, 206-7w, 282-4w, (11.03.87) 300-42, 385, 648w
Manpower 282-4w

British Council
Finance 544w

British dependent territories
European Convention on Human Rights 47w
Human rights 47w

British embassies
Manpower 135-6w
South Africa 135-6w

British Film Institute
Expenditure 83w

British Library
Construction costs 85w

British Nationality Act 1981
Questions
255-6w

British Nuclear Fuels Ltd
Manpower 203w

British Petroleum (18.03.87) 942-1014

British Rail
Cultural heritage 285-6w

Government assistance to nationalised industries 396-7w
Property transfer 15w
Railway transport 277
Springburn 276-7

British Rail Engineering 276-7, 673, 927-8
Aid financed trade 931
Buses 928-9
Privatisation 673
Redundancy 673-4, 927-32

British residents abroad
Lebanon 48w
Saudi Arabia 546w

British Shipbuilders
Privatisation 584w

British Steel Corporation
Industrial production 699-700

Broadcasting (Extension of Duration of IBA's Function) Order 1987
Debates etc
(18.03.87) 941

Broadleaved woodland grant scheme 602w

Broadleaved woodlands 2-3w, 602w
Agricultural production 602w
Northern Ireland 2-3w, 146w
Sites of special scientific interest 146w
Tree felling 2-3w

Brooke, Mr Peter, Minister of State at the Treasury
Debates etc
Budget March 1987 (17.03.87) 837, 848, 858
Budget March 1987, Employment (19.03.87) 1107, 1128-35
Questions
EC budget 207w
EC budget, EC reform 536w
EC budget, Food surpluses 648w
EC budget, VAT 647w
Customs & Excise, MV Silver Sea 321w
EC Finance Council 208-10w
EC Foreign Affairs Council, EC budget 535w
Ethnic minorities, Treasury 59-60w
European Investment Bank, Channel Tunnel 61-2w, 274w
European Investment Bank, Loans 273w
European Investment Bank, UK contributions 61-2w, 273-4w
Excise duties, Wines 592w
Free ports 320w
Minimum wage, Tax yields 321w
MV Silver Sea, Customs & Excise 273w
MV Silver Sea, Trade documentation 273w
Tax allowances, Motor industry 59w
UK repayments from EC budget 141w
VAT 447w
VAT, Free ports 320w
VAT, Small businesses 390w
VAT, Tax collection 273w
VAT, Tax yields 273w

Brookeborough, Viscount 455
Death 455

Brown, Mr Gordon
Debates etc
Regional planning & developments (09.03.87) 85, 91, 94-101, 109
Questions
Coal mining, Industrial disputes 44w
Death grants, Cowdenbeath 662w
MacGregor, Ian, Pay 43w
Redundancy, Fife 657w
Redundancy, Scotland 89w, 291-2w
Scottish Development Agency, Expenditure 657w
Severe weather payments, Dunfermline 667w
Severe weather payments, Scotland 73w
Shareholders, Scotland 647w
Unemployment, Dunfermline 89-90w

Brown, Mr Hugh
Questions
Fine defaulters, Scotland 285
Prison overcrowding, Scotland 241w

Brown, Mr Michael
Debates etc
Budget March 1987 (17.03.87) 858, 883
Coal mining (11.03.87) 318, 333-4
Members' conduct, Healey, Denis (11.03.87) 299
Public Order (Northern Ireland) Order 1987 (10.03.87) 231-3, 261
Questions
Road accidents, Newtownabbey 310w
Sir Thomas & Lady Edith Dixon Hospital, Cairndhu, Property transfer 595-7w, 657-8w

Brown, Mr Nicholas
Debates etc
Parliamentary & Health Service Commissioner Bill, Rep & 3R (10.03.87) 208-11
Sizewell B (12.03.87) 486
Questions
Museums & galleries, Northern Ireland 448
South Africa, Arms exports 543w

Brown, Mr Robert C
Questions
Diplomatic immunity, Vienna Convention on Diplomatic Relations 547-8w

Brown, Mr Ron
Questions
Chbummun, Begam, Deportation 447-8w
Colleges of education, Scotland 475w
Dept of Health & Social Security local offices, Social fund 156-7w
Food surpluses, Scotland 287
Penn, Phil, Custodial treatment 554w
Planning, Scotland 530w

Browne, Mr John
Questions
Business statement 466-7

Broxburn
Factory closures 275-6
Golden Wonder 275-6

Bruce, Mr Malcolm
Debates etc
Budget March 1987 (17.03.87) 845-9
Coal mining (11.03.87) 310-2, 319
Industrial Training Board Levy (Engineering Board) Order 1987 (12.03.87) 586-8
Motor industry (11.03.87) 362
Regional planning & developments (09.03.87) 95, 111-4
Sizewell B (12.03.87) 479
Questions
Food surpluses, Scotland 287
Shipping 391w
Unemployment, Scotland 245w

Bruinvels, Mr Peter
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 159-60
Prime Minister's Questions, Supplementary Questions (10.03.87) 162
Questions
Abortion, Leicester Nuffield Clinic 504w
Adult education, Leicester 257-8w
Anglo-Irish Agreement, Border security in Ireland 457-8
Attorney-General, Rape 350w
Business statement 470, 1047
Channel ferries, Shipping accidents 396w, 430w
Church schools 468w
Civil disorder, Lincoln 124w
Civil service unions 17
Clothing, Safety labelling 111-2w
Crown Prosecution Service, Manpower 197-8w
Diplomatic immunity 548w
Diplomatic immunity, Sexual offences 138w
Driving tests, Leicester 679
East Midlands Tourist Board, Income 163
Finley, Lorrien, Prosecutions 351w
Highway Code 15w
Industrial training schemes, Leicester 345-6w
Inner area programmes, Leicester 270w
Jordan, Diplomatic immunity 47w
M25, Lighting 115w, 201-2w
M25, Road traffic 116w, 288-90w
Members' facilities, Westminster Hall cafeteria 368-9w
Ministers' domestic visits, Leicester 34-5w
Motorways, Lighting 115w, 201w
Post Office, Privatisation 525w
Prime Minister official engagements 114w, 266w, 457-8w, 554w
Road accidents, Motorways 931w
Security, Northern Ireland 275w
Sexual offences, Jordan 29w
Ships, Passengers 286-7w
Student loans 804
Test tube babies, Law reform 416w
Test tube babies, NHS 416w

Buccaneer aircraft 543w
South Africa 543w

Buchan, Mr Norman
Debates etc
Arts (12.03.87) 495-6, 505, 512, 514, 524, 526-32, 544, 547, 553
Budget March 1987, Economic situation (18.03.87) 1011, 1013
Questions
Craft industries, Scotland 382w
Exceptional needs payments, Cookers 69w
Industrial development, Renfrew 247w
Objects in lieu of tax, Art works 177-8w

Buchanan-Smith, Rt Hon Alick, Minister of State for Energy
Questions
Hand drilling, South East region 3
Offshore Supplies Office, Manpower 1
Offshore Supplies Office, North Sea Oil 2
Oil industry, Construction 2-3
Oil industry, Shetland 9-10
Oil prices 37w
Petroleum, Industrial production 44w

Buck, Sir Antony
Questions
Nuclear weapons, Arms control treaties 911

Buckie
Scottish Development Agency 283-4

Budgen, Mr Nicholas
Debates etc
Arts (12.03.87) 505
Budget March 1987, Economic situation (18.03.87) 971
Questions
Business statement 468

Budget
Manufacturing industries 588w
North West region 445w
Opposition parties (18.03.87) 937-40

Budget March 1987 (17.03.87) 815-900, (18.03.87) 942-1014, (19.03.87) 1055-135
Economic situation (18.03.87) 942-1014
Employment (19.03.87) 1055-135
Tax allowances 148-9

Building alterations
Museums & galleries 84-5w

Building industry
Banff 241w
Training 49-50w
Unemployment 241w, 443w
Winchester 443w

Building repairs
Museums & galleries 15
School buildings 99w, 805-6
Unity Flats 143-5w
University finance 260-1w
Victoria & Albert Museum 15

Bulgaria
Ethnic minorities 136-7w
Turkey 136-7w

Bureaucracy
Homelessness 437w

Burglary
Detection rates 362w
Thurrock 362w

Bus crews
Crosville Bus Company 258w, 288w

Bus services
Competition 14w
Government grants 494w
Heathrow 431w
Rural areas 494w

Bus stations 397w
Greater London 397w

Buses
British Rail Engineering 928-9
Motorways 115w
Speed limits 115w

Business expansion scheme 272w
Ravendale Group 272w

Business statement 465-74, 1041-52

Butcher, Mr John, *Under-Secretary of State for Trade & Industry*
Questions
Aerospace industry, Government assistance to industry 113w
Airbuses, Government assistance to industry 35w
Computers in schools 196w
Dept of Trade & Industry, Government grants 277w
Ethnic minorities, Dept of Trade & Industry 110w
Industrial investment 195w
Keeni Meeni Services, Dept of Trade & Industry 112w
Manufacturing industries, Government grants 36w
Manufacturing industries, Industrial investment 280-2w
Research finance, Science & Technology research 33-4w
Science & technology, Wales 278w

Butter
Export rebates 603-4w
Food surpluses 225w, 648w

Butterfill, Mr John
Debates etc
Budget March 1987 (17.03.87) 848, 853, 878
Budget March 1987, Economic situation (18.03.87) 976-81
Questions
Employment opportunities, Tourism 535w
UNICEF, Vaccination 690-1

Buy-outs
Caterpillar Tractors 278-9

Bypasses
West Sussex 390w

Cabora, Mr Richard
Debates etc
Budget March 1987, Economic situation (18.03.87) 995-9
Questions
Africa fund, Overseas aid 547w
Arts, Economic situation 80-1w
British embassies, South Africa 135-6w
Building industry, Training 49-50w
Childbirth, Sheffield 234w
European Investment Bank, EC grants & loans 194-5w
Exceptional needs payments, Insulation grants 152w
Government assistance, EC countries 640w
Maternity benefits, Sheffield 293w
New Community instrument, EC grants & loans 537w
South Africa, Arms embargoes 135w
Welfare milk, Sheffield 408w

Calder Valley Artists 86w
Exhibitions 86w
Upper Waiting Hall 86w

Calderdale Health Authority 628w
Cervical cancer 506w, 628w

Calf subsidy 658w
Northern Ireland 658w

Callaghan, Rt Hon James
Debates etc
Arms control (09.03.87) 41-2, 52-4, 59

Callaghan, Mr Jim
Debates etc
Arts (12.03.87) 520-3
Questions
Exceptional needs payments, Insulation grants 152w
Haiti, Ministers visits abroad 547w

Calling of Members
Speaker's rulings & statements (10.03.87) 199

Camborne School of Mines 22w
Members' correspondence 22w

Cambridge University 473-4w

Camden
Doctors list of patients 668w
Family practitioner committees 668w

Cameron, Thomas 300w
Members' correspondence 300w

Campbell-Savours, Mr D N
Debates etc
Abortion (20.03.87) 1213-7, 1219-20
Public Order (Northern Ireland) Order 1987 (10.03.87) 223, 251-7, 265
Sizewell B (12.03.87) 487
Table Office, Written questions (18.03.87) 935-6
Wright, Peter, Standing Order No 20 applications (16.03.87) 702-3
Questions
Anglo-Irish Agreement 455-6
Arts, North West region 79w
Business statement 1045
Channel ferries, Shipping accidents 287w, 395w
Farm incomes, Lake District 1025
Nuclear accidents, Disclosure of information 9
Plutonium, Hinkley Point 281w
Pressurised water reactors, Testing 582-3w
Radioactive Waste Management Advisory Committee, Disclosure of information 117w
Television, Cumbria 462
Terrorism, Northern Ireland 145w
West, Nigel, National security 347-8w
Wright, Peter, National security 695-8

Canavan, Mr Dennis
Debates etc
Ten minute rule bills, Budget Day (11.03.87) 296
Questions
Anglo-Irish talks 275w
Food surpluses 485-6w
Fox hunting, Prosecutions 200w
Scottish Development Agency, Expenditure 284
Student grants 462w
USSR, Ministers visits abroad 211w

Cancer
Merseyside 239w
North Wales 516-7w
Private members' motions (13.03.87) 601-56
Screening 239w
Statistics 506-7w

Cancer hazards
Atomic Weapons Research Establishment 74w
Committee on the Medical Aspects of Radiation in the Environment 74w
Synthetic fibres 49w

Canning house probation hostel 28w
Crimes of violence 28w
Public administration 28w

Capital investment
Educational finance 261-3w
Electrical control equipment 454-5w
Energy resources 205w
Higher education 260w
Lancashire County Council 470w
Local education authorities 97-100w, 262w
Local government expenditure 140w
Local government finance 537w, 596w
Power stations 205w
Primary education 264-5w
Scottish health boards 250w
South Birmingham Health Authority 160w
Universities 260w
West Yorkshire Passenger Transport Executive 676

Car industry
Advertising 588-9w
Road safety 588-9w

Caravan sites
Gypsies (13.03.87) 657-64

Carbon tetrachloride
Industrial production 453w

Cardiovascular diseases
Health education 93w

Careline 431w

Carlile, Mr Alex
Questions
City technology colleges, Sponsorship 798
Crown Prosecution Service, Barristers 350w
Czechoslovakia, Trials 441-2w
Farms, Debts 608w
Immigrant detainees, Passenger ships 448-9w

Carlisle, Mr John
Debates etc
Budget March 1987, Economic situation (18.03.87) 1006
Questions
Rate increases, Non-metropolitan counties 400w
Teachers, Bedfordshire 367w

Carlisle, Mr Kenneth
Debates etc
Budget March 1987, Economic situation (18.03.87) 947, 949, 958
Questions
Environmentally sensitive areas, Norfolk Broads 612w
Environmentally sensitive areas, Water levels 606-7w
Land drainage, Nature conservation 612w
Tax burden, Labour Party 1036
Wheat, Agricultural production 602w

Carlisle, Rt Hon Mark
Debates etc
Law enforcement (20.03.87) 1161-7
Questions
Prime Minister official engagements, House of Commons questions 26w
Teachers, Pay settlements 808
West, Nigel, Official Secrets Act 1911 686

Carriage of Passengers & Their Luggage by Sea (Domestic Carriage) Order 1987
Debates etc
(09.03.87) 27

Carter-Jones, Mr Lewis
Questions
Airlines, USA 675
Invalid vehicles, Tricycles 505w
Manchester Airport, Railway network 678-9

Cartwright, Mr John
Debates etc
Arms control (09.03.87) 28-36
Questions
Arms exports, End user certificates 195w
Kenny, Bernadette, Psychiatry 409w
Nuclear test ban, USA 549w
Park Vista, Greenwich, Planning permission 342w
Pershing missiles, Arms control treaties 911

Rushgrove House, Property transfer 343w, 406w
Severe weather payments, Woolwich 332w

Cash, Mr William
Debates etc
Arms control (09.03.87) 40, 50
Arts (12.03.87) 501
Budget March 1987, Economic situation (18.03.87) 968
GATT (12.03.87) 569-70
Local Government Finance Bill, Lords amendments (11.03.87) 420-1, 428
Public Order (Northern Ireland) Order 1987 (10.03.87) 226, 228-9, 238-9
Regional planning & developments (09.03.87) 84, 98-9
Questions
Export Credits Guarantee Department, Accounting 279-80w
Green pound 608w
Insurance brokers, Competition 275-6w
Kenya, Overseas aid 349w
Northern Ireland government, Devolution 458
Nuclear weapons, Arms control treaties 910-1
Special educational needs 307-8w

Cash limits 210w, 446-8w
Dept of Education & Science 102-4w
Regional health authorities 412-4w, 482-4w
Welsh Office 455-7w

Casual workers (16.03.87) 790-6

Caterpillar Tractors 243w, 277-8, 523w
Buy-outs 278-9
Factory closures 243w, 277-9, 523w
Management 279
Prime Minister's correspondence 523w
Sit-ins 278-9

Cattle
Agricultural subsidies 146w
Artificial insemination of animals 306w
Monetary compensatory amounts 420w, 425-6w
Quality control 306w
Republic of Ireland 420w

Cauliflowers
Lewisham 1032

Cavendish, Anthony 577w
National security 577w

Censorship
NHS (19.03.87) 1053-4
Standing Order No 20 applications (19.03.87) 1053-4

Central America
MV Silver Sea 273w, 279w
Overseas aid 45w
Peace negotiations 540-1w

Central Electricity Generating Board
Manpower 203-4w
Monopolies 43w
Nuclear power 203-4w

Central line 680
Railway timetables 680

Centre for World Development Education 46w

Cereals
Agricultural Development & Advisory Service 341w
Agricultural production 604w
Animal feed 423w
Co-responsibility levy 228w
EC countries 228w
Export licensing 228w
Exports 423w
Food surpluses 601w
Land use 601w
Prices 423w
Production quotas 604w

Cervical cancer
Administrative delays 383-4w
Argyll & Clyde Health Board 383-4w
Calderdale Health Authority 506w, 628w
Death 213w
Lasers 162w
Liverpool 162-3w, 240w
Medical treatments 162w
Merseyside 162-3w, 240w
Northern Ireland 143w, 213w
Scotland 147w
Screening 143w, 147w, 153w, 162w, 506w, 628w, 631w
Surgery 384w
Waltham Forest 664w

Chalker, Mrs Lynda, Minister of State for Foreign & Commonwealth Affairs
Questions
Angola, Official ehgagements 541w
Bophuthatswana, Ministers' visits abroad 544w
EC Foreign Affairs Coumcil 212w, 552w
EC reform 542w
Front line states, Economic situation 549w
Single European Act 137w
South Africa, Angola 541w
South Africa, Arms embargoes 135w, 545w
South Africa, Arms exports 543w
South Africa, Coal 545w
South Africa, Diplomatic service 545w
South Africa, EC Foreign Affairs Council 545w
South Africa, Economic sanctions 545w
South Africa, Mozambique 549w
South Africa, Namibia 545-6w
USA, Export controls 925-6

Chalmers, Pat 17w

Channel ferries
Chemicals 395w
Lifejackets 395-6w
Passengers 396w, 430w
Safety equipment 312w
Safety measures 396-7w, 567-70w
Shipping accidents (09.03.87) 21-6, 287w, 346w, 395-6w, 430w, 567-70w, 636w
Shipping safety 312w

Channel tunnel
EC grants & loans 274w
European Investment Bank 61-2w, 274w
Infrastructure 430w
Railway freight transport 677
Railway network 430w

Channon, Rt Hon Paul, Secretary of State for Trade & Industry
Debates etc
Motor industry (11.03.87) 343-50
Questions
Office of Telecommunications, Public appointments 587w
Rover Group, Privatisation 589-90w

Chapelcross Power Station 179w
Radioactivity 179w

Chapman, Mr Sydney
Questions
Arts Council, Government grants 85w
Broadleaved woodlands, Northern Ireland 2-3w, 146w
Channel tunnel, Railway network 430w
Forestry, Agricultural land 1024
Nuclear power stations, Industrial accidents 8
Roads, Local government expenditure 393-4w
UNICEF, Vaccination 349w

Charitable donations 84w
Arts 84w
Pay 84w

Charities
Food surpluses 286-7, 422w, 599-600w, 1025-7, 1033-4
Government assistance 1026-7
Intervention stocks 7-8w, 315-6w, 422w

Chemical weapons
Arms control 549w
Iran-Iraq War 922-3
USSR 461-2

Chemicals
Channel ferries 395w
Coal 4
Shipping safety 287w

Chemists' shops
Scotland 580w

Chequers
Official hospitality 113w, 319w

Chevening Estate Bill (HL) 1986/87
Debates etc
Ref to 2R Com (09.03.87) 27

Chief Adjudication Officer 413w
Supplementary benefits 413w

"Child Abductions" 200w

Child benefit
Supplementary benefits 663w

Child care 156w
Government grants to voluntary organisations 233-4w
Voluntary organisations 233-4w

Child health
Food additives 235w, 304w

Child prostitution 233-4w

Childbirth
Birthweight 75-80w
Regional health authorities 75-80w
Sheffield 234w
Tooting 234w

Children
AIDS 140-1
Bed & breakfast accommodation 65-6w
Deaf 497w
Homelessness 105-6w
Housing 52w
Kidnapping 200w
Muscular dystrophy 164w
Safety belts 286w
Social security recipients 410-1w
Supplementary benefits 663w
Vaccination 330w
Wheelchairs 165w
Whooping cough 331-2w

Children in care
Costs 506w, 539-50w
Homelessness 66w
Local government expenditure 506w, 515w, 522w
Northern Ireland 539-40w
Scotland 522w
Wales 515w

China
Tibet 212w

Chinook helicopters 576w

Chiropodists
Manpower 513-4w

Chlorofluorocarbons
Imports 453w
Ozone layer 405w
Pollution control 405w

Chope, Mr Christopher, Under-Secretary of State for the Environment
Debates etc
Local Government Finance Bill, Lords amendts (11.03.87) 426-7, 438
Local government finance, Liverpool (18.03.87) 1018-22
Wakefield County Hall (12.03.87) 596-600
Questions
Domestic rates, Ealing 342-3w
General consents, Local government reform 560-1w
Government car service, Driving instruction 52w
Government car service, Pay 51-2w
Greater London Council, Local government expenditure 403w
Local acts, Local authorities 651w
Local government buildings, West Yorkshire 179w

Local government expenditure, Greater London 404w
Local government revenue, Leicester 343w, 406w
Local government staff, Compensation 404w
Local government staff, Redundancy 652w
Local government staff, Redundancy pay 404w
London & Metropolitan Government Staff Commission 405w
Oakthorpe, Government grants 557w
Occupational pensions, Local government reform 651-2w
Official cars, Radiophones 53w
Palace of Westminster, Cleaning services 54w
Planning permission 403w
Property Services Agency, York 400-1w
Rate increases, Non-metropolitan counties 400w
Rate support grants, Waltham Forest 51w
Rates & rating, Ealing 342-3w
Rates & rating, Local government revenue 343w
Rates & rating, Non-metropolitan counties 558w
Residuary bodies, Local government finance 558-60w
Richmond Terrace, House of Commons accommodation 438w
Rushgrove House, Property transfer 343w, 406w
Thamesmead Town, Land values 561w
Thamesmead Town, Property transfer 109w, 439-40w
Thamesmead Town, Public sector housing sales 440w
Thamesmead Town, Tenants 440w
West Yorkshire County Council, Local government finance 652-3w
West Yorkshire Residuary Body, Public sector housing sales 652w

Choral music
Arts finance 86w

Christianity
Community relations 448
Northern Ireland 448-9

Christie Hospital 166w
NHS finance 166w

Christmas bonus
Pensioners 480-1w

Chummun, Begam 447-8w

Chummun, Mariam 447-8w
Deportation 447-8w

Church of Scotland
Colleges of education 475w

Church schools 468w
Northern Ireland 449
School choice 449

Churchill, Mr Winston
Debates etc
Regional planning & developments (09.03.87) 86, 101-3

City Investment Centres 276w
Dept of Trade inquiries 276w

City of Westminster Bill 1986/87
Debates etc
2R Order read (12.03.87) 447, (19.03.87) 1023

City technology colleges 260w, 464w, 530w, 798-9, 806-7
Curriculum 798
Educational finance 260w
Educational standards 798
Expenditure 464w
Langbaurgh 807
Private investment 530w
Pupils 806-7
Solihull 799
Sponsorship 798-800, 806-7
Teachers 464w

Civil & Public Services Association
Political levy 19-20

Civil Aviation Authority 390w

Civil defence
Agriculture 610w
Local authorities 122-3w, 360w

Civil Defence (General Local Authority Functions) Regulations 1983
Questions
360w

Civil Defence (Grant) (Amendment) Regulations 1987
Debates etc
(09.03.87) 27

Civil Defence (Grant) (Scotland) Amendment Regulations 1987
Debates etc
(09.03.87) 27

Civil disorder
Alcoholism & crime 124w
Lincoln 124w

Civil list 445-6w

Civil proceedings
Complaints against police 529w
Police 357w
Unification Church 577w

Civil servants
Anglo-Irish Intergovernmental conference 143w
Todd, Stuart 94-6w

Civil service
Conditions of employment 17-8
Departmental forms 18-20
Ethnic minorities 181w
Ethnic monitoring 18
Job description 49w
Pay settlements 18
Training 49w

Civil service dispersal
Property Services Agency 400-1w

Civil service manpower
Dept of Health & Social Security 334w
Food inspection 425w
Government departments 445w
Health & Safety Executive 344w

Civil service recruitment 16-8
Data networks 16-7
Ethnic minorities 553w
Ethnic monitoring 1w, 13w, 19w, 26-7w, 41w, 48-51w, 59-60w, 86-7w, 110w, 116-7w, 142-3w, 146-7w, 171w, 181w, 197-9w, 231-2w, 307w
Graduates 16
Positive discrimination 553w

Civil service unions 17
Official engagements 17

Clark, Mr Alan, *Minister of State for Employment*
Debates etc
Arts (23.03.87) 529, 549
GATT (12.03.87) 561-6, 568, 577-8
Questions
Antidumping 35w
Arms exports, End user certificates 195w
Arms exports, Nicaragua 365w
Balance of payments 278w
Chlorofluorocarbon, Imports 453w
EC external trade, Far East 525w
Export controls, USA 33w, 277-8w
Export Credits Guarantee Department 589-90w
Export Credits Guarantee Department, Accounting 279-80w
Export licensing, Anti-aircraft missiles 278w, 365w
Export licensing, Armed forces uniforms 365w
Export licensing, Walkie talkie radios 365w
Furs, EC external trade 366-7w
Furs, Exports 366w
Government assistance, EC countries 640w
Import controls, South Korea 584w
Imports 35w
Manufactured exports 524-5w
MV Silver Sea, Export licensing 279w
Optica aircraft, South Africa 364w
Overseas trade, Japan 526w
Technology transfer, Strathclyde University 33w
Wool, Imports 590-2w
Woollen industry, Exports 366w
Woollen industry, Imports 366w
Woollen industry, Industrial production 366w

Clark, Dr David
Questions
Carbon tetrachloride, Industrial production 453w
Chlorofluorocarbon, Imports 453w
European pearl mussel, Nature conservation 437w
Ozone layer, EC action 437-8w
Ozone layer, Treaties 401-2w
Trichlorotrifluoromethane, Waste disposal 518w

Clark, Dr Michael
Debates etc
Sizewell B (12.03.87) 484
Questions
Coal fired power stations, Coal 459w
Dairy farming, Food inspection 610-1w
EC Foreign Affairs Council 552w
Electricity consumption, Energy efficiency 349-50w
Electricity generation, Dinorwig 523w
Nuclear power stations 4
Oil industry, Shetland 9
Severn barrage, Electricity generation 459w
Tidal power, Electricity generation 459w
Wind power, Land use 460w

Clarke, Rt Hon Kenneth, *Paymaster General*
Debates etc
Budget March 1987, Employment (19.03.87) 1055-66, 1068-9
Regional planning & developments (09.03.87) 87-94, 97-8, 104-5
Questions
Adult education, Leicester 257-8w
Community programme, Inner city areas 442-3w
Dept of Employment, Advertising 586w
Ethnic minorities, Dept of Employment 19w
Industrial training schemes, Leicester 345-6w
Job training scheme 534-6w
Job training scheme, Finance 129w, 535w, 578w
Job training scheme, Government departments 21w, 129w
Job training scheme, Merseyside 258w, 578w
Job training scheme, Overtime 21w
Job training scheme, Shift work 21w, 129w
Job training scheme, Training 129w
Job training scheme, Training allowances 21w, 129w
Labour force survey 444-5w
Unemployment, Collective bargaining 257w, 345w

Clarke, Mr Tom
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 160
Budget March 1987 (17.03.87) 865-8
Debtors (Scotland) Bill (HL), 2R (10.03.87) 176-80, 199-200, 202
Questions
British Film Institute, Expenditure 83w
Business statement 1051
Fine defaulters, Scotland 286
Prisons, Scotland 242w

Class sizes 530w

Clay, Mr Bob
Questions

Intervention stocks, North East region 420w

Cleaning services
Palace of Westminster 54w

Clearing banks
Wealth 536w

Clelland, Mr David
Debates etc
Local Government Finance Bill, Allocation of Time motion (11.03.87) 414-5
Local Government Finance Bill, Lords amendments (11.03.87) 431
Questions
Business statement 473, 1047
Play Board, Sports Council 271w

Clinical trials 631w
Whooping cough 329w

Clinics
Abortion 334w
AIDS 156w

Clothing
Babies 111-2w
Safety labelling 111-2w

Cloughton Corner 310w

Clwyd, Mrs Ann
Questions
Adult education, Unemployed 465w
Arts, Economic situation 80w
Cruise missiles, Arms control treaties 554w
Dental charges 153w
Nuclear weapons, Arms control treaties 911-2
Theatre nuclear weapons, USSR 322-3w

Coal
Chemicals 4
Coal fired power stations 459w
Consumption 648-9w
Import controls 545w
Private sector 648w
Retail trade 648w
South Africa 545w

Coal fired power stations 4, 12
Coal 459w
Coal mining 12
Construction 10-2
Electricity generation 11
Manpower 203w
Nitrogen oxides 12
North East region 11
Northumberland 3-4
Nottinghamshire 7
Smoke & chimney gases 12
Wastes 459w

Coal mine closures 283-4w

Coal mining 206-7w
Asfordby 582w
Coal fired power stations 12
Construction 582w
Death 284w
Dismissal 4-5, 44w
Estimates days (11.03.87) 302-42, 385
Industrial accidents 8
Industrial disputes 44w
Industrial relations 39w
Industrial safety 8
Leicestershire 6-7
Manpower 282-4w
Mine accidents 283-6w
Nottinghamshire 7
Productivity 5-6
Scotland 40w
Subsidence (11.03.87) 300-1, 458w

Coal Mining Subsidence Bill 1986/87
Debates etc
1R (11.03.87) 300-1

Coal Mining Subsidence Compensation Independent Review 458w

Coastal fishing 484-5w

Cockeram, Mr Eric
Questions
Armed forces reserves, Social security benefits rules 538w

Cocks, Rt Hon Michael
Questions
Time sharing, Sales methods 641-2w

Code of Recommendations for the Welfare of Domestic Fowls
Debates etc
(17.03.87) 900

Code of Recommendations for the Welfare of Ducks
Debates etc
(17.03.87) 900

Code of Recommendations for the Welfare of Rabbits
Debates etc
(17.03.87) 900

Code of Recommendations for the Welfare of Turkeys
Debates etc
(17.03.87) 900

Codes of Practice
Animal welfare (17.03.87) 900
Compensation 346w
Royal Ulster Constabulary 274w
Solicitors 289-90

Cohen, Mr Harry
Debates etc
Public Order (Northern Ireland) Order 1987 (10.03.87) 242-5
Wildlife & Countryside Act (Protection of Birds) (Amendment) Bill 1R (12.03.87) 491
Questions
AE, Takeovers 640-1w
AIDS, Government grants 410w
Business statement 470-1
Computer privacy, Orders & regulations 528w
Data networks, Post Office 347w
Defence expenditure, Public Accounts Committee 378w
Drug abuse, Advisory Council on the Misuse of Drugs 359w
Food surpluses, Waltham Forest 422w, 601w
Guinness, Company investigations 365w
Home Office, Customs & Excise 527-8w
Housing benefits, Local government expenditure 411w
London Regional Transport, Contracts 429w
Police national computer, Disclosure of information 350w
Police national computer, Prosecutions 636w
Political refugees, Sierra Leone 554w
Prime Minister's Office, Computers in government departments 457w
Prisoners' transfers, Northern Ireland 359w
RAF Bentwaters, Nuclear weapons 378w
Satellite communications 364w
Satellites, Disclosure of information 449w
South Africa, Economic sanctions 545w
Unemployment, Enfield 354w

Coinage
Gold 210w

Coleman, Mr Donald
Questions
Iran-Iraq War, Arms exports 548w

Coleraine
Ulster Defence Regiment 452-3

Collective bargaining
Teachers 467w, 809
Unemployment 257w, 345w

College closures
Jordanhill College of Education 148-50w

Colleges of education
Church of Scotland 475w
Scotland 475w

Colvin, Mr Michael
Questions
Bophuthatswana, Ministers' visits abroad 544w
Coastal fishing 484-5w
Defence equipment, USA 635w
Fish conservation, Scotland 381-2w
Fish diseases, Disease control 440w
Fish farming, Legislation 483-4w
Fish farming, Planning permission 433-4w
Fish farming, Wales 455-6w
Fish farming, Water authorities 434-5w
Fisheries, Wales 514-5w
Forestry, Agriculture 603w
Pupil-teacher ratios, Hampshire 469w
Vosper Shiprepairers 584w
Water pollution, Sewage 435w

"COMA Report" 93w

COMARE see Committee on the Medical Aspects of Radiation in the Environment

Comber
Population 659w
Road traffic 659w

Combined heat & power
Employment opportunities 282w
Lead city schemes 37w

Commercial surrogacy 416w
Law reform 416w

Commission for the New Towns 435-6w

Committee on English see English Language Teaching Committee

Committee on Medical Aspects of Food Policy 93w

Committee on Safety of Medicines
Whooping cough 664-5w

Committee on the Medical Aspects of Radiation in the Environment
Cancer hazards 74w

Common Agricultural Policy 603w
Government assistance 640w
Prices 610w, 1034-5

Common fisheries policy 603w

Common law
Search warrants 290

Common sugar regime
Sugar refineries 265-6w

Commonwealth immigrants
British citizenship 255-6w

Communicable Disease Surveillance Centre
Meningitis 414w

Communications
Competition 641w

Community care
Handicapped 414w
Nurses 624w

Community charge 271-2w, 280-1, 343w
Crofting 280-1
Low incomes 271-2w
Scotland 246w

Community nurses
Manpower 624w
Psychiatric nurses 62w

Community programme 257w, 353w
Batley 354w
Costs 353-4w
Government grants to voluntary organisations 257w
Inner city areas 442-3w
Part-time employment 353-4w
Scotland 385w, 581w

Community relations
Christianity 448
Northern Ireland 448, 451-2
Northern Ireland government 448-9

Companies
Airports 114w
Audit 33w
Export licensing 33w

Companies Act 1985
Questions
588w

Company accounts 536w
Industrial training boards 584w

Company finance
Oil companies 320-1w, 390w, 592-4w
Rolls-Royce Aeroengines 587w

Company investigations
Guinness 365w
Lonrho 195-6w
Marconi 324w
Military police 322-4w

Company law
Lonrho 453-4w

Company liquidations
Scotland 35-6w, (11.03.87) 299

Compensation
AIDS 477w
Air travel 287w
Armed forces civilians 172w
Banfield, A D 408w
Codes of practice 346w
Compulsory purchase 650w
Dairy farming 606w, 1032-3
Deafness 497w
Ex-servicemen 172w
Fisheries 605w
Fishing 3w
Fishing quotas 605w
Haemophilia 626w
Local government staff 404w
Nuclear weapons tests 173w
Sea travel 287w
Sheep 227w
Subsidence (11.03.87) 300-1
USSR 212-3w
Vaccine damaged children 329-31w, 666w
Widows 173w

Competition
Air 391w
Airlines 675
Bus services 14w
Communications 641w
Energy supply 43w
Insurance brokers 275-6w
Taxis 430w

Complaints against local government
Scotland 246-7w

Complaints against police 357w
Civil proceedings 529w
Metropolitan Police 529w

Composition labelling
Alcoholic drinks 483w

Compulsory purchase
Compensation 650w

Computer applications
Land registration 398w
Local authorities 398w
Vaccine damaged children 331w

Computer privacy
Orders & regulations 528w
Police misconduct 350w

Computers in government departments
Data networks 527-8w
Dept of Health & Social Security 151w
Prime Minister's Office 457w

Computers in schools 196w
Microcomputers 97w

Concessionary coal 648-9w
Consumption 648-9w
Transport 648w

Conditions of employment
Civil service 17-8
National Union of Teachers 467w
Secretarial staff 154w
Teachers 181w, 467w, 807-8

Conductive education 261w
Research 261w

Confectionery
Oils & fats 1035

Confiscation orders 257w

Congenital abnormalities
Nuclear weapons tests 173w

Conlan, Mr Bernard
Debates etc
Public Order (Northern Ireland) Order 1987 (10.03.87) 252

Consolidated Fund debates
Speaker's rulings & statements (19.03.87) 1052

Consolidated Fund (No 2) Bill 1986/87
Debates etc
(16.03.87) 788-9
1R (16.03.87) 789

Conspiracy
MI5 685

Construction
Ballyharry School 658w
Bolton General Hospital 151w
Coal fired power stations 10-2
Coal mining 582w
Hospitals 160-1w
Locomotives 930
Merseyside Maritime Museum 558w
Oil industry 2-3
Sizewell B 119w

Construction costs
British Library 85w
Hospitals 328w
Wexham Park Hospital 159-60w

Consultative Committee on the Curriculum 387-8w

Consumer expenditure
Arts 83w

Consumer protection
Time sharing 638w, 641-2w

Consumption
Coal 648-9w
Concessionary coal 648-9w

Contact lenses
Optical charges 326w

Contingency reserve 561w

Continuing education
Open University 471-2w

Contraceptives
AIDS 477w
Family planning clinics 477w

Contract catering 570-1w
Armed forces catering services 570w

Contracts
London Regional Transport 429w
M24 677
Nuclear power 37w, 39w

Contracts for services
Aids for handicapped 481w
Air force 572w
Barnsley Hospital 302w
District health authorities 6w, 72-3w
Electricity area boards 119-20w
Hospitals 417w
Museums & galleries 15
NHS 614-24w
Palace of Westminster 2w
Regional health authorities 72-3w, 672w

Control of Industrial Major Accidents Hazards Regulations 1984
Factory Inspectorate 344w
Questions
344w

Convenience foods
Food labelling 1031

Conviction
Safety belts 254-6w

Conway, Mr Derek
Questions
Food surpluses, Charities 600w
Road construction, High Court 489w
Shrewsbury bypass, High Court 430-1w

Conwy tunnel 372-3w
Road construction 372-3w

Cook, Mr Frank
Debates etc
Sizewell B (12.03.87) 484, 487
Questions
Advanced gas-cooled reactors, Manpower 203w
Advanced gas-cooled reactors, Nuclear safety 202w
Central Electricity Generating Board, Manpower 204w
Central Electricity Generating Board, Nuclear power 203-4w
Combined heat & power, Employment opportunities 282w
Energy conservation, Manpower 204w
Energy resources, Employment opportunities 205w
Exceptional needs payments, Social security benefits rules 479-80w
Falkland Islands, Fisheries 909
Nuclear Installations Inspectorate, Manpower 119w
Nuclear power stations, Employment opportunities 204-5w
Nuclear power stations, Health physics 317-9w
Nuclear power stations, Public inquiries 205-6w
Nuclear safety, Hinkley Point A 119w
Nuclear safety, Naval bases 634w
Nuclear submarines, Nuclear accidents 635w
Nuclear submarines, Nuclear fuels 634-5w
Power industry, Health physics 317-9w
Power stations, Employment opportunities 205w
Power stations, Manpower 202-3w
Radioactive waste disposal, Nuclear power stations 342w
Radioactivity, Chapelcross Power Station 179w
Redundancy, Nuclear power stations 130w
Severn barrage, Employment opportunities 281w
Sizewell B, Construction 119w
South of Scotland Electricity Board, Manpower 204w
Supplementary benefits, Board & lodging charges 478-9w
Unemployment, Nuclear power stations 127w
United Kingdom Atomic Energy Authority, Energy research 203w
United Kingdom Atomic Energy Authority, Manpower 203w
Wind power, Employment opportunities 282w

Cook, Mr Robin
Debates etc
GATT (12.03.87) 564-9
Questions
Business expansion scheme, Ravendale Group 272w
City Investment Centres, Dept of Trade inquiries 276w
Dept of Trade & Industry, Government grants 277w
Golden Wonder, Broxburn 275
Investors Discount Brokerage 277w
New towns, Scotland 519-20w
Ravendale Group, Dept of Trade inquiries 276-7w
Ravendale Group, Licensing 276w
Reckless driving, Scotland 293-4
Stocks & shares, Licensing 277w

Cookers
Exceptional needs payments 69w

Coombs, Mr Simon
Debates etc

Parliamentary Constituencies (England) (Miscellaneous Changes) Order 1987 (09.03.87) 123-4
Questions
Alcoholic drinks, Composition labelling 483w
Breast cancer, Screening 154w
British Rail Engineering, Redundancy 673
Electoral register, Parliamentary constituencies 479w
Electorate, Wales 268w
Hand drilling, South East region 3
Health education, Ministry of Defence 93w
Motorways, Road construction 684
Population, Scotland 474-6w

Corbett, Mr Robin
Debates etc.
Parliamentary Constituencies (England) (Miscellaneous Changes) Order 1987 (09.03.87) 121-2
Table Office, Written questions (18.03.87) 933
Questions
British citizenship, Commonwealth immigrants 255-6w
Civil service recruitment 17
Exceptional needs payments, British citizenship 299-300w
Food surpluses, Birmingham 601w
Severn barrage 8

Corbyn Mr Jeremy
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 710, 714, 721, 739, 743, 745-6, 748, 753-8, 760, 782
Sizewell B (12.03.87) 487-8
Questions
Attorney-General, Director of Public Prosecutions 125w
Business statement 471, 1045
Demonstrations, Parks 124w
Iran-Iraq War, Arms trade 923
Lebanon, Overseas aid 186w
Natural History Museum, Admission charges 21w
Peru, Ministers' visits, abroad 547w
Political refugees, Turkey 122w
Royal National Orthopaedic Hospital, Hospital closures 167w
Spinal injuries, Hospital beds 167w
Supplementary benefits, Islington 166-7w

Co-responsibility levy 228w, 422w
Cereals 228w
EC countries 422w
Milk 422w
Small farms 228w

Cormack, Mr Patrick
Debates etc
Arts (12.03.87) 499-500, 507-12, 551, 553
Questions
AIDS, Health education 326-7w
Fitzgerald, Garrett 454-5
Objects in lieu of tax 561w
USSR, Jews 917

Cornwall
Prescriptions 70w

Coronary bypass operations 303w

Corporal punishment
Day nurseries 64w
Residential care 64w

Corporate plans
Rover Group (11.03.87) 343-409

Corrie, Mr John
Questions
Limited list prescribing, Cost effectiveness 581w
Radioactive waste disposal, Torness Power Station 336-7w

Cost effectiveness 37w, 74w, 87-8w, 376w, 396w, 572w, 581w, 614-24w
Limited list prescribing 581w
Road safety 396w

Cost per pupil
Secondary education 797

Couchman, Mr James
Debates etc
Budget March 1987 (17.03.87) 873, 896-7
Sizewell B (12.03.87) 490

Council house rents
Greater London 104-6w
Hammersmith & Fulham 104-6w
Local authorities 434w

Council house sales
Administrative delays 557w
Crawley 104w
Flats 106w
Leeds 106-7w
Local government revenue 140w, 343w
Mid Sussex 104w
Smith, T F 557w

Council house transfers
Unify Flats 144-5w

Council house waiting lists
Northern Ireland 381w
Scotland 291w
Wales 374w

Council housing
Inverclyde 291w
Local government expenditure 406w
Portsmouth City Council 436w

Council housing finance
Estate Action 403w
Portsmouth 400w

Councillors
Liverpool City Council 461, 463
Northern Ireland 458

County of South Glamorgan (Taff Crossing) Bill 1985/86
Debates etc
3R Order read (12.03.87) 447

Courts
Prisoners 255w
Prisoners on remand 357-8w

Courts martial
Appeals 573-4w
Armed forces 573-4w

Coventry
Employment level 443-4w
Social security benefits 480w, 508w
Unemployment 444w
Youth unemployment 443-4w

Cowdenbeath
Death grants 662w
Maternity benefits 662w

Cox, Mr Tom
Questions
Amusement arcades 527w
Childbirth, Tooting 234w
Cyprus, Peace negotiations 542w
Farm incomes, Small farms 607w
Food from Britain, Finance 419w
Food surpluses, Charities 422w
Food surpluses, Wandsworth 225w
Maternity benefits, Tooting 293w, 478w
Prisoners, Northern Ireland 2w
St James' Hospital, Balham, Bedding 160w
Welfare milk, Tooting 478w
Women's employment, Tooting 343-4w

Craft industries
Scotland 382w

Crafts Council 85w
EC grants & loans 85w

Craigen, Mr Jim
Debates etc
Budget March 1987 (17.03.87) 853-5
Questions
Chemists' shops, Scotland 580w
Neighbourhood energy action, Members' correspondence 52w
Patients, Glasgow 580-1w

Cranborne, Viscount
Debates etc
Sizewell B (12.03.87) 488
Questions
Anglo-Irish Intergovernmental Conference, Republic of Ireland 451

Cranes
Road accidents 325w

Cranfield Institute of Technology 30w

Crawley
Council house sales 104w
Maternity benefits 293w, 409w

Crime 809-11, 1037, 1039, (20.03.87) 1146-209
Departmental initiatives 27w
Diplomatic service 138w
Hooliganism 457w
NHS 627w
Public morals 813
Unemployment 811-2, 1036-7
Wales 30w, 451-2w

Crime prevention
Elderly 810-1
Wales 371-2w

Crime victims
Government grants 357w

Crimes of violence
Canning House Probation Hostel 28w

Criminal damage
School buildings 371-2w

Criminal investigation
Marconi 174w, 324-5w
Military police 324-5w

Criminal investigations
Westland Helicopters 346w, 636w

Criminal Justice Bill 1986/87
Sentencing 809-10
Questions
350w, 809-10

Criminal Procedure (Scotland) Act 1975
Fines 655-6w
Questions
655-6w

Criminal proceedings
Legal aid 351-2w

Crofting
Community charge 280-1
Rates & rating 280-1

Crops
Agricultural production 1027-8

Crosville Bus Company 258w, 288w
Bus crews 258w, 288w
Dismissals 258w, 288w

Crouch, Mr David
Debates etc
Arts (12.03.87) 517-20

Crown agents
Forensic science 292

Crown Estate Commissioners
Scotland 247w

Crown lands & estates
Liverpool City Council 591w

Crown Office for Scotland
Ethnic minorities 198-9w

Crown proceedings
Armed forces casualties 173w

Crown Proceedings Act 1947
Questions
173w

Crown Prosecution Service 197-8w, 350w
Barristers 350w
Manpower 197-8w
Solicitors 350w

Crowther, Mr Stan
Questions
Jazz musicians, Arts finance 86w

Croydon
Maternity benefits 334-5w, 409w

Cruise missiles
Arms control treaties 554w
Nuclear disarmament 145
Nuclear weapons deployment 1038-9

CSE
Examinations 183w

Cultural heritage
British Rail 285-6w

Cumbria
Food contamination 227w, 306w
Television 462

Cunliffe, Mr Lawrence
Questions
Arts, Consumer expenditure 83w

Cunningham, Dr John
Debates etc
Local Government Finance Bill, Lords amendments (11.03.87) 434

Cunninghame
Employment opportunities 288

Curriculum 465w
City technology colleges 798
Educational standards 801
General Certificate of Secondary Education 263w
Wales 375w

Currie, Mrs Edwina, Under-Secretary of State for Health & Social Security
Debates etc
Abortion (20.03.87) 1216-22
Ancoats Hospital, Manchester (10.03.87) 270-4
Cancer (13.03.87) 625, 629, 642-56
Residential care, Supplementary benefits (17.03.87) 904-8
Questions
Addenbrooke's Hospital, Private health services 333w
AIDS, Blood 410w
Aids for handicapped, Contracts for services 481w
Barnsley Hospital, Contracts for services 302w
Barnsley Hospital, Hospital beds 301w
Barnsley Hospital, Hospital length of stay 301-2w
Barnsley Hospital, Hospital waiting lists 301w
Barnsley Hospital, Hospital wards 302w
Barnsley Hospital, Maternity services 302w
Barnsley Hospital, Private patients 302w
Barnsley Hospital, Privatisation 417w
Blood plasma 71-2w
Bolton General Hospital, Construction 151w
Breast cancer, Liverpool 162-3w
Breast cancer, Screening 154w, 163w
Breast cancer, Waltham Forest 664w
Cancer, Merseyside 239w
Cancer hazards, Atomic Weapons Research Establishment 74w
Cervical cancer, Calderdale Health Authority 506w, 628w
Cervical cancer, Liverpool 162-3w
Cervical cancer, Medical treatments 162w
Cervical cancer, Merseyside 240w
Cervical cancer, Screening 153w, 162w
Child care 156w
Child care, Voluntary organisations 233-4w
Child health, Food additives 235w, 304w
Childbirth, Regional health authorities 75-80w
Childbirth, Sheffield 234w
Childbirth, Tooting 234w
Children in care, Homelessness 66w
Children in care, Local government expenditure 506w
Christie Hospital, NHS finance 166w
Dental charges 153w
Dental charges, Appeals 664w
Diet & disease, Deviance & behaviour disorders 663w
District health authorities, Contracts for services 72-3w
Doddington Hospital 141
Electoral register, Parliamentary constituencies 479w
Health services finance, Trent Regional Health Authority 155-6w
Hospices, Health services finance 143-4
Hospital beds, North West Thames Regional Health Authority 69w
Hospital beds, Trent Regional Health Authority 297-8w
Hospital closures, Leicestershire 160w
Hospital closures, Neurology 65w
Hospitals, Bacterial diseases 230-1w
Hospitals, Construction 160-1w
Hospitals, Norwich 328w, 408w
Injuries, Birds of prey 72w
Kenny, Bernadette, Psychiatry 409w
Kidney machines, NHS & private practice 333w
Leicester Royal Infirmary, Modernisation 152w
Medical records, Bolton General Hospital 236w
Meningitis, Communicable Disease Surveillance Centre 414w
Meningitis, Medical research 170w
Meningitis, Publicity 414w
Meningitis, Research finance 414w
Mental hospitals, Hospital closures 669-71w
Mental hospitals, Manchester 298-300w
Mentally disturbed offenders, Ethnic groups 296-8w
Mentally disturbed offenders, Ethnic monitoring 297w
Mentally disturbed offenders, Prison sentences 297w
Mentally disturbed offenders, Prisoners' transfers 296w
National Family Trust, Government grants 74w
NHS, Crime 627w
NHS, Health services 409-10w
NHS & private practice 72w
NHS & private practice, Income 72w
Nurses, Information 68w
Nurses, Private health services 333w
Pre-school education 154-5w
Psychiatric nurses, Manpower 62w
Public health laboratory service 295w
Radiotherapy, Southend Hospital 167-8w
Registered Homes Act 1984, Members' correspondence 234w
Registered homes, Safety standards 163w
Residential care 232w
Residential care, Corporal punishment 64w
Royal National Orthopaedic Hospital, Hospital closures 167w
St James' Hospital, Balham, Bedding 160w
Screening, Stonehouse 416-7w
Sickle cell disease, Medical research 481-2w
South Manchester Health Authority, Public appointments 166w
Spinal injuries, Hospital beds 167w
Suicide 70w
Surgery, Costs 303w
Tay-Sachs, Medical research 299w
Wexham Park Hospital, Construction costs 159-60w
Whooping cough, Children 331-2w
Whooping cough, Clinical trials 329w
Whooping cough, Death 330w
Whooping cough, Vaccination 329-30w, 417-8w
Whooping cough, Vaccine damaged children 329-30w
Wythenshawe Hospital, Transplant surgery 236w

Currie, Edwina 136
Ministerial duties 136
Smoking 136-7

Custodial treatment
Penn, Phil 554w

Customs 447w
Home Office 527-8w
MV Silver Sea 273w, 321w

Customs & Excise Management Act 1979
Questions
135w

Cyprus
Armed forces 553-4w
Human rights 544w
Peace negotiations 542w
Turkey 542w

Czechoslovakia
Trials 441-2w

Dacorum
Youth training scheme 128w

DAF (11.03.87) 343-409

Dairy farming
Agricultural subsidies 305w, 611w
Compensation 606w, 1032-3
Employment 633w
Fees & charges 610-1w
Food inspection 4-5w, 146w, 216-8w, 419w, 424-5w, 610-1w
Hormone treatments 485w
Outgoers scheme 607-8w
Production quotas 633w, 1030, 1032-3
Wales 4-5w, 216-8w

Dalgety Foods 275

Dalyell, Mr Tam
Debates etc
Adjournment debates (11.03.87) 297
Oral question time point of order (11.03.87) 291
Standing Order No 20 applications (16.03.87) 704-5
Questions
Argentina, Foreign policy 582w
Arms control treaties, Strategic defence initiative 266w
BBC, Police right of search 17w, 91-2w, 523w
British Steel Corporation, Industrial production 700
Cavendish, Anthony, National security 577w
Early warning systems, Plessey 176w
East coast railway line, Railway electrification 15w
Export licensing, Anti-aircraft missiles 278w
Foreign & Commonwealth Office, Official Secrets Acts 211w
Golden Wonder, Broxburn 276
Libyan Arab Republic, Bombings 113w
Nuclear fuel reprocessing, Disclosure of information 42w
Nuclear power, National security 42-3w
Nuclear power stations, Emergency planning 42w
Official Secrets Act 1911, Search warrants 553w
Open University, Continuing education 471-2w
Prosecutions, Official Secrets Act 1911 457w
Rothschild, Lord, National security 686
Science & technology research, Universities 472w
Satellites, National security 30w, 309w
Scottish courts, Search warrants 290
Technology transfer, Strathclyde University 33w
Westland Helicopters, Criminal investigations 346w, 636w
Westland Helicopters, Expenditure 525w
Westland Helicopters, Shares 453w

Dangerous Substances (Conveyance by Road in Road Tankers & Tank Containers) Regulations 1981
Questions
344w

Darlington
Regional development grants 31-3w
Regional selective assistance 31-3w
Youth training scheme 128w

Data networks
Civil service recruitment 16-7
Computers in Government departments 527-8w
Driver & Vehicle Licensing Centre 347w
Post Office 347w

Data Protection Act 1984
Questions
528w

Davies, Mr Ron
Questions
Advisory Committee on Pesticides, Tributyl tin 423-4w
Agricultural land, Land use 305w
Agriculture, Tributyl tin 486w
Environmentally sensitive areas, Management 421-2w
Environmentally sensitive areas, Management agreements 421w, 486w
Environmentally sensitive areas, Orders & regulations 421w
Forestry, Scotland 242w
Further education, Local government expenditure 22w
Local education authorities, Capital investment 97-100w
Mersey barrage, Environmental impact assessment 7
Tributyl tin, Pollution control 404-5w
Universities, Capital investment 260w
University finance, Building repairs 260-1w
Voluntary projects programme, Government grants 345w

Davis, Mr Terry
Debates etc
Motor industry (11.03.87) 398-402

Day nurseries
Corporal punishment 64w

Deaf
Children 497w
Government grants to voluntary organisations 65-6w
Health education 151-2w
Health services 497w
Teachers 564w

Deafness
Compensation 497w
Industrial diseases 497w

Deakins, Mr Eric
Debates etc
GATT (12.03.87) 567, 570-2
Questions
Arts, Tourism 82w
Breast cancer, Waltham Forest 664w
EC budget 207w, 914
Common agricultural policy 603w
Contraceptives, Family planning clinics 477w
Defence contracts, Fraud 322w, 324w
Development aid, Women 690
EC Foreign Affairs Council, EC budget 535w
Food surpluses, Statistics 227w
Housing investment programmes, Waltham Forest 178-9w
Industrial investment 195w
Intervention stocks, Costs 225-6w
Iran-Iraq War, Arms exports 550-1w
Job creation schemes, Waltham Forest 126w
Marconi, Company investigations 324w
Marconi, Criminal investigation 174w, 324-5w
Military police, Ministerial responsibility 323-4w
Milk, Prices 225w
Overseas Development Administration, Family planning 348w
Political refugees, Tamils 216w
Rate support grants, Waltham Forest 51w
Severe weather payments, Walthamstow 233w
Social security recipients, Rates & ratings 476w
Social security recipients, Waltham Forest 662w
Tamils, Political refugees 29-30w

Dealers in securities 277w

Dean Park nursing home 504w
Abortion 504w

Death
Abortion 504-5w, 519w
AIDS 213w, 235w, 248w
Armed forces casualties 174w, 569w, 572w
Breast cancer 213w, 383w
Brookeborough, Viscount 455
Cervical cancer 213w
Coal mining 284w
Drownings 29w
Ex-servicemen 171w
Ionizing radiation 319w
Nuclear accidents 319w
Singh, Jeffrey 94w
Smith, Ronald T 29w
Whooping cough 330-2w, 666w

Death grants
Cowdenbeath 662w
Social security reform 669w

Debt collection
Pay incentives 61w

Debtors (Scotland) Bill (HL) 1986/87
Debates etc
2R (10.03.87) 165-205
Money res* (10.03.87) 205

Debts
Argentina 208w
Brazil 208w, 445w, 915-6
Developing countries 473-4w
Farms 608w
Interest charges 445w, 915-6
Mortgages 404w
Scotland (10.03.87) 165-205

Declarations of interest 292-3
Licensed premises 292-3

Dee Corporation 475w
Employment opportunities 475w

Deer Bill 1986/87
Debates etc
Rem stages* (13.03.87) 664

Defective housing 104w, 379w, 540w, 561w
Armagh 540w
Newry 540w
PRC homes 104w

Defence
Labour Party 462-3

Defence contracts
Accounting officers 324w
Early warning systems 94w, 575w
Fraud 322w, 324w

Defence equipment
Balance of trade 635w
Export licensing 259w
USA 635w

Defence expenditure 251-2w
Defence procurement 93w
Disclosure of information 378w
Public Accounts Committee 378w

Defence policy 148

Defence procurement 174-5w
Defence expenditure 93w

Defence research
National income 539w

Degrees
Bogus qualifications 308w

Delors, Jacques 536w

Demolition
Planning permission (20.03.87) 1145
Unity Flats 144w

Demonstrations
Haywards Heath 124w
Parks 124w

Dental charges 153w
Appeals 664w
Low pay 664w

Dentists
AIDS 626w
Disease control 326w
Hampstead Health Authority 667w

Departmental circulars
Education 262w
Education (No. 2) Act 1986 309w
School administration 24w

Departmental correspondence 99w, 433w

Departmental forms
Civil service 18-20
Electoral register 255w
Tax assessment 18

Departmental initiatives 27w, 39-40w, 347w
Crime 27w

Departmental leaflets
British citizenship 448w
Health services 637w
Languages 448w

Departmental progress 218-25w

Departmental publications
Agriculture 486-8w

Departmental responsibility 266-7w
Immigration appeals 266-7w

Dependants
Social security claims 157w

Deportation
Chummun, Begam 447-8w
Chummun, Mariam 447-8w
Costs 309-10w
National security 363w
Tamils 29-30w

Dept of Education & Science
Cash limits 102-4w
Ethnic minorities 307w

Dept of Employment
Ethnic minorities 19w

Dept of Energy
Ethnic minorities 41w
Keeni Meeni Services 119w

Dept of Health & Social Security
Civil service manpower 334w
Computers in government departments 151w
Ethnic minorities 231-2w
Members' correspondence 407w

Dept of Health & Social Security local offices
Administrative delays 412w
Greenock 412w
Social fund 156-7w

Dept of the Environment
Ethnic minorities 50-1w
European Year of the Environment 518w
Keeni Meeni Services 107w

Dept of Trade & Industry
Ethnic minorities 110w
Government grants 277w
Keeni Meeni Services 112w

Dept of Trade & Industry, Consumer Safety Unit 34w
Electrical control equipment 34w

Dept of Trade inquiries
City Investment Centres 276w
Lonrho 350-1w
Ravendale Group 276-7w

Dept of Transport
Ethnic minorities 13w, 116-7w
Keeni Meeni Services 115w

Derbyshire
Pupil-teacher ratios 24-5w

Derelict land
Birmingham 436w

Derelict land grants 103w, 433-4w
Birmingham 103w
Staffordshire 433-4w
West Midlands 103w

Design
Nuclear power stations 649w

Detection rates 1039
Burglary 362w

Developing countries
Aid financed trade 692
Debts 473-4w
Loans 125w
Overseas loans 186w

Development aid
Educational finance 46w
Family planning 690
Research finance 689-90
Women 690

Deviance & behaviour disorders
Diet & disease 663w

Devolution
Northern Ireland government 458

Dewar, Mr Donald
Questions
Caterpillar Tractors, Management 279
Caterpillar Tractors, Prime Minister's correspondence 523w
Drug crimes, Glasgow 654-5w
Drug crimes, Scotland 655-6w
Fines, Scotland 655-6w
Golden Wonder, Broxburn 276
Insolvency, Scotland 35-6w
Prisons, Members' correspondence 89w
Rates & rating 18w
Scottish courts, Search warrants 291
Sheriff officers, Scotland 17w
Summary trial, Scotland 17-8w
Warrant sales, Scotland 18w

Diabetes
Disposable syringes 138
Medical treatments 137-8
NHS finance 138

Dickens, Mr Geoffrey
Debates etc
Coal mining (11.03.87) 340
Questions
Blood tests, Science education 327w
Business statement 474
NHS, Ophthalmic services 495w
Opticians, Unfair trading practices 661w
Severe weather payments 143

Dicks, Mr Terry
Debates etc
Arts (12.03.87) 497, 506, 512, 516, 532-4, 541
Questions
Airlines, Trade competitiveness 674
Hospitals, Construction 160-1w

Diesel vehicles
Exhaust emissions (12.03.87) 491

Diet & disease
Deviance & behaviour disorders 663w

Dinorwig
Electricity generation 523w

Diplomatic immunity 137-8w, 548w
Jordan 47w
Sexual offences 138w
Vienna Convention on Diplomatic Relations 547-8w, 1038

Diplomatic relations
National Unity of Salvadorean Workers 544w
Nicaragua 542w
Oman 543w

Diplomatic service
Crime 138w
South Africa 545w
Telecommunications 551w
Terrorism 548w

Diplomatic service education allowances 638w

Direct labour departments
Housing construction 650w

Director of Public Prosecutions
Attorney-General 125w

Directors
Fraud 199w
Shareholders (10.03.87) 163-5

Disabled Persons (Services Consultation & Representation) Act 1986
Local government expenditure 315w, 333-4w
Wales 315w
Questions
157w, 315w, 333-4w

Disadvantaged
Food surpluses 341w, 426-7w, 600-1w
Intervention stocks 422w, 1025-7, 1033-4

Disaster relief
Mozambique 348w

Disciplinary proceedings 93-4w, 292w, 325w
Hospital consultants 325w
Hospital doctors 292w

Disclosure of information
Adoption 597w
Air force flying 93-4w
Defence expenditure 378w
Gaddafi, Colonel 113w
Intelligence services 347-8w, 577w, 695-6
National security 30w, 309w
Nuclear accidents 9
Nuclear fuel reprocessing 42w
Nuclear power 42-3w
Nuclear power stations 42w, 205-6w
Nuclear reactors 205-6w
Police national computer 350w
Radioactive Waste Management Advisory Committee 117w
Satellites 449w
Social security commissioners 125-6w

Discount houses
Loans 208w
Spot checks 208w

Discounts
Museums & galleries 16

Disease control 230-1w, 265w, 326w, 440w, 604-5w, 626w
AIDS 326w
Animal diseases 604w
Dentists 326w
Fish diseases 440w
Rhizomania disease 341w, 604-5w

Dismissal
Coal mining 4-5, 44w
Crosville Bus Company 258w, 288w
Todd, Stuart 94-6w

Disposable income
Mortgages 207w
Rents 207w

Disposable syringes
Diabetes 138
Prescriptions 138

Distillers Group 247w
Barrhead 276
Takeovers 247w

District health authorities
Contracts for services 6w, 72-3w
Hearing therapists 496w
Management consultants 168w
Urban programme 107-10w

Dixon, Mr Don
Debates etc
Budget March 1987, Employment (19.03.87) 1092-6
Regional planning & developments (09.03.87) 98
Questions
Arts, Local government expenditure 84w
Beira corridor, EC aid 524w
Food surpluses, Charities 599-600w

Dobson, Mr Frank
Debates etc
Cancer (13.03.87) 630-9, 650, 652-4
Censorship, Standing Order No 20 applications (19.03.87) 1053-4
Law enforcement (20.03.87) 1169
Parliamentary & Health Service Commissioner Bill, Rep & 3R (10.03.87) 214
Questions
Addenbrooke's Hospital, Private health services 333w
AIDS, Blood 410w
AIDS, Research finance 327-8w
Cervical cancer, Calderdale Health Authority 506w, 628w
District health authorities, Contracts for services 6w, 72-3w
Health service staff, Manpower 333w
Health service staff, Scottish health boards 338-40w
Health service staff, Wales 4w, 313-6w
Homelessness, Ealing 139
Hospital waiting lists 63-4w
Hospital waiting lists, Scotland 580w
Hospital waiting lists, Wales 4w, 583w
Kidney machines, NHS & private practice 333w
NHS & private practice 72w
NHS & private practice, Income 72w
NHS & private practice, Wales 6w
North Western Regional Health Authority, NHS finance 134
Nurses, Private health services 333w
Nurses, Scottish health boards 337-8w
Nurses, Wales 314w
Private patients, Wales 6w
Regional health authorities, Cash limits 412-4w, 482-4w
Regional health authorities, Contracts for services 672w
Regional health authorities, Management consultants 168w
Regional health authorities, NHS finance 508-14w

Doctors
Hampstead Health Authority 667w

Doctors' list of patients
Camden 668w

Doddington Hospital 141

Dog licences
Fees & charges 314w

Dogs
Liability for animals 336w
Livestock 88w

Domestic appliances
Electrical control equipment 34w

Domestic rates
Ealing 342-3w

Domestic safety
Patients 580-1w

Dormand, Mr Jack
Questions
Freedom 464
Nuclear power stations 3-4

Dorrell, Mr Stephen
Debates etc
Budget March 1987, Employment (19.03.87) 1069, 1117-20, 1126
Questions
Agricultural land, Land use 1027
Arms control treaties, USSR 147-8
EC budget 914
Student loans 804

Double taxation 536-7w

Douglas, Mr Dick
Debates etc
Arms control (09.03.87) 41
Questions
Business statement 1047-8
Coal mining, Scotland 40w
Oil industry, Scotland 244-5w
Oil industry, Shetland 9-10

Public expenditure, Scotland 282-3

Douglas-Hamilton, Lord James
Questions
Government achievements 218-25w
Injuries, Birds of prey 72w
Livestock, Dogs 88w

Dounreay
Nuclear fuel reprocessing 523w

Dover, Mr Den
Debates etc
Motor industry (11.03.87) 387-8
Questions
Electricity supply industry, North West region 39w

Downshire Hospital 597w

Drinking & driving
Law enforcement 30w

Driver & Vehicle Licensing Centre
Data networks 347w

Driving instruction
Government car service 52w

Driving licences
Lorry drivers 16-7w
Northern Ireland 597w
Photographs 285w, 597w

Driving tests
Fraud 679
Leicester 679
Privatisation 679-80

Drownings
Death 29w

Drug abuse
Advisory Council on the Misuse of Drugs 359w
AIDS, 37w, 140
Medical rehabilitation 257w
Prosecutions 37w

Drug crimes
Armed forces 574-5w
Glasgow 654-5w
High Court 656w
Northern Ireland 379w
Police cautions 30w
Proceeds of crime 257w
Prosecutions 654-5w
Scotland 655-6w
Terrorism 379w

Drug industry
Vaccination 665-6w

Drugs
Licensing 238-9w

Dubs, Mr Alfred
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 725, 772-9
Questions
Anglo-Irish Agreement, Republic of Ireland 458
Crime 1037
Educational qualifications, Vocational education 800
Falkland Islands, Foreign & Commonwealth Office 212w
Members' facilities, Newspaper press 1w
Natural History Museum, Admission charges 21w
Pensioners, Social security benefits disqualification 155w
Republic of Ireland, Official engagements 211w

Duchy of Lancaster
Ethnic minorities 48-9w

Duffy, Mr A E P
Questions
AIDS, Health education 140, 466w
Fisheries, Modernisation 613w
Health services finance, Trent Regional Health Authority 155-6w
Prime Minister official engagements 554w
Regional development grants, Yorkshire & Humberside 525w
Ulster Defence Regiment, Coleraine 452-3

Dumfries & Galloway
Road works 247-8w

Dundee
Food surpluses 386w
Industrial investment 289
Intervention stocks 386w
Jobclubs 92w
Unemployment 289

Dunfermline
Severe weather payments 667w
Unemployment 89-90w

Dunfermline College of Physical Education 148w
Jordanhill College of Education 148w
Sanitation 148w
Sports facilities 148w

Dungannon
Northern Ireland Housing Executive 442w

Dunn, Mr Bob, *Under-Secretary of State for Education and Science*
Debates etc
Grammar schools, Warwickshire (09.03.87) 130-2
Questions
AIDS, Health education 466w
Boarding schools 562w
Boarding schools, Educational finance 562w
Boarding schools, School closures 562-3w
Church schools 468w
Conductive education, Research 261w
Dyslexia, Surrey 308w
Ealing Green School, Playing fields 367w
Education (No 2) Act 1986 459-60w
Educational finance, Bradford 468-9w
Grammar schools 468w
Lancashire County Council, Capital investment 470w
Local education authorities, Capital investment 262w
Local education authorities, Greater London 262-3w
Local education authorities, Metropolitan districts 261-3w
Local education authorities, Non-metropolitan counties 263w
Nursery schools 469w
Nursery schools, Hampshire 23-4w
Primary education, Greater London 265w
Primary education, Metropolitan districts 264-5w
Primary education, Non-metropolitan counties 264-5w
Primary education, School buildings 264w
Pupil-teacher ratios, Derbyshire 24-5w
Pupil-teacher ratios, Hampshire 469w
School administration, Departmental circulars 24w
School buildings, Building repairs 99w, 805-6
School buildings, HM Inspectorate of Schools 463w
School buildings, Manchester 806
School closures, Primary education 181-2w
School governors 463w
School meals 102w
School uniforms, School governors 24w
Schools, AIDS 265w
Schools, Birmingham 466w
Secondary education, Cost per pupil 797
Secondary education, Educational finance 797-8
Secondary education, Warwickshire 22w
Sixth form education 463-4w
Special education 461w
Special educational needs 307-8w
Special educational needs, Educational finance 100w, 469-70w
Teachers, Deaf 564w
Voluntary schools, Educational finance 563w

Dunwoody, Mrs Gwyneth
Questions
British Rail Engineering, Redundancy 673, 929
Business statement 1043
Child care, Voluntary organisations 233-4w
Development aid, Women 690
Ethnic minorities, Civil service 181w
Ethnic minorities, Civil service recruitment 553w
Ethnic minorities, Crown Office for Scotland 198-9w
Ethnic minorities, Dept of Education & Science 307w
Ethnic minorities, Dept of Employment 19w
Ethnic minorities, Dept of Energy 41w
Ethnic minorities, Dept of Health & Social Security 231-2w
Ethnic minorities, Dept of the Environment 50-1w
Ethnic minorities, Dept of Trade & Industry 110w
Ethnic minorities, Dept of Transport 13w, 116-7w
Ethnic minorities, Duchy of Lancaster 48-9w
Ethnic minorities, Home Office 26-7w
Ethnic minorities, Lord Chancellor 197w
Ethnic minorities, Lord Privy Seal 1w
Ethnic minorities, Ministry of Agriculture Fisheries & Food 86-7w
Ethnic minorities, Ministry of Defence 171w
Ethnic minorities, Northern Ireland Office 142-3w
Ethnic minorities, Scottish Office 146-7w
Ethnic minorities, Treasury 59-60w
Food surpluses, Charities 1034
Homelessness, Government grants to voluntary organisations 105-6w, 477w
Streetwise, House of Commons questions 506w
Time sharing, Sales methods 638w, 641-2w

Dykes, Mr Hugh
Debates etc
Matrimonial Increases & Remuneration (Notifications) Bill, 1R (12.03.87) 491
Planning Permission (Demolition of Houses) Bill, 1R (20.03.87) 1145
Questions
City technology colleges 464w
Departmental forms, Tax assessment 18
EC external trade, Far East 525w
Local government social services, Local government expenditure 158w
M25, Road traffic 391w
USSR, Human rights 547w, 921-2

Dyslexia
Appeals 308w
Surrey 308w

Eadie, Mr Alexander
Debates etc
Coal mining (11.03.87) 334-7, 340
Questions
Child health, Food additives 235w, 304w
Coal mining, Dismissal 4-5
Moray House College of Education, Pre-school education 244w
Severe weather payments, Social security claims 141-2

Ealing
Bed & breakfast accommodation 138-9
Domestic rates 342-3w
Homelessness 139
Local government expenditure (13.03.87) 665-72
Non-domestic rates 342-3w
Rates & rating 342-3w, (13.03.87) 665-72

Ealing Green School 367w
Playing fields 367w

Ear disorders
Health service staff 503-4w
Health services 498w
Hospital consultants 496-8w
Medical research 25w
Testing 498w

Ear nose & throat 137, 498-502w
Hospital consultants 501-2w
Hospital waiting lists 498-502w

Earls Court 566-7w
Road construction 566-7w

Early warning systems
Defence contracts 94w, 575w
Military aircraft 575w
Plessey 176w
Roll-on roll-off ships 429w

Earthquakes
Hinkley Point Power Station 285w
Nuclear power stations 285w, 649w

East Anglia
Agricultural workers (16.03.87) 790-6
Beef & veal 1029
Economic policy 26w

East Anglia University 408w
Student protest 805

East coast railway line 15w
Railway electrification 15w

East Midlands Tourist Board 163
Income 163

Eastern Europe
Nuclear weapons deployment 322-3w

Eastham, Mr Ken
Debates etc
Ancoats Hospital, Manchester (10.03.87) 270-1
Motor industry (11.03.87) 363
Questions
Angola, Official engagements 541w
Arts, Expenditure 83w
British Rail Engineering, Redundancy 930
Electrical control equipment 364-5w
Electrical control equipment, Research 454-5w
Local education authorities, Local government expenditure 802
Todd, Stuart, Dismissal 94-6w

EC aid 186-7w
Beira corridor 524w
Southern Africa 524w

EC action
Food surpluses 599w
Frozen food 612w
Iron & steel industry 588w, 698-701
Medical research (09.03.87) 27
Ozone layer 437-8w
Ports 489w
Road freight transport (09.03.87) 27

EC Agricultural Council 609w

EC budget 207w, 913-5
EC Foreign Affairs Council 535w
EC reform 536w
Food surpluses 648w
National income 914
Own resources 266w
UK contributions 647w
VAT 647w

EC countries
Arms exports 548w
Arts finance 83w
Cereals 228w
Co-responsibility levy 422w
Export rebates 603-4w
Food surpluses 600-1w
Government assistance 640w
Iron & steel industry 454w
Milk 418-20w
Production quotas 606w
Research finance 33-4w
Retirement pensions 480w
Shipbuilding intervention fund 278-9w
Tax thresholds 139-40w

EC energy policy
France 38w

EC external relations
USA 113w

EC external trade
Far East 525w
Furs 366-7w
Israel 551w
Milk & milk products 609-10w

EC Finance Council 208-10w

EC Foreign Affairs Council 212w, 552w
EC budget 535w
Lebanon 137w
South Africa 545w

EC grants & loans
Action for Community Employment 453
Channel tunnel 274w
Crafts Council 85w
European Investment Bank 61-2w, 194-5w
Exchange risk guarantee scheme 193-4w
New Community Instrument 194-5w, 537w
Shipbuilding 278-9w, 642w

EC nationals 413w

EC reform 542w
EC budget 536w

EC Research Council 112w

Economic policy
East Anglia 26w
Inner city areas 399-400w
New towns 398w
South East region 26w

Economic sanctions
South Africa 545w

Economic situation
Aberdeen 244w
Anglo-Irish Agreement 458
Arts 80-1w
Budget March 1987 (18.03.87) 942-1014
Front line states 549w
North East Scotland 244w
Oil industry 244-5w

Edinburgh University, Dept of Bacteriology 25w

Education
Departmental circulars 262w
Ethnic minorities 632w
Public expenditure 389w

Education Act 1980
Questions
562-3w

Education Act 1981
Questions
308w

Education (No. 2) Act 1986 459-60w
Departmental circulars 309w
Questions
24w, 309w, 459-60w

Education of Children from Ethnic Minority Groups Committee 632w

Education (School Premises) Regulations 1981
Questions
367w

Education (Teachers) Regulations 1982
Questions
564w

Educational administration
Costs 797-8

Educational aid
Government grants 46w

Educational equipment
General Certificate of Secondary Education 183w

Educational finance
Boarding schools 562w
Bradford 468-9w
Capital investment 261-3w
City technology colleges 260w
Development aid 46w
Further education 97-9w
General Certificate of Secondary Education 100-1w, 797
Higher education 99w
Local government expenditure 25w, 262w, 564-5w
Local government revenue 99-100w
Secondary education 797-8
Special educational needs 100w, 469-70w
Voluntary schools 563w

Educational institutions
Manpower 636-7w
Overseas students 562w
Textile machinery 585-6w
Wales 636-7w

Educational publications
General Certificate of Secondary Education 183w

Educational qualifications 800
Further education 800-1
Tertiary colleges 800
Vocational education 800-1

Educational standards 801
City technology colleges 798
Curriculum 801
General Certificate of Secondary Education 263w, 802
Headteachers 801
Industrial disputes 801-2

Edwards, Rt Hon Nicholas, *Secretary of State for Wales*
Debates etc
Arts (12.03.87) 499-500, 514
Questions
Ancient monuments, Wales 267w
Cash limits, Welsh Office 455-7w
Dairy farming, Wales 4-5w, 216-8w
Disabled Persons (Services Consultation & Representation) Act 1986, Wales 315w
Dog licences, Fees & charges 314w
Electorate, Wales 268w
Engineering industries, Wales 5w
Ethnic minorities, Dept of Transport 116-7w
Food surpluses, Wales 7-8w, 315-6w
Government grants, Anglesey 117w
Health service staff, Wales 313-6w
Health services, Wales 637w
Keeni Meeni Services, Welsh Office 117w
Nurses, Wales 314w
Rate support grants, Wales 583w
Sheep, Wales 216-8w
Sheep worrying, Wales 267w
Skilled workers, Wales 5-6w

Eggar, Mr Tim, *Parliamentary Under-Secretary of State for Foreign & Commonwealth Affairs*
Questions
Afghanistan, Refugees 543w
Africa Fund, Overseas aid 547w
Aid financed trade 187-94w
Aid financed trade, OECD countries 185w
Argentina, Foreign policy 211w, 582w
Argentina, Ministers' visits abroad 546w
Brazil, Debts 915-6
British Council, Finance 544w
British dependent territories, European Convention on Human Rights 47w
British embassies, South Africa 135-6w
Central America, Overseas aid 45w
Central America, Peace negotiations 540-1w
Cyprus, Human rights 544w
Cyprus, Peace negotiations 542w
Developing countries, Overseas loans 186w
Development aid, Educational finance 46w
Diplomatic immunity 137-8w, 548w
Diplomatic immunity, Sexual offences 138w
Diplomatic immunity, Vienna Convention on Diplomatic Relations 547-8w
Diplomatic service, Crime 138w
Diplomatic service education allowances 638w
Diplomatic service, Telecommunications 551w
Diplomatic service, Terrorism 548w
EC aid 186-7w

Falkland Islands, Foreign & Commonwealth Office 212w
Grenada, Foreign policy 550w
Guatemala, Foreign policy 544w
Haiti, Ministers' visits abroad 547w
India, Ministers' visits abroad 550w
Jordan, Diplomatic immunity 47w
Keeni Meeni Services, Foreign & Commonwealth Office 138w
Lebanon, British residents abroad 48w
Lebanon, Overseas aid 186w
Mahmood, Khalid, Visas 48w
National Unity of Salvadorean Workers, Diplomatic relations 544w
Nicaragua, Anti-aircraft missiles 258-9w
Nicaragua, Arms exports 259w
Nicaragua, Diplomatic relations 542w
Nicaragua, Foreign policy 542w
Nicaragua, USA 542w
Overseas aid, Agriculture 187-8w
Peru, Ministers' visits abroad 547w
Saudi Arabia, British residents abroad 546w
Sri Lanka 47w
Sri Lanka, Peace negotiations 543-4w
Time sharing, Sales methods 638w
Turks & Caicos Islands 918
Turks & Caicos Islands, Elections 918
UK contributions, UN Voluntary Fund for Victims of Torture 136w
UNESCO 546w
United Arab Emirates, Members' correspondence 638w
USSR, Compensation 212-3w
Visas 376w
Visas, Immigrants' dependants 48w
Visas, India 637-8w

Elderly
Crime prevention 810-1
Hearing aids 502-3w
Supplementary benefits (17.03.87) 901-8
Trent Regional Health Authority 155-6w

Elections
Republic of Ireland 454
Sinn Fein 454
Turks & Caicos Islands 918

Electoral register
Departmental forms 255w
Parliamentary constituencies 479w

Electorate
Wales 268w

Electrical control equipment 364-5w
Capital investment 454-5w
Dept of Trade & Industry, Consumer Safety Unit 34w
Domestic appliances 34w
Research 454-5w

Electricity area boards
Audit 119-20w
Contracts for services 199-20w

Electricity consumption
Energy efficiency 349-50w

Electricity generation
Coal fired power stations 11
Costs 41w
Dinorwig 523w
Severn barrage 459w
South East region 11
Tidal power 459w

Electricity supply industry
North West region 37w, 39w
South of Scotland Electricity Board 150-1w

Electricity tariffs
Radioactive waste disposal 458w

Embassies
Sexual offences 29w

Emergency planning 42w, 120-1w, 360w, 460w, 634-5w
Nuclear accidents 460w
Nuclear power stations 42w, 120-1w
Nuclear submarines 635w

Emery, Sir Peter
Debates etc
Sizewell B (12.03.87) 485-6
Questions
Iron & steel industry, Industrial production 700
Nuclear disarmament, Arms control treaties 461
Road construction, Somerset 114-5w

Emigration
Jews 47w
Republic of Ireland 449

Emphysema
industrial Injuries Advisory Council 479w

Employees' contributions
National insurance contributions 477-8w

Employment
Budget March 1987 (19.03.87) 1055-135
Dairy farming 633w
Financial institutions 130w
Nuclear power stations 130w

Employment level
Coventry 443-4w

Employment opportunities
Combined heat & power 282w
Cunninghame 288
Dee Corporation 475w
Energy resources 205w
Mersey barrage 281w
New towns 240w
Nuclear power stations 204-5w
Portsmouth 19w
Power stations 205w
Public expenditure 282-3
Regional aid (09.03.87) 82-120
Relocation of employees 36w
Severn barrage 281w
Sizewell B 119w
Springburn 276-7
Tourism 535w
Wind power 282w

Employment policy
Scotland 245w

Employment schemes
Arts 18w
Women 352-3w

Empty housing
Armed forces housing 537-8w
Portsmouth City Council 436w
Royal Aircraft Establishments 272w
Unity Flats 144w

End user certificates 195w
Arms exports 195w

Energy conservation
Manpower 204w

Energy efficiency 37w, 39-41w, 204w, 323w, 349-50w
Electricity consumption 349-50w
Industry 39-40w
Warships 323w

Energy Efficiency Monitoring & Targeting Programme 40w

Energy Efficiency Year 349-50w

Energy research 319w
Expenditure 460w
Manpower 203w
United Kingdom Atomic Energy Authority 203w
Wind power 39w

Energy resources
Capital investment 205w
Employment opportunities 205w

Energy Select Committee on Coal Industry (11.03.87) 302-42, 385

Energy supply 38w
Competition 43w

Enfield
Unemployment 354w

Engineering Council
Engineering education 24w

Engineering education
Engineering Council 24w
Higher education 24w

Engineering industries
Apprentices 19w, 134w
Industrial Training Board Levies (12.03.87) 579-94
Manpower 5w
Wales 5w

Engineering Industry Training Board 5-6w

Engines
Shipbuilding 642w

English language
Languages education 103w

English Language Teaching Committee 103w

Enterprise allowance scheme 130w

Entertainers
Taxation 322w

Environment protection
South Pacific 639w

Environmental impact assessment 7
Mersey barrage 7
Severn barrage 7

Environmentally sensitive areas 421-2w, 486w, 539w, 606-7w, 612w
Government grants 421w, 606w
Management 421-2w
Management agreements 421w, 486w
Mourne Mountains 539w
Norfolk Broads 612w
Northern Ireland 539w
Orders & regulations 421w
Scotland 653w
Water levels 606-7w

Equal opportunities
Insurance 155w

Equipment
Industrial health & safety 444w
Shops 444w

Espionage
Mitchell, Graham 319-20w

Essex
Special education 461w
Youth training scheme 344-5w

Estate Action 400w, 403w
Council housing finance 403w
Local authorities 403w
Portsmouth 400w

Estimates days (09.03.87) 124
Coal mining (11.03.87) 302-42, 385

Ethics
AIDS 140

Ethnic groups
Mentally disturbed offenders 296-8w

Ethnic minorities
Advisory services 20w
Bulgaria 136-7w
Civil service 181w
Civil service recruitment 553w
Crown Office for Scotland 198-9w
Dept of Education & Science 307w
Dept of Employment 19w
Dept of Energy 41w
Dept of Health & Social Security 231-2w
Dept of the Environment 50-1w
Dept of Trade & Industry 110w
Dept of Transport 13w, 116-7w
Duchy of Lancaster 48-9w
Education 632w
Home Office 26-7w
Human rights 136-7w
Lord Chancellor 197w
Lord Privy Seal 1w
Ministry of Agriculture Fisheries & Food 86-7w
Ministry of Defence 171w
Northern Ireland Office 142-3w
Scottish Office 146-7w
Treasury 59-60w

Ethnic monitoring 1w, 13w, 19w, 26-7w, 41w, 48-51w, 59-60w, 86-7w, 110w, 116-7w, 142-3w, 146-7w, 171w, 181w, 197-9w, 231-2w, 297w, 307w
Civil service 18
Civil service recruitment 1w, 13w, 19w, 26-7w, 41w, 48-51w, 59-60w, 86-7w, 110w, 116-7w, 142-3w, 146-7w, 171w, 181w, 197-9w, 231-2w, 307w
Mentally disturbed offenders 297w
Special hospitals 297w

Europe
Air transport 391w

European Confederation of Iron & Steel Industries 698-9

European Convention on Human Rights
British dependent territories 47w

European fighter aircraft 575w
Costs 575w

European Gateway 567-70w

European Investment Bank
Channel tunnel 61-2w, 274w
EC grants & loans 61-2w, 194-5w
Exchange risk guarantee scheme 193-4w
Loans 273w
Prime Minister visits abroad 553w
UK contributions 61-2w, 273-4w

European pearl mussel 437w
Nature conservation 437w

European Regional Development Fund
Textile industry 439w

European Security Conference
Human rights 550w
Postal services 549w

European Year of the Environment 518w
Dept of the Environment 518w

Evans, Mr John
Questions
Higher education 185w
Optica aircraft, South Africa 364w

Evening Standard 1w

Evennett, Mr David
Questions
City technology colleges, Curriculum 798
Inner London Education Authority 811
South East Thames Regional Health Authority, Hospital waiting lists 161w

Evidence
Prisoners 2w

Examinations
CSE 183w
GCE O level 183w
General Certificate of Secondary Education 263-4w
Teachers 182-3w

Exceptional circumstances additions
Scotland 335-6w
Severe disability premium 135-6

Exceptional needs payments
British citizenship 299-300w
Cookers 69w
Furniture 158w
Housing insulation 236w
Insulation grants 152w
Maternity benefits 232w, 293w, 478w
Social security benefits rules 479-80w

Exchange rates
Agriculture 609w
National loans fund 320w

Exchange risk guarantee scheme
EC grants & loans 193-4w
European Investment Bank 193-4w

Excise duties
Wines 592w

Exclusion orders
Merseyside 361-4w

Exercise Swift Sword 575-6w
Costs 575-6w

Exhaust emissions
Diesel vehicles (12.03.87) 491

Exhibitions
Calder Valley Artists 86w

Export controls
USA 33w, 94w, 277-8w, 925-6

Export Credits Guarantee Department 589-90w
Accounting 279-80w

Export licensing
Anti-aircraft missiles 259w, 278w, 365w
Armed forces uniforms 259w, 365w
Arms exports 195w, 365w
Cereals 228w
Companies 33w
Defence equipment 259w
MV Silver Sea 279w
Walkie talkie radios 365w

Export rebates
Butter 603-4w
EC countries 603-4w

Exports
Animal products 366w
Anthracite 648w
Cereals 423w
Furs 366w
Milk & milk products 609-10w
Wool 590-2w
Woollen industry 366w

Ex-servicemen
Compensation 172w
Death 171w
National Radiology Protection Board 172w
Nuclear weapons tests 171-2w

Extradition
India 550w

F111 Aircraft 379w
Air accidents 379w

Factor VIII 304w
Haemophilia 304w

Factories
Small businesses 443w
Tax allowances 443w
Textile industry 439w

Factory closures
Broxburn 275-6
Caterpillar Tractors 243w, 277-9, 523w
Scotland 89w, 291-2w

Factory Inspectorate
Control of Industrial Major Accident Hazards Regulations 1984 344w

Fairbairn, Mr Nicholas
Debates etc
Budget March 1987 (17.03.87) 849, 868-71
Questions
Crime, Public morals 813
Fine defaulters, Scotland 285-6
Public expenditure, Scotland 282
Scottish courts, Search warrants 291

Falkland Islands
Fish conservation 909
Fisheries 603w, 909
Fishery protection 553w
Fishing limits 909-10
Fishing vessels 910
Foreign & Commonwealth Office 212w

Fallon, Mr Michael
Debates etc
Motor industry (11.03.87) 365, 381, 390-2
Sizewell B (12.03.87) 486
Questions
Business statement 471
Diet & disease, Deviance & behaviour disorders 663w
Labour force survey 444-5w
Public expenditure, Scotland 281-2
Regional development grants, Darlington 31-3w
Severn bridge 392-3w
Youth training scheme, Darlington 128w

Family doctors
Lothian health board 654w
Pensions 480w

Family planning
Development aid 690
Overseas Development Administration 348w

Family planning clinics
Contraceptives 477w

Family practitioner committees
Camden 668w

Family practitioner services
Expenditure 66-7w
Surrey 66-7w

Famine 348w

Far East
EC external trade 525w

Farm incomes
Beef & veal 1025
Hill farming 610w
Lake District 1025
Scotland 1024
Sheep 1025
Small farms 607w
Uplands 1024

Farming & rural enterprise 423w

Farms
Debts 608w

Farr, Sir John
Debates etc
GATT (12.03.87) 572-3
Questions
Iran-Iraq War, Shipping safety 923-4
Milk, Production quotas 606w
Nurses, Pay 158w
School governors 463w
Security, Northern Ireland 459-60
Water authorities, Fire prevention 268-9w

Fatchett, Mr Derek
Debates etc
Budget March 1987 (17.03.87) 893, 896
Questions
Arts, Economic situation 80w
Council house sales, Leeds 106-7w
Graduates, High technology 465w
Leeds Prison, Prison employment 359w
Social security appeals, Social fund 159w

Faulds, Mr Andrew
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 158-9
Business questions point of order (12.03.87) 474
Questions
Business statement 467, 1048

Favell, Mr Tony
Debates etc
Regional planning & developments (09.03.87) 83-4, 96, 106-9
Questions
Agricultural policy 602w
Business statement 474
Coal fired power stations 12
Community relations, Northern Ireland 448
Electricity supply industry, North West region 37w
Local education authorities, Local government expenditure 802
Teachers, Pay 183-5w
Tibet, China 212w

Fees & charges
Airlines 675
Airports 492w
British citizenship 299-300w
Dairy farming 610-1w
Dog licences 310w
Food inspection 419w, 424w
Kidney machines 333w
Victoria & Albert Museum 15

Ferries
Safety standards 148
Shipping accidents 145-6

Field, Mr Frank
Questions
Cameron, Thomas, Members' correspondence 300w
Food surpluses, Statistics 227w
Members' facilities, Newspaper press 313w
Power industry disconnections 206w
Social security benefits rules, School leaving 300w
Supplementary benefits, School leaving 415-6w

Fields, Mr Terry
Debates etc
Budget March 1987, Economic situation (18.03.87) 988-92
Local government finance, Liverpool (18.03.87) 1022
Questions
Nicaragua, Foreign policy 542w

Fife
Redundancy 657w

Film distribution 525w

Film industry
Expenditure 83w

FIMBRA (11.03.87) 439-46

Financial institutions
Employment 130w
Self-employed 130w

Financial services 289w, (11.03.87) 439-46
Manpower 289w
Scotland 289w

Financial Services Act 1986
Questions
275-6w

Fine defaulters
Association of Directors of Social Services 286
Prison sentences 285-6, 656w
Scotland 285-6

Fines
Anti-fouling paints 52-3w
Criminal Procedure (Scotland) Act 1975 655-6w
Scotland 655-6w

Finley, Lorrien 351w
Prosecutions 351w

Finsberg, Sir Geoffrey
Questions
Civil service recruitment 16
Doctors, Hampstead Health Authority 667w
Electoral register, Departmental forms 255w
Family practitioner committees, Camden 668w
Nurses, Hampstead Health Authority 667w
Residuray bodies, Local government finance 558-60w

Fire prevention
Multiple occupation 215w
Water authorities 268-9w

Firearms
Armed forces training 323w

First reading (16.03.87) 789

First time buyers 380w

Fish
Llyn Vonwy 3w
Radioactivity 3-4w

Fish conservation
Falkland Islands 909
Salmon 424w
Scotland 381-2w
Water authorities 381-2w

Fish diseases
Disease control 440w

Fish farming
Legislation 483-4w
Licensing 483-4w
Planning permission 433-4w
Salmon 434-5w
Wales 455-6w
Water authorities 433-5w, 455-6w

Fisher, Mr Mark
Debates etc
Arts (12.03.87) 498-507, 526, 528, 550-4, 557
Questions
Arts finance, Scotland 13-4
Office of Arts & Libraries 84w

Fisheries
Compensation 605w
Falkland Islands 603w, 909
Licensing 603w
Light dues 605w
Modernisation 613w
Scotland 491-2w
Wales 514-5w

Fishery protection
Aircraft 580w
Falkland Islands 553w

Fishing
Compensation 3w

Fishing limits
Falkland Islands 909-10

Fishing quotas
Compensation 605w

Fishing vessels
Falkland Islands 910
Licensing 422-3w, 598w
Light dues 288w
Refrigeration 422-3w
Scotland 245w
Shipbuilding 245w
Shipping accidents 392w
Submarines 392w, 570w

Fitzgerald, Garrett 454-6

5 Airborne Brigade 576w

Flannery, Mr Martin
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 158
Public Order (Northern Ireland) Order 1987 (10.03.87) 223
Questions
Anglo-Irish Agreement, Republic of Ireland 450-1
Argentina, Ministers visits abroad 546w
City technology colleges 798-9
Museums & galleries, Admission charges 81w
Severe weather payments 153w
Teachers, Pay 181w
Teachers, Pay settlements 808-9

Flats
Council house sales 106w
Leasehold housing 50w
Northern Ireland Housing Executive 145w
Public sector housing sales 106w

Fletcher, Sir Alex
Questions
Aerospace industry, Government assistance to industry 113w
British Steel Corporation, Industrial production 699
Golden Wonder, Broxburn 275-6
Manufacturing industries, Government grants 36w
Medical education, Lothian Health Board 654w
Newspaper press, Scotland 244w

Floating debt
National income 140-1w

Food
Retail prices 287
Shortages 348w
Training allowances 129w

Food additives
Child health 235w, 304w

Food aid from EC
Mozambique 688

Food consumption
Sugar 611w

Food contamination
Cumbria 227w, 306w
Radioactivity 227w

Food from Britain 419w
Finance 419w

Food inspection
Civil service manpower 425w
Dairy farming 4-5w, 146w, 216-8w, 419w, 424-5w, 610-1w
Fees & charges 419w, 424w
Manpower 146w
Pay 146w
Small farms 146w, 425w

Food labelling
Convenience foods 1031
Nutrition & health 1031

Food prices 341w
Price increases 598-600w

Food standards
Food surpluses 612w

Food subsidies
Milk & milk products 613w

Food surpluses 485-6w
Beef 600-1w
Birmingham 601w
EC budget 648w
Butter 225w, 648w
Cereals 601w
Charities 286-7w, 422w, 599-600w, 1025-7, 1033-4
Disadvantaged 341w, 426-7w, 600-1w
Dundee 386w
EC action 599w
EC countries 600-1w
Food standards 612w
Publicity 341w, 426-7w
Scotland 286-7, 386w
Statistics 227w
Voluntary organisations 386w
Wales 7-8w, 315-6w
Waltham Forest 422w, 601w
Wandsworth 225w

Foot, Rt Hon Michael
Debates etc
Law enforcement (20.03.87) 1162, 1200-6
Questions
Iran, Arms trade 925
M15, Conspiracy 685

Foreign & Commonwealth Office
Falkland Islands 212w
Keeni Meeni Services 138w
Official Secrets Acts 211w
South America 212w

Foreign Compensation (USSR) (Registration & Determination of Claims) Order 1986
Questions
212-3w

Foreign policy
Argentina 211w, 582w
Grenada 550w
Guatemala 544w
Iran 924-5
Nicaragua 542w
Saudi Arabia 211w

Foreign tourists
Performing arts 82w

Forensic science
Crown agents 292
Scotland 292

Forestry
Agricultural land 1023-4
Agriculture 603w
Scotland 242w
Uplands 1023-4

Forestry Commission
Land acquisition 385-6

Forgery
Passports 551-2w

Forman, Mr Nigel
Debates etc
Budget March 1987, Economic situation (18.03.87) 967
Questions
Business statement 1045

Forres
Unemployment 289

Forrest Committee see Breast Cancer Screening Working Party

Forsyth, Mr Michael
Debates etc
Debtors (Scotland) Bill (HL), 2R (10.03.87) 194, 196-9
Questions
Crofting, Community charge 281
Mental health community care, Scotland 243w
Public Health (Scotland) Act 1897 250-1w
Smoke control areas, Scotland 382w
Unemployment, Scotland 288

Forth, Mr Eric
Debates etc
Budget March 1987, Economic situation (18.03.87) 943
Members' conduct, Members' Tea Room (11.03.87) 296-7
Questions
EC budget 914-5
Business statement 467, 1046
Development aid, Women 690
Official Secrets Act 1911, Prosecutions 685
Rhizomania, Disease control 604-5w
Roads, Repairs & maintenance 432w

Foulkes, Mr George
Debates etc
Arms control (09.03.87) 69-70, 72, 79
Budget March 1987 (17.03.87) 890, 897, 899-900
Nicaragua, Arms trade (18.03.87) 933
Oral question time point of order (18.03.87) 926
Questions
Air traffic control, Manpower 681
Armed forces uniforms, Export licensing 259w
British dependent territories, European Convention on Human Rights 47w
Customs & Excise, MV Silver Sea 321w
Export licensing, Anti-aircraft missiles 259w, 365w
Export licensing, Armed forces uniforms 365w
Export licensing, Walkie talkie radios 365w
Falkland Islands, Fishing limits 910
Fishing vessels, Shipping accidents 392w
Frozen food, EC action 612w
Keeni Meeni Services, Dept of Energy 119w
Keeni Meeni Services, Dept of the Environment 107w
Keeni Meeni Services, Dept of Trade & Industry 112w
Keeni Meeni Services, Dept of Transport 115w
Keeni Meeni Services, Foreign & Commonwealth Office 138w
Keeni Meeni Services, Ministry of Defence 123w, 174w
Keeni Meeni Services, Northern Ireland Office 143w
Keeni Meeni Services, Scottish Office 147w, 475w
Keeni Meeni Services, Welsh Office 117w
MV Silver Sea, Customs & Excise 273w
MV Silver Sea, Trade documentation 273w
Nuclear safeguards 41w
Severe weather payments, Advertising 507w
Shipping accidents, Submarines 116w
Solicitors, Scotland 289-90
Unemployment, Scotland 287-8

Fowler, Rt Hon Norman, Secretary of State for Social Services
Questions
AIDS, Health education 139-41
AIDS, Young offenders 672-4w
Currie, Edwina, Ministerial duties 136
Currie, Edwina, Smoking 136-7
Dept of Health & Social Security, Civil service manpower 334w
Dept of Health & Social Security, Members' correspondence 407w
Hospital doctors, Disciplinary proceedings 292w
National insurance contributions 407-8w
Smoking, Health hazards 328-9w

Fox hunting
Prosecutions 200w

Foxhunter radar
Tornado aircraft 378w

France
Animal breeding 424w
EC energy policy 38w

Franks, Mr Cecil
Debates etc
Sizewell B (12.03.87) 488-9

Fraser, Mr John
Debates etc
Gypsies, Caravan sites (13.03.87) 661-2
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 769-72
Questions
Council house sales, Flats 106w
Empty housing, Royal Aircraft Establishments 272w
Housing investment programmes 177w
Housing subsidies, Housing benefits 179-80w
Urban development corporations, London Docklands 433w

Fraser, Mr Peter, Solicitor-General for Scotland
Debates etc
Debtors (Scotland) Bill (HL), 2R (10.03.87) 166-76, 184-6, 192, 200-5
Questions
BBC, Police right of search 17w
Ethnic minorities, Crown Office for Scotland 198-9w
Forensic science, Scotland 292
Fox hunting, Prosecutions 200w
Fraud, Scotland 199w
Kidnapping, Children 200w
Legal aid, Scotland 199w
Licensing laws, Scotland 292-3
Rates & rating 18w
Reckless driving, Scotland 200w, 293-4
Scottish courts, Search warrants 290-1
Sheriff officers, Scotland 17w
Small claims, Scotland 200w
Solicitors, Scotland 289-90
Summary trial, Scotland 17-8w
Warrant sales, Scotland 18w

Fraud
Defence contracts 322w, 324w
Directors 199w
Driving tests 679
Scotland 199w
VAT 17

Free ports 320w
Vat 320w

Free school meals 102w

Freedom 464

Freedom of expression
Jazz section 441-2w
Ruskin College 368w

Freeman, Mr Roger, Under-Secretary of State for the Armed Forces
Questions
Armed forces, Courts martial 573-4w
Armed forces, Drug crimes 574-5w
Armed forces, Suicide 572w
Armed forces casualties, Armed forces discharges 173-4w
Armed forces casualties, Crown proceedings 173w
Armed forces casualties, Death 174w, 569w, 572w
Armed forces discharges, Accidents 569w
Armed forces education allowances, Costs 635w
Armed forces housing, North Yorkshire 537-8w
Armed forces officers, Age 576w
Armed forces reserves, Social security benefits rules 538w
Armed forces welfare 267-8w
Army Air Corps 575w
Army, Blood sports 96w
F111 aircraft, Air accidents 379w
Firearms, Armed forces training 323w
Hare, Squadron Leader, Air force flying 93-4w
Health education, Ministry of Defence 93w
Military vehicles, Transport of animals 323w
Park Vista, Greenwich, Restrictive covenants 538w
Singh, Jeffrey, Death 94w
Stornaway, Armed forces married quarters 377w
Stornoway, Airports 377w
Stornoway, Armed forces married quarters 377w
Warships, Energy efficiency 323w

Freeson, Rt Hon Reg
Debates etc
Arms control (09.03.87) 66-8
Questions
Nuclear weapons 919-20

Freightliner 929-30
Procurement 396-7w
Railway closures 397w
Road freight transport 397w

Freud, Mr Clement
Debates etc
Agricultural workers, East Anglia (16.03.87) 790-3, 796
Arts (12.03.87) 494, 506, 512-6
Questions
Business statement 471
Chiropodists, Manpower 513-4w
Doddington Hospital 141
Hooliganism, Crime 457w
Liverpool Street Station 392w
Performing arts, VAT 82-3w
School closures, Primary education 181-2w
Student numbers, Universities 473-4w
Training grants 214w, 345w
Training grants, Road Transport Industry Training Board 214w

Front line states
Economic situation 549w
Military aid 688
Overseas aid 547w
South Africa 689

Frozen food
EC action 612w

Funerals
Personal savings 142

Furniture
Exceptional needs payments 158w

Furs
EC external trade 366-7w
Exports 366w

Further education
Educational finance 97-9w
Educational qualifications 800-1
Local government expenditure 22w
Student numbers 456w
Wales 456w
Young people 464w

Further education colleges 307-8w

Gaddafi, Colonel
Disclosure of information 113w

Gaelic Athletic Association 213-4w
Government grants 213-4w

Gale, Mr Roger
Questions
Motor vehicle horns, Orders & regulations 431w

Galley, Mr Roy
Questions
Calder Valley Artists, Exhibitions 86w
Sports, Schools 467w

Garages & petrol stations
Road construction 17w

Garda Siochana
Royal Ulster Constabulary 457-8

Gardiner, Mr George
Debates etc
Budget March 1987, Employment (19.03.87) 1082-4

Garel-Jones, Mr Tristan, *Vice-Chamberlain of Her Majesty's Household*
Debates etc
Parliamentary & Health Service Commissioner Bill, Rep & 3R (10.03.87) 211

GATT
USA (13.03.87) 561-78

Gatwick
Aircraft noise 492-3w

GCE O level
Examinations 183w

Gemayel, President 211w

General Certificate of Secondary Education 182w, 469w
Curriculum 263w
Educational equipment 183w
Educational finance 100-1w, 797
Educational publications 183w
Educational standards 263w, 802
Examinations 263-4w
HM Inspectorate of Schools 22-3w
In-service training 263w
Local government expenditure 100-1w
Local government finance 101-2w
Teachers 182-3w

General consents 560-1w
Local government reform 560-1w

Geriatric patients
Hospital beds 597w

Glasgow
Arts finance 13-4
Drug crimes 654-5w
Patients 580-1w
Theatres 13

Glasgow Eastern Area Renewal 242w

Glyn, Dr Alan
Debates etc
Arms control (09.03.87) 60
Budget March 1987 (17.03.87) 885-7
Questions
Motorways, Road safety barriers 398w
School uniforms, School governors 24w

Godman, Dr Norman A
Debates etc
Debtors (Scotland) Bill (HL), 2R (10.03.87) 168, 187, 191, 194-6, 198, 204
Oral question time intervention (11.03.87) 281
Questions
AIDS, Scotland 384w
Argyll & Clyde Health Board 384w
Arts finance, Scotland 13
Bed & Breakfast accommodation, Scotland 290w
Breast cancer, Argyll & Clyde Health Board 383w
Cervical cancer, Argyll & Clyde Health Board 383-4w
Common sugar regime, Sugar refineries 265-6w
Council house waiting lists, Scotland 291w
Council housing, Inverclyde 291w
Dept of Health & Social Security local offices, Greenock 412w
Exceptional circumstances additions, Scotland 335-6w
Falkland Islands, Fishery protection 553w
Falkland Islands, Fishing vessels 910
Forensic science, Scotland 292
Homelessness, Scotland 290-1w
Land acquisition, Scottish Development Agency 475-6w
Mental health community care, Government grants 411w
Offshore Supplies Office, Manpower 1
Ophthalmic services, Scotland 384-5w
Police surgeons, Strathclyde 243-4w
Power disconnections, Greenock 522w
Rented housing, Scotland 291w
Scottish Development Agency, Expenditure 283
Sea Fish Industry Authority, Manpower 607w
Severe weather payments, Publicity 507-8w
Sheriffs, Scotland 248w
Shipbuilding, EC grants & loans 642w
Shipbuilding intervention fund, EC countries 278-9w
Skillcentres, Strathclyde 248-9w
South Africa, Arms embargoes 545w
Supplementary benefits, Greenock 506w
Supplementary benefits, Scotland 415w
Unemployment, Greenock 245w
Women's employment, Greenock 522w

Gold
Coinage 210w

Golden Wonder 275
Broxburn 275-6

Golding, Mrs Llin
Debates etc
Budget March 1987 (17.03.87) 891-2
Questions
Arts, West Midlands 85w
Further education, Young people 464w
Prisoners on remand, Women 357-8w

Goodlad, Mr Alastair, *Under-Secretary of State for Energy*
Questions
Advanced gas-cooled reactors, Manpower 203w
Advanced gas-cooled reactors, Nuclear safety 202w
Central Electricity Generating Board, Manpower 204w
Central Electricity Generating Board, Monopolies 43w
Central Electricity Generating Board, Nuclear power 203-4w
Electricity area boards, Audit 119-20w
Electricity generation, Costs 41w
Electricity generation, Dinorwig 523w
Electricity supply industry, North West region 37w, 39w
Nuclear accidents, Death 319w
Nuclear accidents, Disclosure of information 9
Nuclear accidents, Emergency planning 460w
Nuclear fuel reprocessing, Disclosure of information 42w
Nuclear power, National security 42-3w
Nuclear power stations, Design 649w
Nuclear power stations, Earthquakes 285w
Nuclear power stations, Emergency planning 42w, 120-1w
Nuclear power stations, Employment opportunities 204-5w
Nuclear power stations, Health physics 317-9w
Nuclear power stations, Industrial accidents 8
Nuclear power stations, Nuclear safety 8
Nuclear power stations, Public inquiries 205-6w
Nuclear safeguards 41w
Nuclear safety, Hinkley Point A 119w
Plutonium, Hinkley Point 281w
Power industry, Health physics 317-9w
Power stations 39w
Power stations, Employment opportunities 205w
Power stations, Manpower 202-3w
Pressurised water reactors, Nuclear safety 205-6w
Pressurised water reactors, Testing 582-3w
Public companies, Shareholders 316-8w
Radioactive waste disposal, Electricity tariffs 458w
Sizewell B, Construction 119w
Sizewell B, Nuclear safety 8-9
United Kingdom Atomic Energy Authority, Energy research 203w
United Kingdom Atomic Energy Authority, Manpower 203w

Gorst, Mr John
Questions
Housing benefits, Social security rules 668w

Gould, Mr Bryan
Questions
Mental hospitals, Hospital closures 669-71w

Gourlay, Mr Harry
Questions
Muir Construction, Planning permission 242w

Government achievements 218-25w

Government assistance
Charities 1026-7
Common agricultural policy 640w
EC countries 640w

Government assistance to industry
Aerospace industry 113w
Agriculture 1030
Airbuses 35w
Aircraft engines 113w
Science & technology 278w

Government assistance to nationalised industries
British Rail 396-7w

Government car service 51-2w
Driving instruction 52w
Pay 51-2w

Government contracts
Keeni Meeni Services 107w, 112w, 115w, 117w, 119w, 123w, 138w, 143w, 147w, 174w, 475w

Government departments
Civil service manpower 445w
Job training scheme 21w, 129w

Government grants
Agriculture 608w
AIDS 410w
Anglesey 117w
Arts Council 85w
Bus services 494w
Crime victims 357w
Dept of Trade & Industry 277w
Educational aid 46w
Environmentally sensitive areas 421w, 606w
Gaelic Athletic Association 213-4w
Information technology 277w
London Lighthouse project 70w
Manufacturing industries 36w
Mental health community care 411w
Merseyside Maritime Museum 558w
Microcomputers 97w
Museums & galleries 447-8
National Family Trust 74w
Oakthorpe 557w
Play 5w
Road safety education 684
Scottish Development Agency 284
Sea Fish Industry Authority 607w
Sites of special scientific interest 1028
Sports Council 406w, 441w

Technical & vocational education initiative 132-4w
Textile machinery 585-6w
Tourism 535w
Tourist attractions 579-80w
Victim support schemes 357w
Voluntary organisations 556w
Voluntary projects programme 345w
Workers' Educational Association 261w, 375w
Yorkshire & Humberside Development Association 36w, 112w

Government grants to voluntary organisations
Child care 233-4w
Community programme 257w
Deaf 65-6w
Homelessness 105-6w, 477w
National Childminding Association 4w
Portsmouth 26w
Scottish Community Halls Advisory Service 381w
Streetwise 477w

Government securities 208w

Gow, Mr Ian
Debates etc
Budget March 1987, Employment (19.03.87) 1072, 1088-92, 1124
Parliamentary & Health Service Commissioner Bill, Rep & 3R (10.03.87) 211-2
Questions
Anglo-Irish Agreement 451
Civil service recruitment 18
Road construction, Sussex 682

Graduates
Civil service recruitment 16
High technology 465w

Grammar schools 468w
Warwickshire (09.03.87) 125-32

Grampian Regional Council (Harbours) Order Confirmation Bill 1986/87
Debates etc
Lords amendts (11.03.87) 275
Royal Assent (12.03.87) 491

Grant, Sir Anthony
Debates etc
Budget March 1987 (17.03.87) 855-8
Sizewell B (12.03.87) 483

Grazing land
Norfolk Broads 612w

Greater London
Bus stations 397w
Council house rents 104-6w
Local education authorities 262-3w
Local government expenditure 404w
Lorries 393w
NHS finance 151w
Police housing 358w
Primary education 265w
Road assessment studies 493-4w
Road traffic 429w, 432-3w
Transport 116w

Greater London Council
Local government expenditure 403w

Greater Manchester Fire & Civil Defence Authority 201w

Greater Manchester Passenger Transport Executive 115w
Finance 115w

Green pound 608w, 1030
Beef & veal 1024, 1028-9

Greenock
Dept of Health & Social Security local offices 412w
Power disconnections 522w
Supplementary benefits 506w
Unemployment 245w
Women's employment 522w

Greenway, Mr Harry
Debates etc
Members' conduct, Members' Tea Room (11.03.87) 299
Rates & rating, Ealing (13.03.87) 668-70
Questions
Bed & breakfast accommodation, Ealing 138-9
Business statement 472-3, 1050
Channel ferries, Shipping accidents 636w
Dept of Health & Social Security, Members' correspondence 407w
Domestic rates, Ealing 342-3w
Ealing Green School, Playing fields 367w
Homelessness, Local authorities 437w
Horses, Markets 1034
Iran-Iraq War, Chemical weapons 922-3
London Underground, Railway fares 13-4w
Members' travel, House of Commons Select Committees 370-2w
Museums & galleries, Admission charges 16
Notting Hill Housing Trust, Property development 436w
Prime Minister official engagements 114w, 266w
Prime Ministers official engagements 457-8w
Public libraries, News International 81w, 253-4w
Rates & rating, Ealing 342-3w
Schools, AIDS 265w
Teachers, Pay settlements 807-8

Greenwich
Psychiatry 409w

Gregory, Mr Conal
Debates etc
Budget March 1987, Economic situation (18.03.87) 1001-3
Questions
Armed forces housing, North Yorkshire 537-8w
British Rail Engineering, Redundancy 928-9
Bus stations, Greater London 397w
Business statement 471
Electricity area boards, Audit 119-20w
Food labelling, Nutrition & health 1031
Oils & fats, Taxation 1035
Prescriptions, Costs 70w, 304-5w
South Pacific, Environment protection 639w
Tax burden, Labour party 1037-8

Grenada
Foreign policy 550w

Greyhound racing 111w
Bookmakers 111w
Monopolies 111w

Griffiths, Mr Peter
Debates etc
Industrial Training Board Levy (Engineering Board) Order 1987 (12.03.87) 588-9

Grist, Mr Ian
Questions
European Security Conference, Human rights 550w

"A Growing Health Service for a Healthier Wales" 637w

Grylls, Mr Michael
Questions
Airbuses, Government assistance to industry 35w
Coal fired power stations, Construction 11-2
VAT, Small businesses 390w
VAT, Tax collection 273w
VAT, Tax yields 273w

Guatemala
Foreign policy 544w

Terrorism
Remission 659w

Guildford
Hospital closures 65w

Guillotine (11.03.87) 410-8

Guinness
Company investigations 365w

Gummer, Rt Hon John Selwyn, Minister of State for Agriculture, Fisheries & Food
Questions
Agricultural support systems, Costs 341w
Agricultural support systems, Expenditure 427-8w
Beef & veal, East Anglia 1029
Beef & veal, Green pound 1028-9
Butter, Export rebates 603-4w
Cattle, Agricultural subsidies 146w
Cattle, Monetary compensatory amounts 425-6w
Cattle, Republic of Ireland 420w
Cereals, Agricultural production 604w
Cereals, Animal feed 423w
Cereals, EC countries 228w
Cereals, Export licensing 228w
Cereals, Land use 601w
Cereals, Prices 423w
Cereals, Production quotas 604w
Coastal fishing 484-5w
Common agricultural policy, Prices 610w, 1034-5
Common fisheries policy 603w
Dairy farming, Agricultural subsidies 305w, 611w
Dairy farming, Compensation 606w
Dairy farming, Food inspection 146w, 419w, 424-5w, 610-1w
Dairy farming, Outgoers scheme 607-8w
Dairy farming, Production quotas 633w, 1032-3
EC Agricultural Council 609w
Falkland Islands, Fisheries 603w
Farm incomes, Beef & veal 1025
Farm incomes, Lake District 1025
Farm incomes, Small farms 607w
Farm incomes, Uplands 1024
Fish diseases, Disease control 440w
Fish farming, Legislation 483-4w
Fish farming, Water authorities 434-5w
Fisheries, Compensation 605w
Fisheries, Light dues 605w
Fisheries, Modernisation 613w
Fishing vessels, Licensing 422-3w, 598w
Food from Britain, Finance 419w
Food surpluses 485-6w
Food surpluses, Birmingham 601w
Food surpluses, Charities 422w, 599w, 1033-4
Food surpluses, Disadvantaged 341w, 426-7w
Food surpluses, Food standards 612w
Food surpluses, Statistics 227w
Food surpluses, Waltham Forest 601w
Food surpluses, Wandsworth 225w
Hill farming, Farm incomes 610w
Intervention stocks, Costs 225-6w
Intervention stocks, North East region 420w
Intervention stocks, Northern Ireland 419-20
Milk, Co-responsibility levy 422w
Milk, EC countries 418-20w
Milk, Prices 225w
Milk, Production quotas 606w
Milk & milk products, Exports 609-10w
Milk & milk products, Local education authorities 613w
Oils & fats, Taxation 598w
Pigmeat, Agricultural marketing 605w
Pollution monitoring, Radioactivity 226-7w
Salmon 88w
Salmon, Fish conservation 424w
Sea Fish Industry Authority, Government grants 607w
Sea Fish Industry Authority, Manpower 607w
Sheep, Animal breeding 424w
Sheep, Compensation 227w
Small farms, Co-responsibility levy 228w
Wheat, Agricultural production 602w
Wheat, Prices 226w, 229w, 602w

Gurkhas
Armed forces welfare 538w
Nepal 538w

Gypsies
Caravan sites (13.03.87) 657-64
Private members' motions (13.03.87) 657-64

Hackney
Police relations with public 216w

Haemophilia
AIDS 304w, 626w
Compensation 626w
Factor VIII 304w

Haemophilia Society
AIDS 159w

Haiti
Ministers' visits abroad 547w

***Hamilton, Mr Archie**, *Under-Secretary of State for Defence Procurement*
Questions
Air force bases, Armed forces catering services 570-1w
Air force bases, Privatisation 572w
Air force bases, Scotland 571-2w
Defence contracts, Fraud 322w, 324w
Defence equipment, USA 635w
Defence expenditure, Public Accounts Committee 378w
Defence procurement 174-5w
Defence procurement, Defence expenditure 93w
Defence research, National income 539w
Early warning systems, Defence contracts 94w
Early warning systems, Military aircraft 575w
Early warning systems, Plessey 176w
Empty housing, Royal Aircraft Establishments 272w
Ethnic minorities, Ministry of Defence 171w
European fighter aircraft, Costs 575w
Foxhunter radar, Tornado aircraft 378w
Keeni Meeni Services, Ministry of Defence 174w
Marconi, Company investigations 324w
Marconi, Criminal investigation 174w, 324-5w
Military police, Ministerial responsibility 323-4w
Nuclear weapons tests 173w
Nuclear weapons tests, Armed forces civilians 172w
Nuclear weapons tests, Armed forces deployment 173w
Nuclear weapons tests, Compensation 173w
Nuclear weapons tests, Congenital abnormalities 173w
Nuclear weapons tests, Ex-servicemen 171-2w
Nuclear weapons tests, Radiation hazards 172w
Radar, Technical assistance 252w
Royal Ordnance, Privatisation 322w, 377-8w, 441w
Royal Ordnance, Trafalgar House 377w
Todd, Stuart, Dismissal 94-6w

Hamilton, Mr James
Questions
Caterpillar Tractors, Factory closures 277-8

Hamilton, Mr Neil
Debates etc
Budget March 1987, Economic situation (18.03.87) 970
Sizewell B (12.03.87) 490
Questions
Regional aid, Expenditure 590w

Hamilton, Mr Willie W
Debates etc
Budget March 1987 (17.03.87) 821
Budget March 1987, Economic situation (18.03.87) 981-5
Law enforcement (20.03.87) 1178-81, 1186
Questions
Arts, South West region 79w
Brazil, Debts 915-6
Family doctors, Pensions 480w
Members' pensions 628-30w
Public expenditure, Education 389w
Retirement pensions, EC countries 480w
Sugar, Health Education Council 611w
Wright, Peter, National security 696

Hammersmith & Fulham
Council house rents 104-6w
Housing 358w
Maternity benefits 294w, 408-9w

Hampshire
Nursery schools 23-4w
Pupil-teacher ratios 469w

Hampshire clinic 505w
Abortion 505w

Hampson, Dr Keith
Questions
Railway electrification, West Yorkshire 677
School buildings, Building repairs 806
Textile machinery, Educational institutions 585-6w

Hampstead Health Authority 667w
Dentists 667w
Doctors 667w
Nurses 667w

Hancock, Mr Michael
Questions
Chlorofluorocarbons, Ozone layer 405w
Chlorofluorocarbons, Pollution control 405w
Common fisheries policy 603w
Council housing, Portsmouth City Council 436w
Employment opportunities, Portsmouth 19w
Estate Action, Portsmouth 400w
Furs, EC external trade 366-7w
Furs, Exports 366w
Government grants to voluntary organisations, Portsmouth 26w
Homicide, Police authorities 450-2w
Hospital ancillary staff, Wessex Regional Health Authority 237w
Hospital waiting lists, Wessex Regional Health Authority 237w
Housing & elderly, Poole 435w
Housing Corporation, Portsmouth 436w
Housing insulation, Public expenditure 52w
Insulation grants, Public expenditure 110w
Nursery schools, Hampshire 23-4w
Nurses, Wessex Regional Health Authority 68w
Out-patients, Wessex Regional Health Authority 237w
Seal culling, Scotland 387w
Suicide 70w
Taxis, Competition 430w

Hand drilling
South East region 3

Handicapped
Community care 414w
Heathrow 431w
Local government social services 157w
Personal social services 157w
Social security benefits 230w

Handicapped children
Mobility allowance 413-4w

Handscomb, Brian 123w, 147-8w

Hanley, Mr Jeremy
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 728, 730, 748, 758-65
Questions
Art works, Objects in lieu of tax 14
Business statement 1043
Nuclear accidents, Death 319w

Hannam, Mr John
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 158
Sizewell B (12.03.87) 479
Questions
British Coal Corporation 206-7w
Electricity generation, Costs 41w
Margam Mine, Shift work 5
Rate support grants 650w
Severe disability premium, Social fund 135

Hardy, Mr Peter
Questions
Cereals, Agricultural production 604w
Nature conservation, Town & country planning 180w, 406w
Secondary education, Educational finance 797

Hare, Squadron Leader 93-4w
Air force flying 93-4w

Hargreaves, Mr Ken
Debates etc
Cancer (13.03.87) 621-3
Questions
Cash limits 210w
Hospital waiting lists, NHS finance 154w

Harlech Television 256w

Harman, Ms Harriet
Questions
Hospital waiting lists 64w
Local government expenditure, Play facilities 649w
Maternity benefits, Social security recipients 166w
Personal income, Peckham 578w
Play Board, Sports Council 439w
Racial attacks, Southwark 121-2w
Unemployment, Peckham 646-7w

Harris, Mr David
Questions
Beef & veal, Green pound 1029

Harrison, Rt Hon Walter
Debates etc
Wakefield County Hall (12.03.87) 595-6
Questions
Local government buildings, West Yorkshire 179w
Local government staff, Redundancy 652w
Occupational pensions, Local government reform 651-2w
West Yorkshire County Council, Local government finance 652-3w
West Yorkshire Residuary Body, Public sector housing sales 652w

Hart, Rt Hon Dame Judith
Questions
Aid financed trade 187-94w
Debts, Brazil 208w
Developing countries, Overseas loans 186w
EC aid 186-7w
Nuclear weapons, Transport 252w
Overseas aid, Agriculture 187-8w

Harvey, Mr Robert
Questions
Cancer, North Wales 516-7w

Haselhurst, Mr Alan
Questions
Bookmakers, Office of Fair Trading 33w
School meals 102w

Hattersley, Rt Hon Roy
Debates etc
Budget March 1987, Economic situation (18.03.87) 942-54
Budget March 1987, Employment (19.03.87) 1065-6

Havering
Hospital waiting lists 137

***Havers, Rt Hon Sir Michael**, *Attorney-General*
Questions
Attorney-General, Director of Public Prosecutions 125w
Attorney-General, Rape 350w
Cavendish, Anthony, National security 577w

Channel ferries, Shipping accidents 346w, 636w
Compensation, Codes of practice 346w
Crown Prosecution Service, Manpower 197-8w
Ethnic minorities, Lord Chancellor 197w
Finley, Lorrien, Prosecutions 351w
Intelligence services, National security 685
Legal aid, Criminal proceedings 351-2w
Lonrho, Dept of Trade inquiries 350-1w
MI5, Conspiracy 685
Mortgages, "Law Commission Working Paper, 99" 653w
National security, Judicial review 693
Official Secrets Act 1911, National security 685-6
Official Secrets Act 1911, Prosecutions 685-6
Police national computer, Disclosure of information 350w
Police national computer, Prosecutions 636w
Prosecutions, Drug abuse 37w
Public libraries, News International 253-4w
Rothschild, Lord, National security 686
Social security commissioners, Disclosure of information 125-6w
Unification Church, Civil proceedings 577w
Westland Helicopters, Criminal investigations 346w, 636w
West, Nigel, Official Secrets Act 1911 686
Wright, Peter, National security 693-8

Hawkins, Sir Paul
Debates etc
Agricultural workers, East Anglia (16.03.87) 792

Hawksley, Mr Warren
Questions
Public sector housing, Telford Development Corporation 53w

Hayhoe, Rt Hon Sir Barney
Debates etc
Budget March 1987, Employment (19.03.87) 1076-9

Haynes, Mr Frank
Debates etc
Coal Mining Subsidence Bill, 1R (11.03.87) 300-1
Parliamentary & Health Service Commissioner Bill, Rep & 3R (10.03.87) 207-8, 213
Questions
Grenada, Foreign policy 550w
Hospices, Health services finance 144
Performing arts, Foreign tourists 82w

Hayward, Mr Rob
Questions
Air transport, Europe 391w

Haywards Heath 124w
Demonstrations 124w

House of Commons accommodation
Richmond Terrace 438w

Headteachers
Educational standards 801
School buildings 806

Healey, Rt Hon Denis
Debates etc
Arms control (09.03.87) 32, 44-50, 78

Health
Pupils 308-9w

Health & Safety Executive
Civil service manpower 344w
Lorries 344w
Manpower 130w
Pay 130w

Health education
AIDS 139-41, 151-2w, 326-7w, 466w
Cardiovascular diseases 93w
Deaf 151-2w
Ministry of Defence 93w

Health Education Authority 625w, 664w
Northern Ireland 664w
Public appointments 625w

Health Education Council 168w
Sugar 611w

Health hazards
Milk & milk products 661w
Smoking 328-9w

Health physics
Nuclear power stations 317-9w
Power industry 317-9w

Health service ancillary staff
Redundancy 624-5w
Trent Regional Health Authority 624-5w

Health Service Commissioner (10.03.87) 206-18

Health service staff
Ear disorders 503-4w
Hospital waiting lists 4w
Labour costs 613-4w
Manpower 313-6w, 333w, 338-40w
Scottish health boards 338-40w
Secretarial staff 154w
South West Surrey Health Authority 67w
Wales 4w, 313-6w
West Surrey & North East Hampshire Health Authority 67w

Health services
AIDS 627w
Deaf 497w
Departmental leaflets 637w
Ear disorders 498w
Hearing aids 501w
NHS 409-10w
Wales 637w

Health Services & Public Health Act 1968
Questions
65-6w

Health services finance
AIDS 140
Breast cancer 383w
Hospices 143-4
Northern Ireland 310-1w
Trent Regional Health Authority 155-6w
Western Health & Social Services Board 310-1w

Hearing aids 502w
Elderly 502-3w
Health services 501w
Medical research 501w
NHS 503w

Hearing therapists 495-6w
District health authorities 496w
Manpower 495w

Heart diseases
Transplant surgery 236w

Heathcoat-Amory, Mr David
Questions
Agricultural land, Land use 599w
EC budget 913-4
Museums & galleries, Art works 83w
Pressurised water reactors, Hinkley Point B 4
Pressurised water reactors, Nuclear power stations 39w

Heathrow
Bus services 431w
Handicapped 431w
Railway network 678

Heddle, Mr John
Questions
Coal mining, Subsidence 458w
Community charge, Low incomes 271-2w
Derelict land grants, Staffordshire 433-4w
Land registration, Computer applications 398w
Sunday trading, Shops Act 1950 121w

Hedges & ditches
Tree planting 1024

Heffer, Mr Eric S
Debates etc
Budget March 1987 (17.03.87) 824
Budget March 1987, Economic situation (18.03.87) 963
Questions
Business statement 1044-5
Councillors, Liverpool City Council 463
Members' facilities, Taxis 1-2w

Hellesdon Hospital 408w

Henderson, Mr Barry
Debates etc
Debtors (Scotland) Bill (HL), 2R (10.03.87) 178, 185-8
Questions
Employment opportunities, Springburn 277
Licensing laws, Scotland 292-3
Prime Minister domestic visits, Perth 174
Railway timetables, Scotland 240-1w

Herald of Free Enterprise (09.03.87) 21-6, 145-6, 287w, 395-6w
Ministerial statements (09.03.87) 21-6

Heysham Power Station 202w

Hickmet, Mr Richard
Debates etc
Law enforcement (20.03.87) 1159, 1164
Questions
Bus services, Rural areas 494w
Nuclear disarmament 920

Hicks, Mr Robert
Questions
Milk & milk products, Local education authorities 613w

Higgins, Rt Hon Terence
Debates etc
Zeebrugge Ferry Disaster inquiry (09.03.87) 26
Questions
Retirement pensions, Social security benefits uprating 234w

High Court
Drug crimes 656w
Judges 687
Road construction 489w
Shrewsbury bypass 430-1w

High technology 176w, 465w
Graduates 465w
Skilled workers 465w

Higher education 22w, 185w
Age participation rates 804
Capital investment 260w
Education finance 99w
Engineering education 24w
Mature students 261-2w
Planning 530w
Science & technology 801
Science education 799
Student loans 804
Wales 185w

Highfield Hospital 505w
Abortion 505w

Highland Express Airline
Air routes 675

Highlands of Scotland
Oil industry 2-3

Highway Code 15w

Hill, Mr James
Debates etc
Budget March 1987, Economic situation (18.03.87) 947-8, 985-8

Hill farming
Farm incomes 610w

Hill Samuel 640-1w

Hind, Mr Kenneth
Debates etc
Law enforcement (20.03.87) 1148, 1159, 1171, 1176
Motor industry (11.03.87) 347, 396-7
Questions

Hospital waiting lists, North Western Regional Health Authority 154w
North Western Regional Health Authority, NHS finance 134

Hinkley Point
Plutonium 281w

Hinkley Point A 281w
Nuclear safety 119w

Hinkley Point B 202w
Pressurised water reactors 4

Hinkley Point Power Station
Earthquakes 285w

Hip replacements 303w
NHS finance 134

Hirst, Mr Michael
Debates etc
Debtors (Scotland) Bill (HL), 2R (10.03.87) 180-1, 183, 190-5, 197, 203
Prescriptions (Scotland) Bill, 1R (11.03.87) 299
Questions
Caterpillar Tractors, Factory closures 278-9
Diabetes, Medical treatments 137-8
Manufacturing industries, Scotland 240w
NHS finance, Scottish health boards 249-50w
Rhizomania disease, Disease control 341w
Small claims, Scotland 200w
Universities, Research finance 466w
VAT 447w

HM Chief Inspector of Prisons 357w
Prison riots 357w

HM Inspectorate of Schools
General Certificate of Secondary Education 22-3w
Local government expenditure 564-5w
Management consultants 22w, 632w
School buildings 463w
Schools 23w

Hogg, Mr Douglas, Under-Secretary of State at the Home Department
Debates etc
Law enforcement (20.03.87) 1193-200
Parliamentary Constituencies (England) (Miscellaneous Changes) Order 1987 (09.03.87) 121, 124
Questions
Absent voting 447w
Amusement arcades 527w
Bookmakers 29w
Civil defence, Local authorities 122-3w, 360w
Demonstrations, Parks 124w
Drinking & driving, Law enforcement 30w
Fire prevention, Multiple occupation 215w
Mentally disturbed offenders 555w
Metropolitan Police, Complaints against police 529w
Metropolitan Police, Police firearms 360w
Metropolitan Police, Police housing 358w
Metropolitan Police, Police photographs 360w
Metropolitan Police, Road accidents 215w
Police, Civil proceedings 357w
Police, Road traffic control 554-5w
Police, Schools 121w
Police, Wapping 555w
Police relations with public, Hackney 216w
Racial attacks, Southwark 121-2w
Rajiah, Joe, Homicide 121w
Road traffic offences, Information 358-9w
Thatcher, Mark, Marriage 31w
Water cannon, Riot control weapons 529w

Hogg, Mr Norman
Questions
Fine defaulters, Scotland 285
M80, Road construction 337w
M80, Scottish Development Agency 337w

Holland, Sir Philip
Questions
Privatisation 389w

Holland, Mr Stuart
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 712-3
Local Government Finance Bill, Allocation of Time motion (11.03.87) 415-6
Questions
Business statement 470
Development aid, Research finance 689-90
Housing construction, Direct labour departments 650w
Housing construction, Local authorities in Scotland 654w
Housing construction, Local government expenditure 650w
Immigrant detainees, Political refugees 633-4w
Maternity benefits, Lambeth 232-3w

Holt, Mr Richard
Debates etc
Residential care, Supplementary benefits (17.03.87) 901-4
Questions
Anglo-Irish Agreement 459
City technology colleges, Langbaurgh 807
Civil service, Ethnic monitoring 18
Coal fired power stations, Construction 11
EC energy policy, France 38w
Life imprisonment, Homicide 452-4w
Sentencing 812
Supplementary benefits, Social security benefits rules 169-70w

Holy Loch 634w

Home Office
Customs & Excise 527-8w
Ethnic minorities 26-7w

Home Robertson, Mr John
Questions
Dairy farming, Production quotas 1033
Environmentally sensitive areas, Government grants 421w
Environmentally sensitive areas, Northern Ireland 539w
Environmentally sensitive areas, Scotland 653w
Farm incomes, Beef & veal 1025
Fishery protection, Aircraft 580w
Food surpluses, Scotland 286
Mourne Mountains, Environmentally sensitive areas 539w

Homelessness
Bed & breakfast accommodation 649w
Bureaucracy 437w
Children 105-6w
Children in care 66w
Ealing 139
Government grants to voluntary organisations 105-6w, 477w
Housing finance 373w
Local authorities 437w
Northern Ireland 380w
Scotland 290-1w
Wales 373w

Homicide
Life imprisonment 452-4w
Police authorities 450-2w
Rajiah, Joe 121w
Spain 121w

Homosexuality
AIDS 139-40

Honours
Jews 48w

Hooliganism
Crime 457w

Hordern, Sir Peter
Debates etc
Budget March 1987, Economic situation (18.03.87) 945-6, 969-73
Questions
Business statement 1042
Structure plans, West Sussex 51w

Hormone treatments
Dairy farming 485w
Milk & milk products 661w
Prescriptions charges 415w

Horses
Animal welfare 1034
Army 96w
Markets 1034
Military vehicles 323w

Horticulture 1032
Vegetables 610w

Hospices
Ashfield 144
Health services finance 143-4
Leicester 143-4

Hospital admissions
Mental hospitals 298-300w

Hospital ancillary staff
Barnsley Hospital 302w
Manpower 237w
Wessex Regional Health Authority 237w

Hospital beds
Barnsley Hospital 301w
Geriatric patients 597w
Hospital closures 297-8w, 301w
North West Thames Regional Health Authority 69w
Orthopaedics 167w
Spinal injuries 167w
Trent Regional Health Authority 297-8w

Hospital closures
Ancoats Hospital, Manchester (10.03.87) 268-74
Guildford 65w
Hospital beds 297-8w, 301w
Leicestershire 160w
Mental hospitals 669-71w
Neurology 65w
Royal National Orthopaedic Hospital 167w

Hospital consultants
Disciplinary proceedings 325w
Ear disorders 496-8w
Ear nose & throat 501-2w
Manpower 501-2w

Hospital discharges 301-2w, 555w
Barnsley Hospital 301-2w

Hospital doctors
Disciplinary proceedings 292w

Hospital length of stay
Barnsley Hospital 301-2w

Hospital waiting lists 63-4w, 156w, 234w, 660w
Barnsley Hospital 301w
Ear nose & throat 498-502w
Havering 137
Health service staff 4w
NHS finance 137, 154w, 161w
North East Thames Regional Health Authority 137
North Western Regional Health Authority 154w
Ophthalmic services 168w, 384-5w
Out-patients 237w, 326w
Preston 134
Regional health authorities 335w
Scotland 580w
South East Thames Regional Health Authority 161w
Surgery 498-502w
Trent Regional Health Authority 297w, 326w, 625w
Wales 4w, 583w
Wessex Regional Health Authority 237w
West Midlands 161w

Hospital wards
Barnsley Hospital 302w

Hospitals
Bacterial diseases 230-1w
Construction 160-1w
Construction costs 328w
Contracts for services 417w
Land values 408w
Norfolk 328w
Norwich 328w, 408w

House of Commons catering
Members' facilities 368-9w

House of Commons chamber
Speaker's rulings & statements (17.03.87) 808

House of Commons Liaison Committee
(09.03.87) 124

House of Commons Members' Fund Act 1948
Debates etc
(20.03.87) 1210

House of Commons Members' Fund & Parliamentary Pensions Act 1981
Debates etc
(20.03.87) 1210

House of Commons questions
Administrative delays 506w
Prime Minister official engagements 26w
Speaker's rulings & statements (18.03.87) 936
Streetwise 506w

House of Commons Select Committees
Members' travel 370-2w
Members' visits abroad 370-2w

House of Commons staff
Screening 631w

House of Fraser 588w
Lonrho 588w

House renovation grants
Manchester 269w
Northern Ireland 380w
Trafford 269w
Wales 374-6w

Housing
Children 52w
Hammersmith & Fulham 358w
Local government expenditure 177w
Prison staff 358w
Public expenditure 389w

Housing & elderly
Poole 435w
Scotland 247w

Housing benefits
Housing subsidies 179-80w
Local government expenditure 411w
Social security reform 237-8w
Social security rules 668w
Students 237-8w
Unity Flats 144w
Waltham Forest 662w

Housing completions
Tower Hamlets 403w

Housing construction
Armagh 381w
Direct labour departments 650w
Local authorities in Scotland 654w
Local government expenditure 650w
Newry 381w
Private sector 650w

Housing Corporation
Portsmouth 436w

Housing Defects Act 1984
Questions
104w

Housing finance
Homelessness 373w
New towns 519-20w

Housing insulation
Exceptional needs payments 236w
Low incomes 37w
Public expenditure 52w
Synthetic fibres 49w

Housing investment programmes 177w
Expenditure 54-8w
Southwark 434w
Waltham Forest 178-9w

Housing occupancy
Prison staff 358w

Housing standards
Bed & breakfast accommodation 290w
Northern Ireland 379-80w

Housing subsidies
Housing benefits 179-80w
Liverpool City Council 672w

***Howard, Mr Michael,** Parliamentary Under-Secretary of State for Trade & Industry*
Debates etc
Investor protection (11.03.87) 441-5
Questions
AE, Takeovers 640-1w
Bookmakers, Office of Fair Trading 33w
Car industry, Advertising 588-9w
City Investment Centres, Dept of Trade inquiries 276w
Clothing, Safety labelling 111-2w
Company accounts, Industrial training boards 584w
Electrical control equipment, Domestic appliances 34w
Greyhound racing, Monopolies 111w
Guinness, Company investigations 365w
IC Gas, Shares 365w
Insolvency, Scotland 35-6w
Insurance brokers, Competition 275-6w
Investors Discount Brokerage 277w
Life insurance 196w, 280w
Lonhro, Subsidiary companies 453-4w
Lonhro, Company investigations 195-6w
Lonhro, Shares 588w
Matches, Misleading packaging 35w
Product liability 641w
Ravendale Group, Dept of Trade inquiries 276-7w
Ravendale Group, Licensing 276w
Share ownership 196w
Stocks & shares, Licensing 277w
Time sharing, Sales methods 641-2w
Trade Descriptions Act 1972 34w
Westland Helicopters, Shares 453w

Howarth, Mr Alan
Debates etc
Arts (12.03.87) 501, 511, 544-7
Grammar schools, Warwickshire (09.03.87) 128-30
Questions
Art works 14-5
Choral music, Arts finance 86w
Grammar schools 468w
Secondary education, Educational finance 797-8

Howarth, Mr George
Questions
Fisheries, Light dues 605w
Training 466w

Howarth, Mr Gerald
Debates etc
Coal mining (11.03.87) 317, 320-4
Questions
Excise duties, Wines 592w

***Howe, Rt Hon Sir Geoffrey,** Secretary of State for Foreign and Commonwealth Affairs*
Questions
ABM treaty 919
Arms control treaties 258w
EC budget 913-5
EC budget, National income 914
Chemical weapons, Arms control 549w
Falkland Islands, Fisheries 909
Falkland Islands, Fishing limits 909-10
Falkland Islands, Fishing vessels 910
Lebanon 211w
Lebanon, Peace negotiations 547w
Nuclear disarmament 920
Nuclear weapons 919-20
Nuclear weapons, Arms control treaties 910-2
Pershing missiles, Arms control treaties 911
Republic of Ireland, Official engagements 211w
Strategic nuclear weapons, Arms control treaties 912
Theatre nuclear weapons, Arms control treaties 918-9
USSR, Afghanistan 543w
USSR, Human rights 547w
USSR, Ministers' visits abroad 211w
USSR, Overseas trade 545w

Howell, Rt Hon David
Questions
Hospital closures, Neurology 65w

Howell, Mr Ralph
Questions
Agricultural support systems, Costs 341w
Agricultural support systems, Expenditure 427-8w
Cereals, EC countries 228w
Community nurses, Manpower 624w
Food prices 341w
Food prices, Price increases 599-600w
Health service staff, Labour costs 613-4w
Hospital waiting lists, Regional health authorities 335w
Hospitals, Norwich 328w, 408w
Income tax, Average earnings 139w
Income tax, Tax thresholds 209-10w
NHS, Crime 627w
Public sector employment, Public employment 59-60w
Rent rebates 325-6w
Small farms, Co-responsibility levy 228w
Tax thresholds, EC countries 139-40w
Visas 376w
Wheat, Prices 226w, 229w, 602w

Howells, Mr Geraint
Debates etc
Regional planning & developments (09.03.87) 82-7, 91
Questions
Dog licences, Fees & charges 314w
Educational institutions, Wales 636-7w
Sheep, Wales 216-8w
Sheep worrying, Wales 267w
Unemployment, Collective bargaining 257w, 345w

Hoyle, Mr Doug
Debates etc
Motor industry (11.03.87) 353, 381-4
Questions
Military vehicles, Road accidents 325w
Prisons, Public sector housing sales 28w

Hubbard-Miles, Mr Peter
Questions
British Airports Authority, Privatisation 683

Huddersfield
Manpower Services Commission 20w

Hughes, Mr Robert
Debates etc
Zeebrugge Ferry Disaster Inquiry (09.03.87) 22-3
Questions
Air traffic control, Working hours 682
British Airports Authority, Privatisation 683
Driving tests, Privatisation 679-80
Economic situation, Aberdeen 244w
Kidnapping, Children 200w

Hughes, Mr Roy
Debates etc
Budget March 1987 (17.03.87) 841-3
Questions
Higher education, Wales 185w
Manufactured exports 524-5w
Roads, London boroughs 489-91w
Roads, Wales 456w

Hughes, Mr Sean
Debates etc
Budget March 1987, Economic situation (18.03.87) 973-6
Questions
Arts finance, EC countries 83w

Hughes, Mr Simon
Debates etc

Artificial Limb & Appliance Centres Review (10.03.87) 156
Cancer (13.03.87) 607-11, 645, 649
Questions
City technology colleges, Expenditure 464w
Currie, Edwina, Smoking 136-7
Dairy farming, Hormone treatments 485w
Health hazards, Milk & milk products 661w
Hospital waiting lists 660w
Housing investment programmes, Southwark 434w
Meningitis, Communicable Disease Surveillance Centre 414w
Meningitis, Medical research 347w
Meningitis, Publicity 414w
Meningitis, Research finance 414w
NHS finance, Greater London 151w
Prescriptions, Cornwall 70w
"Sizewell B Public Inquiry Report" 38w
South Africa, EC Foreign Affairs Council 545w

Human rights
British dependent territories 47w
Cyprus 544w
Ethnic minorities 136-7w
European Security Conference 550w
Tibet 212w
USSR 547w, 912-3, 916-8, 920-2

Hume, Mr John
Questions
Adult education, Northern Ireland 659w
Landlords, Northern Ireland 659w
Western Health & Social Services Board, Health services finance 310-1w

Hunt, Mr David, *Under-Secretary of State for Energy*
Debates etc
Coal mining (11.03.87) 337-42
Questions
Anthracite, Exports 648w
Anthracite, Industrial production 43w
Anthracite, Wales 648w
British Coal Corporation 38w
British Coal Corporation, Manpower 282-4w
Coal, Consumption 648-9w
Coal, Retail trade 648w
Coal fired power stations, Coal 459w
Coal mine closures 283-4w
Coal mining, Asfordby 582w
Coal mining, Death 284w
Coal mining, Dismissal 4-5
Coal mining, Industrial disputes 44w
Coal mining, Industrial relations 39w
Coal mining, Leicestershire 6-7
Coal mining, Mine accidents 283-6w
Coal mining, Nottinghamshire 7
Coal mining, Productivity 5-6
Coal mining, Scotland 40w
Coal mining, Subsidence 458w
Combined heat & power, Employment opportunities 282w
Combined heat & power, Lead city schemes 37w
Concessionary coal, Transport 648w
Energy conservation, Manpower 204w
Energy efficiency 40w
Energy efficiency, Industry 39-40w
Energy research 319w
Energy research, Expenditure 460w
Housing insulation, Low incomes 37w
MacGregor, Ian, Pay 43w
Margam Mine, Shift work 5
Mersey barrage, Environmental impact assessment 7
Severn barrage 8
Severn barrage, Electricity generation 459w
Severn barrage, Employment opportunities 281w
Tidal power, Electricity generation 459w
Wind power, Employment opportunities 282w
Wind power, Energy research 39w
Wind power, Land use 460w

Hunt, Mr John
Questions
Road traffic, Greater London 432-3w

Hunter, Mr Andrew
Questions
Abortion, Hampshire clinic 505w
Green pound 608w
Hospital waiting lists 156w
Milk, EC countries 418-20w
Rajiah, Joe, Homicide 121w

Hunterston A
Nuclear safety 119w

Hurd, Rt Hon Douglas, *Secretary of State for the Home Department*
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 706-15, 723, 731
Questions
Civil disorder, Lincoln 124w
Crime, Departmental initiatives 27w
Deportation, National security 363w
Drownings, Death 29w
Electoral register, Departmental forms 255w
Ethnic minorities, Home Office 26-7w
Home Office, Customs & Excise 527-8w
Keeni Meeni Services, Ministry of Defence 123w
Local Development Agency Fund 556w
Lord of the manor 526w
Police, Manpower 124-5w
Satellites, Disclosure of information 449w
Satellites, National security 30w, 309w
Smith, Ronald T, Death 29w
Terrorism, Merseyside 361-4w
Trials, Appeals 449-50w

Hypermarkets
Planning permission 657w
Scotland 657w

IC Gas 365w
Shares 365w

Illegal immigrants
Airlines (16.03.87) 706-88

Immigrant detainees
Passenger ships 448-9w
Political refugees 633-4w

Immigrants
United Kingdom Immigrants Advisory Service 29w

Immigrants' dependents
Immigration rules 123w
Visas 48w

Immigration
Royal Ulster Constabulary 452

Immigration appeals
Departmental responsibility 266-7w

Immigration applications
Political refugees 359-60w

Immigration (Carriers' Liability) Bill 1986/87
Debates etc
2R (16.03.87) 706-88
Ways & means res* (16.03.87) 789

Immigration controls
Costs 359-60w
India 309w
Pakistan 309w
Political refugees 362w, (16.03.87) 706-88
Refugees 362w
Unification Church 361w

Immigration rules
Immigrants' dependants 123w

Import controls
Coal 545w
South Korea 584w
Taiwan 584w

Imports 35w
Animal products 366-7w
Chlorofluorocarbon 453w
Wool 590-2w
Woollen industry 366w

Income
Agricultural Development & Advisory Service 341w
East Midlands Tourist Board 163
NHS & private practice 72w
Pensioners 300w

Income tax
Average earnings 139w
Personal income 388-90w
Self-employed 536w
Tax allowances 139w, 272w
Tax thresholds 209-10w
Tax yields 207w, 272w

Income tax on foreign incomes 536-7w

Income tax on investment incomes 389w

Independent Scientific Committee on Smoking & Health 328-9w

India
Extradition 550w
Immigration controls 309w
Ministers' visits abroad 550w
Tamils 216w
Visas 637-8w

Industrial accidents
Coal mining 8
Nuclear power stations 8

Industrial development (10.03.87) 267, 556-7w
Renfrew 247w

Industrial diseases
Deafness 497w

Industrial disputes
Coal mining 44w
Educational standards 801-2
Professional Association of Teachers 808
Teachers 367w, 460, 807-9

Industrial energy conservation 39-40w

Industrial health & safety
Equipment 444w

Industrial Injuries Advisory Council
Emphysema 479w

Industrial investment 195w
Dundee 289
Lanarkshire 279-80
Manufacturing industries 280-2w
Scottish Development Agency 284

Industrial production
Anthracite 43w, 648w
Balance of payments 146-7
British Steel Corporation 699-700
Carbon tetrachloride 453w
Iron & steel industry 454w, 698-701
Manufacturing industries 240w
Methyl chloroform 453w
Petroleum 44w
Ravenscraig Steelworks 588w, 699
Woollen industry 366w

Industrial relations
Coal mining 39w

Industrial safety
Coal mining 8

Industrial training
Adult education 248-9w
Skilled workers 5-6w
Woollen industry 355w

Industrial Training Board Levies
Engineering industries (12.03.87) 579-94

Industrial training boards
Company accounts 584w

Industrial Training Levy (Engineering Board) Order 1987
Debates etc
(12.03.87) 579-94

Industrial training schemes
Adult education 132w, 257-8w
Leicester 345-6w
Paignton Secretarial College 579w
Women 352-3w

Industry
Energy efficiency 39-40w

Industry Act 1980 (Increase of Limit) Order 1987
Debates etc
(11.03.87) 343-409

Inflation
Pensions 153w

Information
Nurses 68w
Road traffic offences 358-9w
Transport 116w

Information technology
Government grants 277w

Infrastructure 430w
Channel tunnel 430w

Inheritance tax 561w

Injuries
Birds of prey 72w

Inland waterways
Road construction 15-6w

Inner area programmes 270w
Leicester 270w

Inner cities initiative 399-400w

Inner city areas 1037
Community programme 442-3w
Economic policy 399-400w
Inner Urban Areas Act 1978 650-1w

Inner city partnerships
Birmingham 518-9w
Voluntary organisations 518-9w

Inner London Education Authority 811

Inner Urban Areas Act 1978
Inner city areas 650-1w

Inquiries
Army 94w

In-service training
General Certificate of Secondary Education 263w

"Inside Intelligence" 577w

Insolvency
Scotland 35-6w

Institute of Fiscal Studies 246w

Insulation grants
Exceptional needs payments 152w
Public expenditure 110w

Insurance
Equal opportunities 155w
Nuclear weapons tests 172w
Pensions 155w
Shipping accidents 636w

Insurance brokers 275-6w
Competition 275-6

Intelligence services
Disclosure of information 347-8w, 577w, 695-6
National security 685, 694

Interest charges
Debts 445w, 915-6
National debt 61w

Interest rates
Bank of England 208w

International Points 270w

Intervention stocks
Charities 7-8w, 315-6w, 422w
Costs 225-6w
Disadvantaged 422w, 1025-7, 1033-4
Dundee 386w
Milk & milk products 418-20w
North East region 420w
Northern Ireland 419-20w
Pensioners 1026
Scotland 386w

Invalid care allowance 233w
Administrative delays 162w
Expenditure 295-6w
Married women 295-6w
Severe disability premium 134-5
Social security benefits rules 161w

Invalid vehicles
Tricycles 505w

Inverclyde
Council housing 291w

Inverclyde initiative 284-5
Manpower 283

Inverkip
Oil fired power stations 10-1

Investment
Manufacturing industries 60-1w
Railway network 930, 932

Investment income
Married women 389w

Investor protection (11.03.87) 439-46

Investors Discount Brokerage 277w

Ionizing radiation
Death 319w
Nuclear weapons tests 172w

IRA
Terrorism 453-4

Iran
Arms trade 924-5
Foreign policy 924-5

Iran-Iraq War 548w, 550-1w, 922-3
Arms exports 548w, 550-1w
Arms trade 922-3
Chemical weapons 922-3
Peace negotiations 548w
Shipping safety 923-4

Irish Sea 570w

Iron & steel industry
EC action 588w, 698-701
EC countries 454w
Industrial production 454w, 698-701
Peat Marwick Mitchell 700
Ravenscraig Steelworks 280
Scotland 699

Irradiated food 1031

Irving, Mr Charles
Questions
Members' facilities, Westminster Hall cafeteria 368-9w
Mentally disturbed offenders, Ethnic groups 296-8w
Mentally disturbed offenders, Ethnic monitoring 297w
Mentally disturbed offenders, Prison sentences 297w
Mentally disturbed offenders, Prisoners' transfers 296w
Psychiatric nurses, Manpower 62w

Isleworth
Maternity benefits 409w

Islington
Supplementary benefits 166-7w

Israel
EC external trade 551w
Passports 551-2w

Jackson, Mr Robert
Questions
Agricultural land, Land use 599w

Janner, Mr Greville
Questions
Business statement 469, 1049-50
Coal mining, Leicestershire 6
Hospital closures, Leicestershire 160w
Local government revenue, Leicester 343w, 406w
Official Secrets Act 1911, Prosecutions 685
Prime Minister's official engagements 457-8w
Retirement age, Men 482w
Road safety education 464-5w
Road safety education, Government grants 684
USSR, Human rights 917
USSR, Members' visits abroad 541w
USSR, Visas 582w

Japan
Overseas trade 526w
Vaccination 665-6w

Jazz musicians
Arts finance 86w

Jazz section 441-2w
Freedom of expression 441-2w

Jenkin, Rt Hon Patrick
Debates etc
Sizewell B (12.03.87) 480

Jenkins, Rt Hon Roy
Debates etc
Budget March 1987, Economic situation (18.03.87) 965-70
Questions
MI5, Labour Party 811
Public expenditure, Scotland 282

Jessel, Mr Toby
Debates etc
Arts (12.03.87) 512, 523-6, 533
Questions
Museums & galleries, Building alterations 84-5w

Jews
Emigration 47w
Honours 48w
USSR 47-8w, 917, 920-2

Job centres 19w
Manchester 19w

Job creation schemes
Waltham Forest 126w

Job description
Civil service 49w

Job training scheme 129w, 258w, 494w, 534-6w, 578w
Finance 129w, 535w, 578w
Government departments 21w, 129w
Merseyside 258w, 578w
Overtime 21w, 129w
Shift work 21w, 129w
Social security disqualifications 494w
Take-up of employment 21w
Training 129w
Training allowances 21w, 129w

Jobclubs 92w
Dundee 92w

John, Mr Brynmor
Questions
Agricultural land, Land use 1028
Forestry, Agricultural land 1023-4

John Brown Tourism, Marketing & Development Services
Organisation 267w

Johnson Smith, Sir Geoffrey
Debates etc
Arms control (09.03.87) 31, 59-61
Arts (12.03.87) 493

Johnston, Sir Russell
Questions
Brazil, Debts 916
EC budget, EC reform 536w
EC budget, National income 914
Caterpillar Tractors, Factory closures 279
Crime, Unemployment 811-2
Defective housing, PRC homes 104w
Iron & steel industry, Scotland 699
Local income tax, Scotland 246w
Oil prices 37w
Single European Act 137w
South of Scotland Electricity Board, Electricity supply industry 150-1w
Special educational needs, Educational finance 469-70w

Joint Advisory Committee on Nutrition Education 427-8w

Jones, Mr Barry
Questions
Apprentices, Engineering industries 134w
Council house waiting lists, Wales 374w
Crime, Wales 30w, 451-2w
Curriculum, Wales 375w
Dairy farming, Wales 4-5w
Disabled Persons (Services Consultation & Representation) Act 1986, Wales 315w
Engineering industries, Apprentices 19w
Engineering industries, Wales 5w
Food surpluses, Wales 7-8w
Health services, Wales 637w
Homelessness, Wales 637w
House renovation grants, Wales 374-6w
Play, Wales 5w
Railway electrification, Wales 372w
Ruabon bypass, Road construction 372-3w
School buildings, Criminal damage 371-2w
Skilled workers, Wales 5-6w
Transport supplementary grants, Wales 374w
Welsh language, Schools 8w
Workers' Educational Association, Wales 375w

Jones, Mr Robert B
Debates etc
Parliamentary Constituencies (England) (Miscellaneous Changes) Order 1987 (09.03.87) 122-3
Questions
Crime, Departmental initiatives 27w
Manufacturing industries, Investment 60-1w
Youth training scheme, Dacorum 128w

Jopling, Rt Hon Michael, Minister for Agriculture, Fisheries and Food
Questions
Agricultural advisory services 1030
Agricultural Development & Advisory Service 87-8w
Agricultural land, Land use 305w, 599w, 601w, 1027-8
Agricultural policy 602w
Agricultural products, Marketing 601w
Agriculture, Exchange rates 609w
Agriculture, Government assistance to industry 1030
Cattle, Artificial insemination of animals 306w
Common agricultural policy 603w
Environmentally sensitive areas, Government grants 606w
Ethnic minorities, Ministry of Agriculture Fisheries & Food 86-7w
Food surpluses, Beef 600-1w
Food surpluses, Charities 599-600w, 1025-7
Forestry, Agricultural land 1023-4
Forestry, Agriculture 603w
Green pound 608w
Oils & fats, Taxation 598w

Jordan
Diplomatic immunity 47w
Sexual offences 29w

Jordanhill College of Education 148-50w
College closures 148-50w
Dunfermline College of Physical Education 148w
Physical education 149-50w

Judges
High Court 687
Public appointments 687

Judgments
Attendance allowance 627w
Parole 123w, 147-8w

Judicial review
National security 693

Kaufman, Rt Hon Gerald
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 716-24, 728
Questions
Airlines, Air travel 15w

Keeni Meeni Services 107w, 112w, 115w, 117w, 119w, 123w, 138w, 143w, 147w, 174w, 475w
Dept of Energy 119w
Dept of the Environment 107w
Dept of Trade & Industry 112w
Dept of Transport 115w
Foreign & Commonwealth Office 138w
Government contracts 107w, 112w, 115w, 117w, 119w, 123w, 138w, 143w, 147w, 174w, 475w
Ministry of Defence 123w, 174w
Northern Ireland Office 143w
Scottish Office 147w, 475w
Welsh Office 117w

Kellett-Bowman, Mrs Elaine
Debates etc
Arms control (09.03.87) 73
Regional planning & developments (09.03.87) 85, 89
Questions
Local education authorities, Local government expenditure 803

Kennedy, Mr Charles
Questions
Alwyn House, Blind 385w
Community programme, Costs 353-4w
Community programme, Scotland 385w, 581w
F111 aircraft, Air accidents 379w
Forestry Commission, Land acquisition 385-6w
Handicapped, Community care 414w
Hill farming, Farm incomes 610w
Oil industry, Construction 2-3
Welsh language, Per capita costs 376w

Kenny, Bernadette 409w
Psychiatry 409w

Kent University 473-4w

Kenya
Overseas aid 349w

Kershaw, Sir Anthony
Debates etc
Arms control (09.03.87) 50-2
Questions
USSR, Human rights 922

Key, Mr Robert
Questions
Animal diseases, Disease control 604w
Food surpluses, Charities 1026
Residential care, Corporal punishment 64w
School discipline, Scotland 89w

Kidnapping
Children 200w

Kidney machines
Fees & charges 333w
NHS & private practice 333w

King, Mr Roger
Debates etc
Motor industry (11.03.87) 349, 368-71, 382
Questions
Airlines, Competition 675
Schools, Birmingham 466w
South Birmingham Health Authority, Capital investment 160w

King, Rt Hon Tom, Secretary of State for Northern Ireland
Debates etc
Public Order (Northern Ireland) Order 1987 (10.03.87) 219-24
Questions
Anglo-Irish Agreement 449-51, 454
Anglo-Irish Agreement, Border security in Ireland 457-8
Anglo-Irish Agreement, Northern Ireland government 451
Anglo-Irish Agreement, Publicity 456-7
Anglo-Irish Agreement, Republic of Ireland 274-5w, 449-51, 453-4
Anglo-Irish Intergovernmental Conference, Civil servants 143w
Anglo-Irish Intergovernmental Conference, Republic of Ireland 451
Border security in Ireland 660w
Elections, Republic of Ireland 454
Fitzgerald, Garrett 454-5
Political meetings, Bambridge 598w
Republic of Ireland, Armed forces deployment 311-2w
Royal Ulster Constabulary, Official engagements 275w
Security, Northern Ireland 274-5w, 459-60
Sinn Fein, Terrorism 455
Terrorism, Republic of Ireland 449-50
Ulster Defence Regiment, Coleraine 452-3

Kingman Committee see English Language Teaching Committee

Kingsnorth motor transport sheds 15w
Property transfer 15w

Kinnock, Rt Hon Neil
Debates etc
Budget March 1987 (17.03.87) 829-35
Questions
Balance of payments, Industrial production 146-7
Business statement 465-6, 1041
Crime 810-1
Police, Manpower 1036-7
Westland Helicopters, Shares 460-1

Kirkcaldy
Severe weather payments 667w
Unemployment 89-90w

Kirklees
Unemployment 20w

Kirkwood, Mr Archy
Debates etc
Debtors (Scotland) Bill (HL), 2R (10.03.87) 182-5, 187, 191, 197, 200
GATT (12.03.87) 564, 574-6
Questions
Agricultural advisory services 1030
Aid financed trade, OECD countries 185w
AIDS, Medical treatments 156w
Animal diseases, Agricultural research 305w
Beef & veal, Scotland 244w
British Council, Finance 544w
Developing countries, Aid financed trade 692
Developing countries, Debts 473-4w
Developing countries, Loans 125w
Dogs, Liability for animals 336w
Health Education Authority, Northern Ireland 664w
Health Education Authority, Public appointments 625w
Health Education Council 168w
Hospital consultants, Disciplinary proceedings 325w
Means tested benefits, Social security claims 73w
Mozambique, Military aid 688
Pupils, Health 308-9w
Rates & rating, Scotland 289-90w
Scottish Development Agency, Government grants 284
Severe weather payments, Social security claims 73w
Social security commissioners, Disclosure of information 125-6w
Submarines, USA 570w

Knight, Mr Greg
Questions
Animal diseases, Disease control 604w
British Rail Engineering, Redundancy 929
Buses, Motorways 115w
Oman, Ministers' visits abroad 543w
Rolls-Royce Aeroengines, Company finance 587w

Knight, Dame Jill
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 156
Questions
Arms control treaties, USSR 145

Currie, Edwina, Ministerial duties 136
Diplomatic immunity, Vienna Convention on Diplomatic Relations 1038
Health service staff, Secretarial staff 154w
Hospital doctors, Disciplinary proceedings 292w
Mentally disturbed offenders 555w

Knox, Mr David
Debates etc
Budget March 1987 (17.03.87) 849-53
Questions
EC reform 542w
Energy efficiency 37w
Milk, Production quotas 606w
Motorways, Road construction 677
Scottish Development Agency, Expenditure 283
Secondary education, Cost per pupil 797

Labour costs
Health service staff 613-4w
Minimum wage 321w

Labour force survey 444-5w

Labour Party
Defence 462-3
Law enforcement 811
MI5 693-8, 811-3, 1038
NATO 462-3
Nuclear disarmament 146, 1038-9
Nuclear power 12, 288
Tax burden 1036-8

Lake District
Farm incomes 1025

Lambeth
Maternity benefits 232-3w

Lambie, Mr David
Questions
New towns, Scotland 240w
Unemployment, Scotland 288

Lamond, Mr James
Questions
USSR, Overseas trade 545w

Lamont, Rt Hon Norman, Financial Secretary to the Treasury
Debates etc
Budget March 1987, Economic situation (18.03.87) 1008-14
Consolidated Fund (No 2) Bill, 1R (16.03.87) 789
Questions
Business expansion scheme, Ravendale Group 272w
Debt collection, Pay incentives 61w
Department of Employment, Advertising 586w
Disposable income, Mortgages 207w
Income tax, Average earnings 139w
Income tax, Self-employed 536w
Income tax, Tax allowances 139w, 272w
Income tax, Tax thresholds 209-10w
Income tax on foreign incomes 536-7w
Married women, Investment income 389w
Personal income, Income tax 388-90w
Privatisation 389w
Shareholders, Scotland 647w
Tax allowances, Science & technology research 207-8w
Tax collection, Performance related bonus scheme 142w
Tax exemption certificates, Russell David Construction 591-2w
Tax thresholds, EC countries 139-40w
Tax yields, Income tax 207w
Taxation, Average earnings 141-2w
Taxation, Entertainers 322w
Taxpayers, Personal income 61w

Lanarkshire
Industrial investment 279-80
Unemployment 279-80

Lancashire County Council 470w
Capital investment 470w

Land acquisition
Forestry Commission 385-6w
Playing fields 367w
Scott Lithgow 475-6w
Scottish Development Agency 475-6w

Land drainage
Nature conservation 612w

Land registration
Administrative delays 350w
Computer applications 398w

Land Registry Office
Administrative delays 350w

Land use
Agricultural land 305w, 599w, 601w, 1027-8
Cereals 601w
Sir Thomas & Lady Edith Dixon Hospital, Cairndhu 595w
Unity Flats 144w
Wind power 460w

Land values
Hospitals 408w
London Docklands 558w
Thamesmead Town 561w

Landing charges 492w

Landlord & tenant
Private sector housing 50w

Landlords
Northern Ireland 659w
Prosecutions 659w

Lang, Mr Ian Under-Secretary of State for Scotland
Questions
Caterpillar Tractors, Factory closures 243w
Community programme, Scotland 385w, 581w
Craft industries, Scotland 382w
Distillers Group, Takeovers 247w
Dundee, Industrial investment 289
Economic situation, Aberdeen 244w
Employment opportunities, Springburn 276-7
Financial services, Scotland 289w
Fine defaulters, Scotland 285-6
Golden Wonder, Broxburn 275-6
Industrial development, Renfrew 247w
Jobclubs, Dundee 92w
Keeni Meeni Services, Scottish Office 147w, 475w
Land acquisition, Scottish Development Agency 475-6w
Manufacturing industries, Scotland 240w
New towns, Scotland 240w, 519-20w
Oil industry, Scotland 244-5w
Police surgeons, Strathclyde 243-4w
Population, Scotland 474-6w
Power disconnections, Greenock 522w
Prison overcrowding, Scotland 241w
Prisons, Scotland 242w
Redundancy, Fife 657w
Redundancy, Scotland 89w, 291-2w
Regional aid, Strathclyde 89w
Scottish Development Agency 523w
Scottish Development Agency, Expenditure 657w
Sheriffs, Scotland 248w
Skillcentres, Strathclyde 248-9w
South of Scotland Electricity Board, Electricity supply industry 150-1w
Unemployment, Dunfermline 89-90w
Unemployment, Greenock 245w
Unemployment, Lanarkshire 279-80
Unemployment, Scotland 245w, 287-9
Women's employment, Greenock 522w

Langbaurgh
City technology colleges 807

Langford, Mrs E A 21w
Members' correspondence 21w

Languages
Departmental leaflets 448w

Languages education
English language 103w

Lasers
Cervical cancer 162w

Latham, Mr Michael
Questions
Agricultural advisory services 1030
Anglo-Irish Agreement 450
Armed forces education allowances, Costs 635w
Boarding schools 562w
Boarding schools, Educational finance 562w
Boarding schools, School closures 562-3w
Business statement 467, 1044
Children in care, Local government expenditure 506w
Children in care, Northern Ireland 539-40w
Children in care, Scotland 522w
Children in care, Wales 515w
Diplomatic service education allowances 638w
Leicester Royal Infirmary, Modernisation 152w
Milk & milk products, Exports 609-10w
Voluntary schools, Educational finance 563w

"Law Commission Working Paper, 99"
Mortgages 653w

Law enforcement
Drinking & driving 30w
Labour Party 811
Private members' motions (20.03.87) 1146-209

Law reform
Commercial surrogacy 416w
Test tube babies 416w
Vaccine Damage Payments Act 1979 298w

Lawler, Mr Geoff
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 766-9
Questions
Bookmakers 29w
Deportation, Costs 309-10w
Immigration controls, India 309w
Political refugees 310w
Small businesses, Factories 443w
Vocational guidance, Secondary education 470w

Lawrence, Mr Ivan
Debates etc
Law enforcement (20.03.87) 1181-6, 1202
Questions
Agriculture, Departmental publications 486-8w
British Rail Engineering, Redundancy 931
Computers in schools 196w
Diplomatic immunity 137-8w
Diplomatic service, Crime 138w
Farming & rural enterprise 423w
Food surpluses, Charities 1026-7
Legal aid, Criminal proceedings 351-2w
National security, Judicial review 693
Political refugees, Immigration applications 359-60w
UK contributions, UN Voluntary Fund for Victims of Torture 136w
USSR, Human rights 920

Lawson, Rt Hon Nigel, Chancellor of the Exchequer
Debates etc
Budget March 1987 (17.03.87) 815-28
Questions
Balance of payments 272w, 537w
Balance of trade 595-6w
Civil list 445-6w
Debts, Brazil 208w
Gold, Coinage 210w
Local government expenditure, Capital investment 140w

Lead city schemes 37w
Combined heat & power 37w

Leasehold housing
Flats 50w

Lebanon 211w
British residents abroad 48w
EC Foreign Affairs Council 137w

Overseas aid 186w
Peace negotiations 547w

***Lee, Mr John,** Under-Secretary of State for Employment*
Debates etc
Agricultural workers, East Anglia (16.03.87) 792-6
Questions
Building industry, Unemployment 443w
Bus crews, Crosville Bus Company 258w
Community programme 257w, 353w
Community programme, Batley 354w
Community programme, Costs 353-4w
Community programme, Government grants to voluntary organisations 257w
Employment level, Coventry 443-4w
Employment opportunities, Portsmouth 19w
Employment schemes, Arts 18w
Employment schemes, Women 352-3w
Job centres 19w
Job creation schemes, Waltham Forest 126w
Manpower Services Commission, Advisory services 20w
Manpower Services Commission, Huddersfield 20w
Paignton Secretarial College, Industrial training schemes 579w
Pensioner price index 74w
Personal income, Peckham 578w
Skillcentres, Unemployment 642-6w
Tourist attractions, Government grants 579-80w
Unemployment 126-7w
Unemployment, Enfield 354w
Unemployment, Kirklees 20w
Unemployment, Nuclear power stations 127w
Unemployment, School leaving 444w
Voluntary projects programme, Government grants 345w
Women's employment, Tooting 343-4w
Woollen industry, Manpower 355-6w
Woollen industry, Productivity 355w
Youth unemployment, Coventry 443-4w

Leeds
Council house sales 106-7w
Railway electrification 676

Leeds Prison 359w
Prison employment 359w

Legal advice & assistance
Shipping accidents 346w

Legal aid
Criminal proceedings 351-2w
Legal costs 351-2w
Procurators fiscal 199w
Scotland 199w

Legal costs
Appeals 696
Legal aid 351-2w

Legislation
Fish farming 483-4w

Leicester
Adult education 257-8w, 345-6w
Driving tests 679
Hospices 143-4
Industrial training schemes 345-6w
Inner area programmes 270w
Local government revenue 343w, 406w
Ministers' domestic visits 34-5w
Tourism 163

Leicester City Council 406w

Leicester Nuffield Clinic 504w
Abortion 504w

Leicester Royal Infirmary 152w
Modernisation 152w

Leicestershire
Coal mining 6-7
Hospital closures 160w

Leigh, Mr Edward
Debates etc
Arms control (09.03.87) 32, 35
Members' conduct (11.03.87) 299
Opposition Budgets Bill, 1R (18.03.87) 937-8
Questions
Business statement 474
Cereals, Land use 601w
Church schools, Northern Ireland 449
Curriculum 465w
Pensions, Inflation 153w
Prime Minister official engagements 266w, 458w, 554w
Vaccine Damage Payments Act 1979, Law reform 298w

Leighton, Mr Ron
Debates etc
Budget March 1987, Employment (19.03.87) 1057, 1084-8, 1125
Local Government Finance Bill, Lords amendments (11.03.87) 427-8
Questions
Natural History Museum, Admission charges 21w
Police, Wapping 555w
Skillcentres, Unemployment 642-6w

Lenihan, Brian 211w

Lester, Mr Jim
Questions
Theatre nuclear weapons, Arms control treaties 918-9

Leukaemia
North Wales 516-7w

Lewis, Sir Kenneth
Debates etc
Budget March 1987 (17.03.87) 838-41
Prime Minister's Questions, Supplementary Questions (10.03.87) 162
Questions
Business statement 469

Lewis, Mr Ron
Questions
British Rail Engineering, Redundancy 931
Kingsmoor motor transport sheds, Property transfer 15w

Lewis, Mr Terry
Questions
Falkland Islands, Fisheries 603w
UNESCO 546w

Lewisham
Cauliflowers 1032

Leyland Trucks (11.03.87) 343-409

Liability for animals
Dogs 336w

Liaison Committee see House of Commons Liaison Committee

Libyan Arab Republic
Bombings 113w

Licensed premises
Declarations of interest 292-3

Licensing
Drugs 238-9w
Fish farming 483-4w
Fisheries 603w
Fishing vessels 422-3w, 598w
Ravendale Group 276w
Stocks & shares 277w

Licensing laws
Scotland 292-3

Life expectancy
Muscular dystrophy 164w

Life imprisonment
Homicide 452-4w

Life insurance 196w, 280w

Lifejackets
Channel ferries 395-6w

Light dues 288w, 605w
Fisheries 605w
Fishing vessels 288w

Lighting
M25, 115w, 201-2w
Motorways 115w, 201w, 431w

Lilley, Mr Peter
Debates etc
Budget March 1987, Economic situation (18.03.87) 1007
Gypsies, Caravan sites (13.03.87) 657-62
Questions
Special educational needs, Educational finance 100w

Limited list prescribing 581w
Cost effectiveness 581w

Lincoln
Civil disorder 124w

List D schools 89w
School discipline 89w

Literacy
Adult education 465w

Litherland, Mr Robert
Debates etc
Ancoats Hospital, Manchester (10.03.87) 268-70, 273
Questions
Arts, North West region 79w
Central America, Peace negotiations 540-1w
Exceptional needs payments, Furniture 158w
Food surpluses, Beef 600-1w
Maternity benefits, Manchester 63w, 292-3w
Political refugees 27w
School buildings, Manchester 806

Liverpool
Breast cancer 162-3w
Cervical cancer 162-3w, 240w
Local government finance (18.03.87) 1015-22
Maternity benefits 294-5w
Probation hostels 28w
Truscon low rise houses 439w, 561w

Liverpool City Council 591w, 672w, (18.03.87) 1015-22
Councillors 461, 463
Crown lands & estates 591w
Housing subsidies 672w
Rate limitation 627-8w
Rates & rating 591w, 672w

Liverpool Street Station 392w

Livestock
Dogs 88w
Republic of Ireland 1025

Livsey, Mr Richard
Questions
Beef & veal, Green pound 1029
EC Agricultural Council 609w
School buildings, Building repairs 805-6

Lloyd, Sir Ian
Debates etc
Coal mining (11.03.87) 302-5, 316
Sizewell B (12.03.87) 482

***Lloyd, Mr Peter** a Lord Commissioner*
Questions
Visas, Immigrants' dependants 48w

Lloyd, Mr Tony
Questions
A56, Stretford 14w
British citizenship 122w
Budget, North West region 445w
Christie Hospital, NHS finance 166w
Food, Shortages 348w
Front line states, Economic situation 549w
Greater Manchester Passenger Transport Executive, Finance 115w
House renovation grants, Manchester 269w
Job centres 19w
Mahmood, Khalid, Visas 48w
Manufacturing industries, Industrial investment 280-2w
Mental hospitals, Manchester 298-300w

North West Thames Regional Health Authority, NHS finance 70w
North Western Regional Health Authority NHS finance 133
Nurses, Information 68w
Prime Minister official engagements 114w, 266w
Research finance, Science & technology research 1035-6
Royal Ulster Constabulary, Official engagements 275w
Science & technology research, Research finance 461w
South Manchester Health Authority, Public appointments 166w
Urban programme, North West region 107-10w

Llyn Alwen 3-4w

Llyn Conwy 3-4w

Llyn Cwmorthin 3-4w

Llyn Vonwy 3w
Fish 3w

Loans
Developing countries 125w
Discount houses 208w
European Investment Bank 273w

Local acts 651w
Local authorities 651w

Local authorities
Civil defence 122-3w, 360w
Computer applications 398w
Council house rents 434w
Estate Action 403w
Homelessness 437w
Local acts 651w
Rent arrears 434w
Road safety 397w

Local authorities in Scotland
Housing construction 654w

Local Development Agency Fund 556w

Local education authorities
Capital investment 97-100w, 262w
Greater London 262-3w
Local government expenditure 802-3
Metropolitan districts 261-3w
Milk & milk products 613w
Non-metropolitan counties 263w
Pupil-teacher ratios 532-4w
School population 530-2w
Teachers 562w
Technical & vocational education initiative 132-4w

Local Government Act 1986 (Amendment) Bill (HL) 1986/87
Debates etc
2R Order read (20.03.87) 1212

Local government buildings
Property transfer 179w
West Yorkshire 179w

Local government expenditure
Arts 79w, 84-5w
Bed & breakfast accommodation 138-9
Capital investment 140w
Children in care 506w, 515w, 522w
Council housing 406w
Disabled Persons (Services Consultation & Representation) Act 1986 315w, 333-4w
Ealing (13.03.87) 665-72
Educational finance 25w, 262w, 564-5w
Further education 22w
General Certificate of Secondary Education 100-1w
Greater London 404w
Greater London Council 403w
HM Inspectorate of Schools 564-5w
Housing 177w
Housing benefits 411w
Housing construction 650w
Local education authorities 802-3
Local government social services 158w
Nursery schools 803
Play facilities 649w
Roads 393-4w
School buildings 806
Wales 515w

Local government finance (11.03.87) 419-38
Capital investment 537w, 596w
General Certificate of Secondary Education 101-2w
Liverpool (18.03.87) 1015-22
Lothian Regional Council 654w
Residuary bodies 558-60w
Strathclyde 654w
West Yorkshire County Council 652-3w

Local Government Finance Bill 1986/87
Debates etc
Allocation of time motion (11.03.87) 410-8
Lords amendts (11.03.87) 419-38
Royal Assent (12.03.87) 491

Local government reform
General consents 560-1w
Local government staff 404w
Occupational pensions 651-2w
Road traffic 429w
West Yorkshire County Council 652-3w

Local government revenue
Council house sales 140w, 343w
Educational finance 99-100w
Leicester 343w, 406w
Rates & rating 343w

Local government social services
Handicapped 157w
Local government expenditure 158w

Local government staff
Compensation 404w
Local government reform 404w
Pay 183-5w
Redundancy 652w
Redundancy pay 404w

Local income tax
Scotland 246w
Tax administration 246w

Local press
AIDS 151w

Lock Hourn Estates 385-6w

Locomotives
Construction 930

Locusts
Africa 687-8
Pest control 687-8

Lofthouse, Mr Geoffrey
Debates etc
Budget March 1987 (17.03.87) 883-5
Coal mining (11.03.87) 317, 324-7
Questions
Agricultural land, Land use 601w
Currie, Edwina, Ministerial duties 136
Emphysema, Industrial Injuries Advisory Council 479w
Teachers, Pay 181w

Loganair
Airlines 674-5

London & Metropolitan Government Staff Commission 405w

London boroughs
Roads 489-91w

London Buses 491w

London Daily News 1w

London Docklands
Land values 558w
Urban development corporations 433w

London Docklands railway 393w, 565w
Manpower 565w

London Docklands Railway (Beckton) Bill 1986/87
Debates etc
2R Order read (12.03.87) 447, (19.03.87) 1023

London Lighthouse project 70w
Government grants 70w

London Regional Transport 13-4w, 429w, 491w
Contracts 429w
Safety standards 491w
South Africa 429w

London Residuary Body 109w, 116w, 404w, 439-40w, 558-60w
Property transfer 109w, 439-40w

London Underground 13-4w, 491w, 680
Automation 13-4w
Railway fares 13-4w
Women 680

Lonrho
Company investigations 195-6w
Company law 453-4w
Dept of Trade inquiries 350-1w
House of Fraser 588w
Shares 588w
Subsidiary companies 453-4w

Lord, Mr Michael
Questions
A45, Road safety barriers 393w
Agricultural land, Land use 305w
Beef & veal, East Anglia 1029w
Broadleaved woodlands, Agricultural production 602w
Housing insulation, Synthetic fibres 49w
Inner city areas 1037
Saudi Arabia, Foreign policy 211w
School violence 468w

Lord Chancellor
Ethnic minorities 197w

Lord of the manor 526w

Lord Privy Seal
Ethnic minorities 1w

Lorries
Greater London 393w
Health & Safety Executive 344w
Road traffic control 393w
Transport of hazardous materials 344w

Lorry drivers
Driving licences 16-7w

Lothian Health Board 654w
Family doctors 654w
Medical education 654w

Lothian Regional Council 654w
Local government finance 654w

Low incomes
Community charge 271-2w
Housing insulation 37w

Low pay
Dental charges 664w
National insurance contributions 494w
Tourist industry 163

Loyden, Mr Eddie
Questions
Antidumping 35w
Business statement 469-70
Imports 35w
Matches, Misleading packaging 35w
Ports, EC action 489w
Towsend Thoresen, Shares 148

Luce, Rt Hon Richard, Minister of State Privy Council Office (Minister for the Arts)
Debates etc
Arts (12.03.87) 492-8, 501-2, 505, 554-8
Parliamentary & Health Service Commissioner Bill, Rep & 3R (10.03.87) 206-8, 216-8
Questions
Art works 14-5
Art works, Objects in lieu of tax 14-5
Arts, Charitable donations 84w
Arts, Consumer expenditure 83w
Arts, Economic situation 80-1w
Arts, Expenditure 83-4w
Arts, Local government expenditure 84w
Arts, Marketing 85-6w
Arts, North West region 79w
Arts, South West region 79w

Arts, Tourism 82w
Arts, West Midlands 85w
Arts, Council, Government grants 85w
Arts finance, EC countries 83w
Arts finance, Scotland 13-4
Arts sponsorship, Arts finance 82w
British Film Institute, Expenditure 83w
British Library, Construction costs 85w
Calder Valley Artists, Exhibitions 86w
Choral music, Arts finance 86w
Civil service, Ethnic monitoring 18
Civil service, Job description 49w
Civil service, Pay settlements 18
Civil service recruitment 16-8
Civil service recruitment, Data networks 16-7
Civil service recruitment, Graduates 16
Civil service, Training 49w
Civil service unions 17
Civil service unions, Official engagements 17
Crafts Council, EC grants & loans 85w
Departmental forms, Civil service 18-20
Departmental forms, Tax assessment 18
Ethnic minorities, Civil service 181w
Jazz musicians, Arts finance 86w
Museums & galleries, Admission charges 16,-81w
Museums & galleries, Art works 83w
Museums & galleries, Building alterations 84-5w
Museums & galleries, Building repairs 15
Music 82w
Objects in lieu of tax 561w
Objects in lieu of tax, Art works 177-8w
Office of Arts & Libraries 84w
Office of Arts & Libraries, Arts Sponsorship 379w
Performing arts, Foreign tourists 82w
Performing arts, VAT 82-3w
Photography, Arts finance 86w
Public libraries, News International 81w
Regional arts associations, Administrative costs 81w
Victoria & Albert Museum, Building repairs 15

Lyell, Mr Nicholas, *Under-Secretary of State for Health & Social Security*
Debates etc
Occupational pensions, Pension funds (19.03.87) 1139-42
Questions
Banfield, A D, Compensation 408w
Bed & breakfast accommodation, Ealing 138-9
Cameron, Thomas, Members' correspondence 300w
Death grants, Cowdenbeath 662w
Dependents, Social security claims 157w
Dept of Health & Social Security, Computers in government departments 151w
Dept of Health & Social Security local offices, Greenock 412w
Ethnic minorities, Dept of Health & Social Security 231-2w
Exceptional circumstances additions, Scotland 335-6w
Exceptional needs payments, Insulation grants 152w
Homelessness, Ealing 139
Housing benefits, Local government expenditure 411w
Housing benefits, Social security rules 668w
Housing benefits, Students 237-8w
Maternity benefits, Sheffield 232w, 293w
Maternity benefits, Social security recipients 166w
Maternity benefits, Tooting 478w
Maternity pay, Social security reform 160w
Means tested benefits, Social security claims 73w
Means tested benefits, Social security recipients 229-30w
Parish, E W, Members' correspondence 477w
Pensioners, Personal income 336w
Rate limitation, Liverpool City Council 627-8w
Rate rebates, Social security recipients 161w
Rates & rating, Liverpool City Council 672w
Rent rebates 325-6w
Social security benefits, Coventry 480w, 508w
Social security recipients, Rates & rating 476w
Social security recipients, Waltham Forest 662w
Supplementary benefits, Board & lodging charges 478-9w
Supplementary benefits, Chief Adjudication Officer 413w
Supplementary benefits, Greenock 506w
Supplementary benefits, Islington 166-7w
Supplementary benefits, Scotland 415w
Supplementary benefits, Single people 669w
Vaccine Damage Payments Act 1979, Law reform 298w
Vaccine damaged children, Compensation 330-1w
Welfare milk, Sheffield 63w, 408w
Welfare milk, Tooting 478w
Whooping cough, Vaccination 329w

M1 201w

M3-M27 link 677-8

M4 684
Road traffic 684

M6 16w, 201w
Motorway service areas 16w

M23 492w
Road traffic control 492w

M24
Contracts 677
Road construction 677

M25 16w, 115w, 201-2w, 288-90w, 312-3w, 391w
Lighting 115w, 201-2w
Motorway service areas 16w, 312-3w
Road traffic 116w, 288-90w, 391w

M80 337w
Public participation in planning 337w
Road construction 337w
Scottish Development Agency 337w

McColl Committee see Artificial Limb & Appliance Centres Review

McCrindle, Mr Robert
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 751-3
Questions
Air routes, Stansted Airport 675
Central Electricity Generating Board, Monopolies 43w
Cruise missiles, Nuclear weapons deployment 1038-9
Hospital waiting lists 234w
Hospital waiting lists, Regional health authorities 335w
Prescription drugs, Costs 299w
Research finance, Science & technology research 33-4w
Safety belts, Children 286w
Schools, Violence 102w
Tax allowances, Science & technology research 207-8w

McCurley, Mrs Anna
Debates etc
Debtors (Scotland) Bill (HL), 2R (10.03.87) 180-2
Questions
Agricultural products, Radioactivity 605-6w
Assisted places scheme, Scotland 91-3w
Coal fired power stations, Construction 10
Primary health care, Scotland 241w
Scottish Development Agency 523w
Scottish Development Agency, Expenditure 284-5
Scottish health boards, Capital investment 250w

McDonald, Dr Oonagh
Debates etc
Budget March 1987, Economic situation (18.03.87) 970, 979, 1003-8, 1013
Questions
Arts, Economic situation 80w
Burglary, Thurrock 362w
Civil service recruitment, Data networks 16-7
IC Gas, Shares 365w
Severe weather payments, Social security claims 141-2
Unemployment 150

Macfarlane, Mr Neil
Questions
Planning appeals, Administrative delays 438-40w
Planning permission 518w
Planning permission, Property development 403w
Violence on television, Research 361w

MacGregor, Rt Hon John, *Chief Secretary to the Treasury*
Debates etc
Budget March 1987, Economic situation (18.03.87) 955-65
Questions
Budget, North West region 445w
Capital investment, Local government finance 537w
Cash limits 210w, 446-8w
Civil service manpower, Government departments 445w
Company accounts 536w
Local government finance, Capital investment 596w
Manufacturing industries, Investment 60-1w
Oil companies, Company finance 321w, 390w, 592-4w
Oil companies, Profits 320-1w
Public expenditure, Education 389w
Public sector employment, Public employment 59-60w
Rates & rating, Liverpool City Council 591w

Macgregor, Ian 43w
Pay 43w

McGuire, Mr Michael
Debates etc
Sizewell B (12.03.87) 485

McKay, Mr Allen
Debates etc
Budget March 1987, Employment (19.03.87) 1120-2
Questions
Coal mining, Dismissal 5
Disabled Persons (Services Consultation & Representation) Act 1986, Local government expenditure 333-4w
USSR, Human rights 920-1

MacKay, Mr Andrew
Questions
EC budget, VAT 647w
Business statement 1048
National Union of Teachers, Pay 467w
Optical charges, Contact lenses 326w
Prime Minister official engagements 114w
Turks & Caicos Islands 918
USSR, Ministers' visits abroad 547w

MacKay, Mr John, *Under-Secretary of State for Scotland*
Debates etc
Regional planning & developments (09.03.87) 86
Questions
Abortion, Scotland 519-22w
AIDS, Compensation 477w
AIDS, Scotland 248w, 384w
Alwyn House, Blind 385w
Argyll & Clyde Health Board 384w
Assisted places scheme, Scotland 91-3w

Beef & veal, Scotland 244w
Breast cancer, Argyll & Clyde Health Board 383w
Breast cancer, Scotland 147w
Breast cancer, Screening 383w
Cervical cancer, Argyll & Clyde Health Board 383-4w
Cervical cancer, Scotland 147w
Chemists' shops, Scotland 580w
Children in care, Scotland 522w
Colleges of education, Scotland 475w
Consultative Committee on the Curriculum 387-8w
Environmentally sensitive areas, Scotland 653w
Fish conservation, Scotland 381-2w
Fishery protection, Aircraft 580w
Fishing vessels, Scotland 245w
Food surpluses, Dundee 386w
Food surpluses, Scotland 286-7, 386w
Food surpluses, Voluntary organisations 386w
Forestry Commission, Land acquisition 385-6w
Forestry, Scotland 242w
Health service staff, Scottish health boards 338-40w
Hospital waiting lists, Scotland 580w
Housing & elderly, Scotland 247w
Limited list prescribing, Cost effectiveness 581w
Mental health community care, Scotland 243w
Mitchell, John, NHS complaints 89w, 580w
Moray House House College of Education, Pre-school education 244w
NHS finance, Scottish health boards 249-50w
Nurses, Scottish health boards 337-8w
Ophthalmic services, Scotland 384-5w
Primary health care, Scotland 241w
Rheumatism, Scotland 246w
Scottish health boards, Capital investment 250w
Seal culling, Scotland 387w
Senile dementia, Scotland 246w

MacKenzie, Rt Hon Gregor
Questions
Housing & elderly, Scotland 247w

Maclean, Mr David
Debates etc
Budget March 1987 (17.03.87) 839, 850

Maclennan, Mr Robert
Debates etc
Regional planning & developments (09.03.87) 108
Sizewell B (12.03.87) 486
Questions
Anthracite, Industrial production 43w
Arts finance, Scotland 13
Beef & veal, Green pound 1028
Business statement 467-8
Cereals, Export licensing 228w
Cereals, Prices 423w
Civil Aviation Authority 390w
Civil service, Pay settlements 18
Community charge, Scotland 246w
Complaints against local government, Scotland 246-7w
Literacy, Adult education 465w
Mitchell, John, NHS complaints 89w, 580w
Nuclear fuel reprocessing, Dounreay 523w
Rates & rating, Scotland 386-7w
Sheep, Animal breeding 424w
Shipping registration 15w

McLoughlin, Mr Patrick
Questions
Cattle, Monetary compensatory amounts 425-6w
Dairy farming, Agricultural subsidies 305w
Dairy farming, Compensation 606w
Drugs, Licensing 238-9w
Educational qualifications 800
Pupil-teacher ratios, Derbyshire 24-5w
Rates & rating, Non-metropolitan counties 558w
Sixth form education 463-4w
Teachers, Pay 460

McNair-Wilson, Mr Michael
Debates etc
Arms control (09.03.87) 54-6
Budget March 1987 (17.03.87) 897-900
Questions
Anglo-Irish Agreement, Publicity 456-7
Cancer hazards, Atomic Weapons Research Establishment 74w
Water cannon, Riot control weapons 529w

McNamara, Mr Kevin
Questions
Armed forces officers, Age 576w
Armed forces welfare 267-8w
Army Air Corps 575w
Childbirth, Regional health authorities 75-80w
Chinook helicopters 576w
Early warning systems, Military aircraft 575w
European fighter aircraft, Costs 575w
Exercise Swift Sword, Costs 575-6w
Ferries, Shipping accidents 145-6
5 Airborne Brigade 576w
Maghaberry Prison, Body searches 539w
Ministry of Defence, Press briefings 576-7w
Royal Ulster Constabulary, Codes of practice 274w

McQuarrie, Mr Albert
Debates etc
Members' fund (20.03.87) 1212
Oral question time intervention (11.03.87) 282
Questions
Armed forces casualties, Death 569w, 572w
Armed forces, Courts martial 573-4w
Armed forces, Drug crimes 574-5w
Armed forces, Suicide 572w
Armed forces discharges, Accidents 569w
Building industry, Banff 241w
Caterpillar Tractors, Factory closures 278
Channel ferries, Safety equipment 312w
Channel ferries, Safety measures 397w
Channel ferries, Shipping accidents 395-6w
Fisheries, Scotland 491-2w
Food surpluses, Scotland 286-7
Light dues, Fishing vessels 288w
Safety at Sea Act 1986 312w
Shipping safety 287-8w

Madden, Mr Max
Debates etc
Budget March 1987, Employment (19.03.87) 1058, 1091, 1113-7
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 714, 738-41, 761, 780
Industrial Training Board Levy (Engineering Board) Order 1987 (12.03.87) 589-91
Questions
A1-M1-link, Motorway service areas 16w
Arts, Tourism 82w
Bradford University, University finance 563w
British citizenship, Department's leaflets 448w
Business statement 473, 1059
Capital investment, Local government finance 537w
Cereals, Agricultural Development & Advisory Service 341w
Community relations, Northern Ireland 452
Dependents, Social security claims 157w
Educational finance, Bradford 468-9w
Food surpluses, Charities 1026
Industrial health & safety, Equipment 444w
Judges, High Court 687
Local government finance, Capital investment 596w
Lorry drivers, Driving licences 16-7w
M6, Motorway service areas 16w
M25, Motorway service areas 16w
Mobility allowance, Handicapped children 413-4w
Railway electrification, Leeds 676
Road construction, Garages & petrol stations 17w
Sports Council, Government grants 406w
Sports Council, Yorkshire & Humberside 441w
Teachers, Deaf 564w
Youth clubs, Bradford 271w

Madel, Mr David
Debates etc
Motor industry (11.03.87) 347, 385-7
Questions
Business statement 1045
Hospital beds, North West Thames Regional Health Authority 69w
Immigration appeals, Departmental responsibility 266-7w
Maternity pay, Social security reform 160w
Prime Minister domestic visits, Bedfordshire 113-4w
Teachers, Collective bargaining 467w
Teachers' appraisal, Trade unions 367w

Maghaberry Prison 539w
Body searches 539w

Magnox reactors
Plutonium 281w

Mahmood, Khalid 48w
Visas 48w

Major, Mr John, *Minister of State for Social Security*
Debates etc
Artificial Limb & Appliance Centres Review, Ministerial statements (10.03.87) 151-62
Questions
Audiology technicians, Manpower 503-4w
Board & lodging charges, Social security recipients 410-1w
Board & lodging charges, Social security reform 663-4w
Board & lodging charges, Supplementary benefits 73w
Children, Bed & breakfast accommodation 65-6w
Christmas bonus, Pensioners 480-1w
Deaf, Children 497w
Deaf, Government grants to voluntary organisations 65-6w
Deafness, Industrial diseases 497w
Dept of Health & Social Security local offices, Social fund 156-7w
Disabled Persons (Services Consultation & Representation) Act 1986, Local government expenditure 333-4w
Ear disorders, Testing 498w
Emphysema, Industrial Injuries Advisory Council 479w
Exceptional circumstances additions, Scotland 335w
Exceptional needs payments, British citizenship 299-300w
Exceptional needs payments, Cookers 69w
Exceptional needs payments, Furniture 158w
Exceptional needs payments, Housing insulation 236w
Exceptional needs payments, Social security benefits rules 479-80w
Handicapped, Community care 414w
Handicapped, Local government social services 157w
Hearing aids 502w
Hearing aids, Elderly 502-3w
Hearing aids, Health services 501w
Hearing aids, Medical research 501w
Hearing aids, NHS 503w
Hearing therapists 496w
Hearing therapists, District health authorities 496w
Hearing therapists, Manpower 495w
Invalid care allowances 233w
Invalid care allowances, Administrative delays 162w
Invalid care allowances, Married women 295-6w
Invalid care allowances, Social security benefits rules 161w

Invalid vehicles, Tricycles 505w
Maternity benefits, Brentford 294w, 409w
Maternity benefits, Crawley 293w, 409w
Maternity benefits, Croydon 334-5w, 409w
Maternity benefits, Exceptional needs payments 232w
Maternity benefits, Hammersmith & Fulham 294w, 408-9w
Maternity benefits, Lambeth 232-3w
Maternity benefits, Liverpool 294-5w
Maternity benefits, Manchester 63w, 292-3w
Maternity benefits, Middlesborough 292w
Maternity benefits, Motherwell 63w, 232w
Maternity benefits, Social security reform 669w
Maternity benefits, Tooting 293w
Maternity benefits, Wallasey 294-5w
Mental health community care, Government grants 411w
Mobility allowance, Handicapped children 413-4w
Moran, Dorothy, Attendance allowance 627w
Muscular dystrophy, Children 164w
National insurance contributions 332-3w, 407w
National insurance contributions, Employees' contributions 477-8w
National insurance contributions, Low pay 494w
National insurance contributions, Self-employed 660w
National insurance contributions, Tax yields 298w
Occupational pensions 235-6w
Pensioners, Income 300w
Pensioners, Personal income 153w
Pensioners, Personal savings 142
Pensioners, Social security benefits disqualification 155w
Pensions, Inflation 153w
Pensions, Insurance 155w
Pensions, Public expenditure 668w
Population studies, Average earnings 303-4w
Prosthetics, Costs 165w
Retirement age, Men 482w
Retirement pensions, Age 155w
Retirement pensions, EC countries 480w
Retirement pensions, Social security benefits uprating 234w, 668-9w
Severe disability premium 239-40w
Severe disability premium, Attendance allowance 135
Severe disability premium, Exceptional circumstances additions 135-6
Severe disability premium, Invalid care allowances 134-5
Severe disability premium, Social fund 135
Severe weather payments 143, 153w
Severe weather payments, Advertising 507w
Severe weather payments, Dunfermline 667w
Severe weather payments, Pensioners 142-3
Severe weather payments, Publicity 507-8w
Severe weather payments, Scotland 73w
Severe weather payments, Social security benefits rules 153w
Severe weather payments, Social security claims 73w, 141-2
Severe weather payments, Walthamstow 233w
Severe weather payments, Woolwich 332w
Social fund, Voluntary organisations 414-5w
Social security appeals, Social fund 159w
Social security benefits, Expenditure 230w
Social security benefits rules, School leaving 300w
State earnings related pension scheme 62w
Supplementary benefits, Children 663w
Supplementary benefits, Merseyside 494w
Supplementary benefits, School leaving 415-6w
Supplementary benefits, Social security benefits rules 169-70w
Supplementary benefits, Young people 415w
Unemployment benefits, Mortgage interest rates 157-8w
Wheelchairs 165w
Wheelchairs, Children 165w
Wheelchairs, Costs 164-5w
Wheelchairs, Muscular dystrophy 165w

Malins, Mr Humfrey
Questions
Road assessment studies, Greater London 493-4w

Mallon, Mr Seamus
Debates etc
Public Order (Northern Ireland) Order 1987 (10.03.87) 230, 233-7, 252, 254-6, 264
Questions
Council house waiting lists, Northern Ireland 381w
Defective housing, Newry 540w
Homelessness, Northern Ireland 380w
House renovation grants, Northern Ireland 380w
Housing construction, Newry 381w
Housing standards, Northern Ireland 379-80w
Public sector housing, Northern Ireland 380w
Slums, Newry 380-1w
Ulster Defence Regiment, Security 274w

Management agreements 421-2w, 486w, 612w
Environmentally sensitive areas 421w, 486w

Management consultants
District health authorities 168w
HM Inspectorate of Schools 22w, 632w
Regional health authorities 168w

Manchester
House renovation grants 269w
Job centres 19w
Maternity benefits 63w, 292-3w
Mental hospitals 298-300w
School buildings 806
Schools 802

Manchester Airport 201w, 678
Air accidents 201w
Railway network 678-9

Manpower Services Commission
Advertising 586w
Advisory services 20w
Expenditure 18w
Huddersfield 20w

Manufactured exports 524-5w

Manufacturing industries
Budget 588w
Government grants 36w
Industrial investment 280-2w
Industrial production 240w
Investment 60-1w
North West region 588w
Scotland 240w

Maples, Mr John
Debates etc
Arms control (09.03.87) 31-2, 45
Questions
Iran-Iraq War, Peace negotiations 548w
Smoking, Health hazards 328-9w

Marconi
Company investigations 324w
Criminal investigation 174w, 324-5w

Marek, Dr John
Questions
Meningitis, Medical research 25w, 170w
National Museum of Wales 3w
Railway network, Railway track 394w, 565w
Road traffic offences, Information 358-9w
Screening, Stonehouse 416-7w

Margam Mine
Shift work 5

Marketing
Agricultural products 601w
Arts 85-6w

Markets
Horses 1034

Marland, Mr Paul
Debates etc
Arms control (09.03.87) 75
Questions
Mersey barrage, Environmental impact assessment 7

Marlow, Mr Tony
Debates etc
Local Government Finance Bill, Allocation of Time motion (11.03.87) 416
Members' speeches (11.03.87) 296, 298
Regional planning & developments (09.03.87) 98, 100 109-11
Questions
Army, Blood sports 96w
Business statement 473-4
Channel ferries, Shipping accidents 287w
Hare, Squadron Leader, Air force flying 93-4w
Israel, EC external trade 551w
Military vehicles, Transport of animals 323w
Prime Minister's official engagements 457-8w, 554w
Student grants 473w

Marriage
Thatcher, Mark 31w

Married people
Personal income (12.03.87) 491

Married women
Invalid care allowances 295-6w
Investment income 389w

Marshall, Mr David
Questions
Glasgow Eastern Area Renewal 242w

Marshall, Mr Michael
Debates etc
Arts (12.03.87) 493
Questions
Business statement 469
Road construction, West Sussex 390w

Martin, Mr Michael J
Debates etc
Cancer (13.03.87) 601-4, 656
Motor industry (11.03.87) 388-90
Questions
British Rail Engineering, Redundancy 931-2
Employment opportunities, Springburn 276-7

Mason, Rt Hon Roy
Questions
AIDS, Health services 627w
AIDS, Trent 410w
Anglo-Irish Agreement, Border security in Ireland 457
Elections, Republic of Ireland 454
Jews, USSR 47-8w
Members' visits abroad, USSR 47-8w
National Bus Company, Privatisation 394-5w, 565w
Relocation of employees, Northern region 36w
USSR, Human rights 922

Matches
Misleading packaging 35w

Maternity benefits
Brentford 294w, 409w
Cowdenbeath 662w
Crawley 293w, 409w
Croydon 334-5w, 409w
Exceptional needs payments 232w, 293w, 478w
Hammersmith & Fulham 294w, 408-9w
Isleworth 409w
Lambeth 232-3w
Liverpool 294-5w
Manchester 63w, 292-3w
Middlesbrough 292w
Motherwell 63w, 232w
Sheffield 232w, 293w

Social security recipients 166w, 292-5w, 334-5w, 408-9w
Social security reform 292w, 669w
Tooting 293w, 478w
Wallasey 294-5w

Maternity pay
Publicity 160w
Social security reform 160w

Maternity services
Barnsley Hospital 302w

Mates, Mr Michael
Questions
Official Secrets Act 1911, Prosecutions 686
Prisoners, Courts 255w
Remand in custody 255-6w

Matrimonial Incomes & Remuneration (Notifications) Bill 1986/87
Debates etc
1R (12.03.87) 491

Mature students
Higher education 261-2w

Mawhinney, Dr Brian, *Under-Secretary of State for Northern Ireland*
Questions
Adult education, Northern Ireland 659w
Christianity, Northern Ireland 448-9
Church schools, Northern Ireland 449
Community relations, Northern Ireland 448, 451-2
Gaelic Athletic Association, Government grants 213-4w
Museums & galleries, Northern Ireland 447-8

Maxton, Mr John
Debates etc
Budget March 1987 (17.03.87) 888, 896
Questions
Scottish Development Agency, Expenditure 284
South Africa, Namibia 545-6w

Maxwell-Hyslop, Mr Robin
Questions
Iron & steel industry, Industrial production 699

Mayhew, Rt Hon Sir Patrick, *Solicitor-General*
Questions
Crown Prosecution Service, Barristers 350w
Judges, High Court 687
Land Registry Office, Administrative delays 350w

Meacher, Mr Michael
Questions
AIDS, Young offenders 672-4w
Drug crimes, Police cautions 30w
Haemophilia, AIDS 304w
NHS, Ophthalmic services 495w
Pensioners, Income 300w
Pensions, Public expenditure 668w
Personal income, Income tax 388-90w
Population studies, Average earnings 303-4w
Prosecutions, Drug abuse 37w
Regional health authorities, NHS finance 303w
State earnings related pension scheme 62w
Surgery, Costs 303w

Meadowcroft, Mr Michael
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 707-8, 728-33, 735, 767, 783
Local Government Finance Bill, Allocation of Time motion (11.03.87) 414
Local Government Finance Bill, Lords amendments (11.03.87) 422-3, 432, 434-6
Questions
Arms control treaties 258w
Art works, Objects in lieu of tax 15
Board & lodging charges, Social security recipients 410-1w
Children, Bed & breakfast accommodation 65-6w
Children in care, Homelessness 66w
Councillors, Northern Ireland 458
Education, Departmental circulars 262w
Export controls, USA 33w, 277-8w
Housing, Children 52w
Nutrition & health 427-8w
Railway electrification, Leeds 676
Student grants 804
Wind power, Energy research 39w

Means tested benefits
Social security claims 73w
Social security recipients 229-30w

Medical Act 1983 (Amendment) Bill 1986/87
Debates etc
2R order read (13.03.87) 664

Medical education
Lothian health board 654w

Medical examinations
Young offenders 672-4w

Medical records
Bolton General Hospital 236w

Medical rehabilitation
Drug abuse 257w

Medical research
Ear disorders 25w
EC action (09.03.87) 27
Hearing aids 501w
Meningitis 25w, 170w, 347w, 414w
Sickle cell disease 481-2w
Tay-Sachs 299w
Universities 671-2w

Medical treatments
AIDS 156w
Cervical cancer 162w
Diabetes 137-8
Vaccine damaged children 329-30w

Medicines Act 1968
Questions
238-9w

Mellor, Mr David, *Minister of State at the Home Department*
Questions
Burglary, Thurrock 362w
Canning House Probation Hostel 28w
Canning House Probation Hostel, Crimes of violence 28w
Canning House Probation Hostel, Public administration 28w
Crime, Wales 30w, 451-2w
Drug abuse, Advisory Council on the Misuse of Drugs 359w
Drug crimes, Police cautions 30w
Drug crimes, Proceeds of crime 257w
Homicide, Police authorities 450-2w
Leeds Prison, Prison employment 359w
Life imprisonment, Homicide 452-4w
New Patriotic Movement 361w
Parole, Judgments 123w
Penn, Phil, Custodial treatment 554w
Prison riots, HM Chief Inspector of Prisons 357w
Prison staff, Housing 358w
Prison staff, Housing occupancy 358w
Prisoners, Courts 255w
Prisoners' mail, Prisoners' rights 526w
Prisoners on remand, Women 357-8w
Prisoners' transfers, Northern Ireland 359w
Prisons, Public sector housing sales 28w
Remand in custody 255-6w
Safety belts, Prosecutions 254-6w
Sexual offences, Jordan 29w
Victim support schemes, Government grants 357w
Violence on Television, Research 361w
Welsh Fourth Channel, Finance 256w

Members' conduct
Speaker's rulings & statements (10.03.87) 144, 146-8, 180, (11.03.87) 296-9, 412, 416, (12.03.87) 468, (16.03.87) 694, (17.03.87) 798, 814, 821, (19.03.87) 1040

Members' correspondence
Administrative delays 21-2w, 52-3w, 89w, 234w, 300w, 407w, 477w, 517-8w
Bascombe, Linda 517-8w
Camborne School of Mines 22w
Cameron, Thomas 300w
Dept of Health & Social Security 407w
Langford, Mrs E A 21w
Neighbourhood energy action 52w
Parish, E W 477w
Prisons 89w
Registered Homes Act 1984 234w
United Arab Emirates 638w
Water authorities 53w

Members' facilities
House of Commons catering 368-9w
Newspaper press 1w, 313w
Taxis 1-2w, 214-5w
Westminster Hall cafeteria 368-9w

Members' fund (20.03.87) 1210

Members' interests
Speaker's rulings & statements (16.03.87) 704

Members' interventions
Speaker's rulings & statements (17.03.87) 839, 874, (18.03.87) 955, (20.03.87) 1176, 1197

Members' oath & affirmation
Taylor, Matthew (17.03.87) 814

Members' pensions 628-30w

Members' speeches
Speaker's rulings & statements (09.03.87) 98, 113, (11.03.87) 298-9, 322, 343, 368, 378, (12.03.87) 507, 534, (17.03.87) 885, (18.03.87) 988

Members' Tea Room 313w

Members' travel
House of Commons Select Committees 370-2w

Members' visits abroad
House of Commons Select Committees 370-2w
USSR 47-8w, 541w

Men
Retirement age 482w

Meningitis 170w, 416-7w
Communicable Disease Surveillance Centre 414w
Medical research 25w, 170w, 347w, 414w
Publicity 414w
Research finance 414w

Mental Health Act 1983
Questions
296w

Mental health community care
Government grants 411w
Scotland 243w

Mental health services
Wales 118w

Mental hospitals
Hospital admissions 298-300w
Hospital closures 669-71w
Manchester 298-300w

Mentally disturbed offenders 555w
Ethnic groups 296-8w
Ethnic monitoring 297w
Prison sentences 297w
Prisoners' transfers 296w

Mentally handicapped
Scotland 243w

Merchant, Mr Piers
Debates etc
Regional planning & developments (09.03.87) 107
Sizewell B (12.03.87) 490

Merchant banks
Takeovers 640-1w

Merchant Shipping Act 1979 (Commencement No 11) Order 1987
Debates etc
(09.03.87) 27

Merchant Shipping (Dangerous Goods) Regulations 1981
Questions
395w

Merchant Shipping (Passenger Returns) Regulations 1960
Questions
396w

Mersey barrage 7, 281w
Employment opportunities 281w
Environmental impact assessment 7

Merseyside
AIDS 235w
Breast cancer 162-3w
Cancer 239w
Cervical cancer 162-3w, 240w
Exclusion orders 361-4w
Job training scheme 258w, 578w
Supplementary benefits 494w
Terrorism 361-4w

Merseyside Development Corporation 556-7w

Merseyside Maritime Museum 558w
Construction 558w
Government grants 558w

Methyl chloroform
Industrial production 453w

Metropolitan districts
Local education authorities 261-3w
Primary education 264-5w
Roads 489-91w

Metropolitan police
Complaints against police 529w
Police firearms 360w
Police housing 358w
Police photographs 360w
Road accidents 215w

Meyer, Sir Anthony
Questions
Regional airports, Air routes 392w

Mhari L 392w

MI5
Conspiracy 685
Labour Party 693-8, 811-3, 1038

Michie, Mr Bill
Questions
Bus services, Competition 14w
Maternity benefits, Exceptional needs payments 232w
Maternity benefits, Sheffield 232w
Museums & Galleries, Admission charges 81w
Welfare milk, Sheffield 63w

Microcomputers
Computers in schools 97w
Government grants 97w
Primary education 470-1w
Secondary education 470-1w
Teacher training 97w

Mid Sussex 124w
Council house sales 104w

Middle East
Peace negotiations 550-1w

Middlesbrough
Maternity benefits 292w

Mikardo, Mr Ian
Questions
Diplomatic service, Terrorism 548w
Radioactive waste disposal, Electricity tariffs 458w
USSR, Human rights 921

Military aid
Front line states 688
Mozambique 688
Northern Ireland 459-60

Military aircraft
Air accidents 379w
Early warning systems 575w

Military balance
Armed forces 26w

Military discipline 573-4w

Military police 174w, 322-5w
Company investigations 322-4w
Criminal investigation 324-5w
Ministerial responsibility 323-4w

Military vehicles
Horses 323w
Road accidents 325w
Transport of animals 323w

Milk
Co-responsibility levy 422w
EC countries 418-20w
Prices 225w
Production quotas 217w, 606w

Milk & Dairies & Milk (Special Designation) (Charges) Regulations 1987
Questions
424-5w

Milk & milk products
EC external trade 609-10w
Exports 609-10w
Food subsidies 613w
Health hazards 661w
Hormone treatments 661w
Intervention stocks 418-20w
Local education authorities 613w

Millan, Rt Hon Bruce
Debates etc
Debtors (Scotland) Bill (HL), 2R (10.03.87) 188-90, 194
Questions
Dunfermline College of Physical Education, Jordanhill College of Education 148w
Dunfermline College of Physical Education, Sanitation 148w
Dunfermline College of Physical Education, Sports facilities 148w
Hypermarkets, Scotland 657w
Jordanhill College of Education, College closures 148-50w
Parole, Judgments 123w
Parole, Scotland 147-8w
Scottish Legal Aid Board, Public appointments 656-8w

Miller, Dr M S
Debates etc
Cancer (13.03.87) 611, 619, 624, 628-30, 633, 648, 653
Questions
Abortion 145
Lebanon, Peace negotiations 547w

Mills, Mr Iain
Debates etc
Law enforcement (20.03.87) 1146-56, 1209
Questions
Drug crimes, Proceeds of crime 257w

Mills, Sir Peter
Questions
Agricultural Development & Advisory Service 87-8w
Agricultural policy 602w
Farm incomes, Uplands 1024

Mine accidents
Coal mining 283-6w

Minimum wage
Labour costs 321w
Tax yields 321w

Ministerial duties
Currie, Edwina 136

Ministerial powers
Planning appeals 516w

Ministerial responsibility
Military police 323-4w
Shareholders 316-8w
Speaker's rulings & statements (10.03.87) 137

Ministerial statements
Artificial Limb & Appliance Centres Review (10.03.87) 151-62
Herald of Free Enterprise (09.03.87) 21-6
Sizewell B (12.03.87) 475-90
Speaker's rulings & statements (09.03.87) 26, (12.03.87) 485, 488, (13.03.87) 614, (18.03.87) 933

Ministers' correspondence 523w, 561w

Ministers' domestic visits
Leicester 34-5w

Ministers' visits abroad
Argentina 546w
Bophuthatswana 544w
Haiti 547w
India 550w
Oman 543w
Peru 547w
USSR 211w, 543w, 547w

Ministry of Agriculture, Fisheries & Food
Ethnic minorities 86-7w

Ministry of defence
Ethnic minorities 171w
Health education 93w
Keeni Meeni Services 123w, 174w
Press briefings 576-7w

Ministry of Defence Votes A (16.03.87) 788

Misleading packaging
Matches 35w

Mitchell, Mr Austin
Questions
AIDS, Dentists 626w
AIDS, Venereal diseases 626w
Clearing banks, Wealth 536w
Company accounts 536w
Debts, Brazil 445w
Dentists, Disease control 326w
Disposable income, Mortgages 207w
Exchange rates, National loans fund 320w
Fisheries, Compensation 605w
Floating debt, National income 140-1w
Food contamination, Cumbria 227w, 306w
Income tax, Self-employed 536w
Income tax on foreign incomes 536-7w
National debt, Interest charges 61w
National insurance contributions 332-3w, 407w
National insurance contributions, Employees' contributions 477-8w
National insurance contributions, Tax yields 298w
Oil companies, Company finance 321w, 390w, 592-4w
Oil companies, profits 320-1w
Tax yields, Income tax 207w

Mitchell, Mr David, Minister of State for Transport
Questions
Airports, Railway network 678
British Rail, Cultural heritage 285-6w
British Rail engineering, Redundancy 927-32
Bus crews, Crosville Bus Company 288w
Bus services, Competition 14w
Bus services, Rural areas 494w
Bus stations, Greater London 397w
Channel tunnel, Railway network 430w
East coast railway line, Railway electrification 15w
Freightliner, Procurement 396-7w
Freightliner, Railway closures 397w
Greater Manchester Passenger Transport Executive, Finance 115w
Heathrow, Railway network 678
Kingmoor motor transport sheds, Property transfer 15w
Liverpool Street Station 392w
London Docklands railway 393w
London Docklands railway, Manpower 565w
London Regional Transport, Contracts 429w
London Regional Transport, Safety standards 491w

London Underground 680
London Underground, Railway fares 13-4w
Manchester Airport, Railway network 678-9
National Bus Company, Privatisation 394-5w
Railway electrification, Leeds 676
Railway electrification, West Yorkshire 677
Railway network, Railway track 394w
Railway network, West Yorkshire 676
Taxis, Competition 430w

Mitchell, Graham 319-20w
Espionage 319-20w
National security 319-20w

Mitchell, John 89w, 580w
NHS complaints 89w, 580w

Mobility allowance
Handicapped children 413-4w
Social security recipients 413-4w

Modernisation
Fisheries 613w
Leicester Royal Infirmary 152w

"Molehunt" 347-8w

Monergy 86 40-1w

Monetary compensatory amounts
Cattle 420w, 425-6w

Money resolution (16.03.87) 789

Monopolies
Central Electricity Generating Board 43w
Greyhound racing 111w

Monro, Sir Hector
Questions
Agricultural land, Land use 1028
Environmentally sensitive areas, Government grants 606w
Legal aid, Scotland 199w
Road works, Dumfries & Galloway 247-8w

Montgomery, Sir Fergus
Questions
North Western Regional Health Authority, NHS finance 134

Moore, Rt Hon John, *Secretary of State for Transport*
Debates etc
Herald of Free Enterprise, Ministerial statements (09.03.87) 21-6
Questions
Air travel, Compensation 287w
Airlines, Air travel 15w
British Airports Authority, Privatisation 683-4
British Rail Engineering, Redundancy 673
Channel ferries, Shipping accidents 287w, 395w, 430w, 567-70w
Ethnic minorities, Dept of Transport 13w
Keeni Meeni Services, Dept of Transport 115w
Light dues, Fishing vessels 288w
M3-M27 link 677-8
M24, Contracts 677
Motorways, Road construction 677
National Bus Company, Privatisation 391w, 565w
Railway network, Railway track 565w
Road accidents 312w
Rolling stock, Repairs & maintenance 674
Roll-on roll-off ships, Early warning systems 429w
Ships, Passengers 286-7w

Moran, Dorothy 627w
Attendance allowance 627w

Moray House College of Education 244w
Pre-school education 244w

Morris, Rt Hon Alfred
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 153-4, 161
Members' fund (20.03.87) 1210-2
Questions
AIDS, Video recordings 152w
Air accidents, Manchester Airport 201w
Business statement 467
House of Commons staff, Screening 631w
Housing investment programmes, Expenditure 54-8w
Severe disability premium 239-40w
Severe disability premium, Exceptional circumstances additions 135-6
Social security benefits, Expenditure 230w
Wythenshawe Hospital, Transplant surgery 236w

Morris, Rt Hon John
Questions
Channel ferries, Shipping accidents 346w
Compensation, Codes of practice 346w
Official Secrets Act 1911, National security 685-6
Wright, Peter, National security 697

Morris, Mr Michael
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 728, 741-7, 750, 754, 776
Sizewell B (12.03.87) 482
Questions
Roll-on roll-off ships, Early warning systems 429w
Tamils, Political refugees 451w

Morrison, Mr Charles
Debates etc
Budget March 1987, Economic situation (18.03.87) 992-5

Mortgage defaulters 404w

Mortgage interest rates
Unemployment benefits 157-8w

Mortgage relief 179-80w

Mortgages
Debts 404w
Disposable income 207w
"Law Commission Working Paper, 99" 653w
Repossession orders 404w

Motherwell
Maternity benefits 63w, 232w

Motor industry (10.03.87) 267, (11.03.87) 343-409
Pollution control 59w
Tax allowances 59w

Motor vehicle horns 431w
Orders & regulations 431w

Motorway service areas
A1-M1 link 16w
M6 16w
M25 16w, 312-3w

Motorways
Buses 115w
Expenditure 677
Lighting 115w, 201w, 431w
Road accidents 201w, 431w
Road construction 677, 684
Road safety barriers 398w

Mourne Mountains 539w
Environmentally sensitive areas 539w

Moynihan, Mr Colin
Debates etc
GATT (12.03.87) 563
Questions
Civil list 445-6w
Horticulture 1032
Saudi Arabia 546w

Mozambique
Disaster relief 348w
Food aid from EC 688
Military aid 688
Overseas aid 688-9
South Africa 549w, 689

Mudd, Mr David
Questions
Bascombe, Linda, Members' correspondence 517-8w
Camborne School of Mines, Members' correspondence 22w
Langford, Mrs E A, Members' correspondence 21w
Parish, E W, Members' correspondence 477w

Muir Construction 242w
Planning permission 242w

Multiple occupation
Fire prevention 215w

Murphy, Mr Christopher
Questions
Degrees, Bogus qualifications 308w
Economic policy, South East region 26w
Inner city areas, Economic policy 399-400w
Lord of the manor 526w
New towns 435-6w
New towns, Economic policy 398w
Office of Arts & Libraries, Arts sponsorship 379w
Urban development corporations 556-7w
Western European Union 638w

Muscular dystrophy
Children 164w
Life expectancy 164w
Wheelchairs 164-5w

Museums & galleries
Admission charges 16, 81w
Art works 83w
Building alterations 84-5w
Building repairs 15
Contracts for services 15
Discounts 16
Government grants 447-8
Northern Ireland 447-8

Museums & Galleries Commission 21w

Music 82w

Mustard gas 408w

MV Silver Sea 279w, 321w
Central America 273w, 279w
Customs & Excise 273w, 321w
Export licensing 279w
Trade documentation 273w

Namibia
South Africa 545-6w

National Association of Schoolmasters & Union of Women Teachers 367w

National Bus Company
Privatisation 391w, 394-5w, 565w
Subsidiary companies 565w

National Childminding Association 4w
Government grants to voluntary organisations 4w

National debt
Interest charges 61w

National Family Trust 74w
Expenditure 74w
Government grants 74w

National Farmers' Union 599w

National Farmers' Union of Scotland 244w

National Foundation for Conductive Education 261w

National Health Service (General Ophthalmic Services) Amendment Regulations 1985
Questions
495w

National income
Agricultural support systems 427-8w
EC budget 914
Defence research 539w
Floating debt 140-1w
Public expenditure 281-2
Student grants 461-3w

National insurance contributions 62w, 332-3w, 407-8w
Employees contributions 477-8w
Low pay 494w
Self-employed 660w
Tax yields 298w

National Library of Wales 636-7w

National loans fund
Exchange rates 320w

National Museum of Wales 3w

National Nuclear Corporation 203w, 316-8w

National Radiological Protection Board
Exservicemen 172w

National security
Appeals 697
Cavendish, Anthony 577w
Deportation 363w
Disclosure of information 30w, 309w
Intelligence services 685, 694
Judicial review 693
Mitchell, Graham 319-20w
Nuclear power 42-3w
Official Secrets Act 1911 685-6
Rothschild, Lord 686
Satellites 30w, 309w
Television programmes 17w, 91-2w, 291, 523w
West, Nigel 347-8w, 685
Wright, Peter 693-8, (16.03.87) 702-3

National Seed Development Organisation 470w
Plant Breeding Institute 470w

National Union of Teachers 367w, 467w
Conditions of employment 467w
Pay 467w

National Unity of Salvadorean Workers 544w
Diplomatic relations 544w

Nationality
Social security adjudications 413w

NATO
Arms control treaties 546w
Labour Party 462-3

Natural History Museum 21w
Admission charges 21w

Nature conservation
Birds (12.03.87) 491
European pearl mussel 437w
Land drainage 612w
Poultry (12.03.87) 491
Town & country planning 180w, 406w

Naval bases
Nuclear safety 634w

Navy strength
Supply estimates (16.03.87) 788

Neale, Mr Gerrard
Questions
Defence expenditure 251-2w

Needham, Mr Richard,
Parliamentary Under-Secretary of State for Northern Ireland
Questions
Adoption, Disclosure of information 597w
AIDS, Northern Ireland 213w
Ballyharry School, Construction 658w
Breast cancer, Northern Ireland 213w
Broadleaved woodlands, Northern Ireland 2-3w, 146w
Cervical cancer, Northern Ireland 143w, 213w
Children in care, Northern Ireland 539-40w
Council house waiting lists, Northern Ireland 381w
Councillors, Northern Ireland 458
Defective housing, Newry 540w
Driving licences, Northern Ireland 597w
Flats, Northern Ireland Housing Executive 145w
Homelessness, Northern Ireland 380w
House renovation grants, Northern Ireland 380w
Housing construction, Newry 381w
Housing standards, Northern Ireland 379-80w
Landlords, Northern Ireland 659w
Northern Ireland government, Devolution 458
Northern Ireland Housing Executive, Armagh 442w
Population, Comber 659w
Psychogeriatrics, North Downs 597w
Public sector housing, Northern Ireland 380w
Road accidents, Newtownabbey 310w
Sir Thomas & Lady Edith Dixon Hospital, Cairndhu, Property transfer 595-7w, 657-8w
Slums, Newry 380-1w
Unity Flats, Building repairs 145w
Unity Flats, Council house transfers 144-5w
Unity Flats, Demolition 144w
Unity Flats, Empty housing 144w
Unity Flats, Housing benefits 144w
Unity Flats, Land use 144w
Unity Flats, Northern Ireland Housing Executive 143-4w
Western Health & Social Services Board, Health services finance 310-1w

Neighbourhood energy action 52w
Members' correspondence 52w

Nellist, Mr Dave
Questions
Christmas bonus, Pensioners 480-1w
Conductive education, Research 261w
Employment level, Coventry 443-4w
Nicaragua, Diplomatic relations 542w
Security, Northern Ireland 274w
Social security benefits, Coventry 480w, 508w
Sri Lanka 47w
Unemployment, School leaving 444w
Youth unemployment, Coventry 443-4w

Nelson, Mr Anthony
Questions
Iran, Arms trade 924-5

Nepal
Gurkhas 538w
Overseas aid 524w

Neurology
Hospital closures 65w

New Community Instrument
EC grants & loans 194-5w, 537w

New patriotic movement 361w

New towns 435-6w
Economic policy 398w
Employment opportunities 240w
Housing finance 519-20w
Scotland 240w, 519-20w

Newry
Defective housing 540w
Housing construction 381w
Slums 380-1w

News International 81w, 253-4w
Public libraries 81w, 253-4w

Newspaper press
Members' facilities 1w, 313w
Public libraries 81w, 253-4w
Scotland 244w

Newton, Mr Tony, Minister of State for Health
Questions
Abortion 144-5, 505w
Abortion Act 1967 144-5
Abortion, Clinics 334w
Abortion, Dean Park Nursing Home 504w
Abortion, Death 504-5w
Abortion, Hampshire Clinic 505w
Abortion, Highfield Hospital 505w
Abortion, Leicester Nuffield Clinic 504w
Abortion, Private health services 238w
Abortion, Wellesley Hospital 504w
Abortion, Young people 625-6w
AIDS, Blood tests 299w
AIDS, Death 235w
AIDS, Dentists 626w
AIDS, Government grants 410w
AIDS, Haemophilia 626w
AIDS, Haemophilia Society 159w
AIDS, Health education 151-2w, 326-7w
AIDS, Health services 627w
AIDS, Medical treatments 156w
AIDS, Merseyside 235w
AIDS, Research finance 327-8w
AIDS, Test tube babies 410w
AIDS, Trent 410w
AIDS, Venereal diseases 626w
AIDS, Video recordings 152w
Blood tests, Science education 327w
Chiropodists, Manpower 513-4w
Community nurses, Manpower 624w
Contraceptives, Family planning clinics 477w
Dentists, Disease control 326w
Dept of Health & Social Security, Members' correspondence 407w
Diabetes, Disposable syringes 138
Diabetes, Medical treatments 137-8
Doctors, Hampstead Health Authority 667w
Drugs, Licensing 238-9w
Family doctors, Pensions 480w
Family practitioner committees, Camden 668w
Family practitioner services, Surrey 66-7w
Haemophilia, AIDS 304w
Health Education Authority, Northern Ireland 664w
Health Education Authority, Public appointments 625w
Health Education Council 168w
Health hazards, Milk & milk products 661w
Health service staff, Labour costs 613-4w
Health service staff, Manpower 333w
Health service staff, Secretarial staff 154w
Health service staff, West Surrey & North East Hampshire Health Authority 67w
Homelessness, Government grants to voluntary organisations 477w
Hormone treatments, Prescriptions charges 415w
Hospital ancillary staff, Wessex Regional Health Authority 237w
Hospital consultants, Disciplinary proceedings 325w
Hospital consultants, Ear disorders 496-8w
Hospital consultants, East nose & throat 501-2w
Hospital waiting lists 63-4w, 156w, 234w, 660w
Hospital waiting lists, NHS finance 137, 154w, 161w
Hospital waiting lists, North Western Regional Health Authority 154w
Hospital waiting lists, Regional health authorities 335w
Hospital waiting lists, Surgery 498-502w
Hospital waiting lists, Trent Regional Health Authority 297w, 326w
Hospital waiting lists, Wessex Regional Health Authority 237w
Local government social services, Local government expenditure 158w
London Lighthouse project, Government grants 70w
Medical research, Universities 671-2w
NHS, Contracts for services 614-24w
NHS, Ophthalmic services 495w
NHS finance, Greater London 151w
North West Thames Regional Health Authority, NHS finance 70w
North Western Regional Health Authority, NHS finance 133-4
Nurses, Hampstead Health Authority 667w
Nurses, NHS 661w
Nurses, Pay 158w
Nurses, Professsional qualifications 158-9w
Nurses, South West Surrey Health Authority 68w
Nurses, Wessex Regional Health Authority 68w
Nurses, West Surrey & North East Hampshire Health Authority 67w
Nutrition & health 427-8w
Ophthalmic services, Bolton 168w
Optical charges, Contact lenses 326w
Opticians, Unfair trading practices 661w

Out-patients, Wessex Regional Health Authority 237w
Prescription charges exemptions 71w
Prescription charges exemptions, Costs 71w
Prescription drugs, Costs 299w
Prescriptions, Cornwall 70w
Prescriptions, Costs 70w, 304-5w
Prescriptions, NHS 70-1w
Regional health authorities, Cash limits 412-4w, 482-4w
Regional health authorities, Contracts for services 672w
Regional health authorities, Management consultants 168w
Regional health authorities, NHS finance 303w, 508-14w
Sellafield District Cancer Levels Inquiry 506-7w
South Birmingham Health Authority, Capital investment 160w
South East Thames Regional Health Authority, Hospital waiting lists 161w
Speech therapy, Northern region 159w
Streetwise, House of Commons questions 506w
Test tube babies, Law reform 416w
Test tube babies, NHS 416w
Trent Regional Health Authority, Health service ancillary staff 624-5w
Trent Regional Health Authority, Hospital waiting lists 625w
Vaccination, Drug industry 666w
West Surrey & North East Hampshire Health Authority, Expenditure 68-9w
Whooping cough, Vaccination 664-7w

Newtownabbey
Pedestrian crossings 310w
Road accidents 310w

NHS
Abortion 521-2w
Censorship (19.03.87) 1053-4
Contracts for services 614-24w
Crime 627w
Health services 409-10w
Hearing aids 503w
Nurses 661w
Ophthalmic services 495w
Prescriptions 70-1w
Privatisation 6w, 615-24w
Test tube babies 416w

NHS & private practice 72w
Abortion 238w
Income 72w
Kidney machines 333w
Wales 6w

NHS complaints
Mitchell, John 89w, 580w

NHS finance
Christie Hospital 166w
Diabetes 138
Greater London 151w
Hip replacements 134
Hospital waiting lists 137, 154w, 161w
North West Thames Regional Health Authority 70w
North Western Regional Health Authority 133-4
Regional health authorities 303w, 508-14w
Royal Manchester Children's Hospital 134
Scottish health boards 249-50w
Wales 6w

Nicaragua
Anti-aircraft missiles 258-9w
Arms exports 259w, 365w
Diplomatic relations 542w
Foreign policy 542w
USA 540-2w

Nicholls, Mr Patrick
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 160
Business questions intervention (12.03.87) 468
Law enforcement (20.03.87) 1160-1
Questions
AIDS, Health education 140
EC Research Council 112w
Teachers, Local education authorities 562w
Trials, Appeals 449-50w
USSR, Compensation 212-3w

Night flying 491w
Air traffic control 491w

Nightwear (Safety) Regulations 1985
Questions
111-2w

9 Signal Regiment 553-4w
Security 553-4w

Nitrogen oxides
Coal fired power stations 12

Noise control
Aircraft noise 492-3w

Non-domestic rates
Ealing 342-3w
Oil industry 10

Non-metropolitan counties
Local education authorities 263w
Primary education 264-5w
Rate increases 400w
Rates & rating 558w

Non-Public Limited Companies (Appointment of Directors) Bill 1986/87
Debates etc
1R (10.03.87) 163-5

Norfolk
Hospitals 328w

Norfolk Broads 612w
Environmentally sensitive areas 612w
Grazing land 612w

Norris, Mr Steve
Debates etc
Motor industry (11.03.87) 352, 354, 372-5
Questions
Locusts, Africa 687-8

North Downs
Psychogeriatrics 597w

North East region 420w
Coal fired power stations 11
Intervention stocks 420w

North East Scotland
Economic situation 244w

North East Thames Regional Health Authority 137
Hospital waiting lists 137

North Sea oil
Offshore Supplies Office 2
Shetland 9

North Wales 516-7w
Cancer 516-7w
Leukaemia 516-7w

North West region
Arts 79w
Budget 445w
Electricity supply industry 37w, 39w
Manufacturing industries 588w
Urban programme 107-10w

North West Regional Health Authority 70w

North West Thames Regional Health Authority
Hospital beds 69w
NHS finance 70w

North Western Regional Health Authority 133, 154w
Hospital waiting lists 154w
NHS finance 133-4

North Yorkshire
Armed forces housing 537-8w

Northern Ireland
Adult education 659w
AIDS 213w
Anthracite 648w
Breast cancer 213w
Broadleaved woodlands 2-3w, 146w
Calf subsidy 658w
Cervical cancer 143w, 213w
Children in care 539-40w
Christianity 448-9
Church schools 449
Community relations 448, 451-2
Council house waiting lists 381w
Councillors 458
Driving licences 597w
Drug crimes 379w
Environmentally sensitive areas 539w
Health Education Authority 664w
Health services finance 310-1w
Homelessness 380w
House renovation grants 380w
Housing standards 379-80w
Intervention stocks 419-20w
Landlords 659w
Military aid 459-60
Museums & galleries 447-8
Prisoners 2w
Prisoners' transfers 359w
Public order (10.03.87) 219-67
Public sector housing 380w
Remission 659w
Road accidents 310w
Security 274-5w, 459-60
Slums 379w
Terrorism 145w, 274-5w
Tree conservation 2w
USA 459

Northern Ireland government
Anglo-Irish Agreement 451
Community relations 448-9
Devolution 458
Ulster Unionists 458

Northern Ireland Housing Executive
Armagh 442w
Dungannon 442w
Flats 145w
Planning permission 145w
Unity Flats 143-4w

Northern Ireland Office
Ethnic minorities 142-3w
Keeni Meeni Services 143w

Northern region
Relocation of employees 36w
Speech therapy 159w

Northumberland
Coal fired power stations 3-4

Norwich
Hospitals 328w, 408w

Notting Hill Housing Trust 436w
Property development 436w

Nottinghamshire
Coal fired power stations 7
Coal mining 7

Nuclear accidents
Death 319w
Disclosure of information 9
Emergency planning 460w
Nuclear submarines 635w

Nuclear disarmament 920
Arms control treaties 461
Cruise missiles 145
Labour Party 146, 1038-9

Nuclear fuel reprocessing
Disclosure of information 42w
Dounreay 523w
Planning inquiries 523w

Nuclear fuels
Nuclear submarines 634-5w
Radioactivity 634-5w

Nuclear fusion 203w

Nuclear Installations Inspectorate
Manpower 119w

Nuclear power
Central Electricity Generating Board 203-4w
Contracts 37w, 39w
Disclosure of information 42-3w

Labour Party 12, 288
National security 42-3w

Nuclear power stations 3-4, (12.03.87) 475-90
Costs 204-5w
Design 649w
Disclosure of information 42w, 205-6w
Earthquakes 285w, 649w
Emergency planning 42w, 120-1w
Employment 130w
Employment opportunities 204-5w
Health physics 317-9w
Industrial accidents 8
Nuclear safety 8, 202w
Pressurised water reactors 39w
Public inquiries 205-6w
Radioactive waste disposal 342w
Redundancy 130w
Sizewell B 38w
Unemployment 127w

Nuclear reactors
Disclosure of information 205-6w

Nuclear safeguards 41w

Nuclear safety
Advanced gas-cooled reactors 202w
Hinkley Point A 119w
Hunterston A 119w
Naval bases 634w
Nuclear power stations 8, 202w
Nuclear submarines 634w
Pressurised water reactors 205-6w
Sizewell B 8-9

Nuclear submarines 634w
Emergency planning 635w
Nuclear accidents 635w
Nuclear fuels 634-5w
Nuclear safety 634w

Nuclear test ban
Seismic monitoring 319w
USA 549w

Nuclear weapons 919-20
Arms control treaties 910-2
RAF Bentwaters 378w
Transport 252w

Nuclear weapons deployment
Cruise missiles 1038-9
Eastern Europe 322-3w

Nuclear weapons tests 173w
Armed forces civilians 172-3w
Armed forces deployment 173w
Compensation 173w
Congenital abnormalities 173w
Ex-servicemen 171-2w
Insurance 172w
Ionizing radiation 172w
Radiation hazards 172w
Seismic monitoring 259w
South Pacific 639w
USSR 259w

Nursery schools 469w
Belfast 453
Hampshire 23-4w
Local government expenditure 803
School population 23-4w

Nurses
Community care 624w
Hampstead Health Authority 667w
Information 68w
Manpower 67-8w, 158-9w, 333w, 661w
NHS 661w
Pay 158w
Private health services 314w, 333w, 337-8w
Professional qualifications 158-9w
Resignations 68w
Scottish health boards 337-8w
South Manchester Health Authority 68w
South West Surrey Health Authority 68w
Wales 314w
Wessex Regional Health Authority 68w
West Surrey & North East Hampshire Health Authority 67w

Nutrition & health 427-8w
Food labelling 1031

Oakthorpe
Government grants 557w

Objects in lieu of tax 14-5, 561w
Art works 14-5, 177-8w

O'Brien, Mr William
Debates etc
Coal mining (11.03.87) 309, 320, 330-3
Questions
Inland waterways, Road construction 15-6w
New Patriotic Movement 361w
Supplementary benefits, Children 663w
Supplementary benefits, Young people 415w
Trade Descriptions Act 1972 34w
Unification Church, Civil proceedings 577w
Unification Church, Immigration controls 361w

Occupational pensions 235-6w
Local government reform 651-2w
Pension funds (19.03.87) 1136-44
West Yorkshire County Council 651-2w

OECD countries
Aid financed trade 185w
Pupils 308-9w

Office of Arts & Libraries 84w
Arts Sponsorship 379w

Office of Fair Trading
Bookmakers 33w

Office of Telecommunications
Public appointments 587w

Official cars
Radiophones 53w

Official engagements
Angola 541w
Civil service unions 17
Republic of Ireland 211w
Royal Ulster Constabulary 275w

Official hospitality 319w
Chequers 113w, 319w
10 Downing Street 319w

Official receptions 113w

Official secrets
Police national computer 636w

Official Secrets Act 1911
National security 685-6
Chapman, Pincher 686
Prosecutions 457w, 685-6
Search warrants 553w
West, Nigel 686
Questions
457w, 553w, 685-6

Official Secrets Acts
Foreign & Commonwealth Office 211w
Scotland 211w
Questions
211w

Offshore Supplies Office 1
Manpower 1
North Sea oil 2
Scott Lithgow 1

Oil companies
Company finance 320-1w, 390w, 592-4w
Profits 320-1w, 390w

Oil fired power stations
Inverkip 10-1

Oil industry
Construction 2-3
Economic situation 244-5w
Highlands of Scotland 2-3
Non-domestic rates 10
Scotland 244-5w
Shetland 9-10
Tax allowances 9-10

Oil prices 37w

Oils & fats
Confectionery 1035
Prices 598w
Taxation 113w, 598w, 1035

Oman
Diplomatic relations 543w
Ministers' visits abroad 543w

Ombudsman (10.03.87) 206-18

O'Neill Road 310w

Onslow, Mr Cranley
Debates etc
Budget March 1987, Employment (19.03.87) 1065
Questions
Dyslexia, Surrey 308w
Educational standards, Industrial disputes 801-2
Nuclear disarmament, Labour party 146
Road accidents 312w

Open University
Continuing education 471-2w

Ophthalmic services
Bolton 168w
Hospital waiting lists 168w, 184-5w
NHS 495w
Scotland 384-5w

Opium poppies 359w
Advisory Council on the Misuse of Drugs 359w

Opposition Budgets Bill 1986/87
Debates etc
1R (18.03.87) 937-40
2R order read (20.03.87) 1212

Opposition days
Arms control (09.03.87) 28-81
Regional planning & development (09.03.87) 82-120

Opposition parties
Budget (18.03.87) 937-40

Optica aircraft 364w
South Africa 364w

Optical charges
Contact lenses 326w

Opticians
Unfair trading practices 661w

Oral questions
Speaker's rulings & statements (11.03.87) 281

Orders & regulations
Computer privacy 528w
Environmentally sensitive areas 421w
Motor vehicle horns 431w

Orme, Rt Hon Stanley
Debates etc
Sizewell B (12.03.87) 477-8
Questions
Coal fired power stations 4
Coal mining, Asfordby 582w
Coal mining, Leicestershire 6-7
Combined heat & power, Lead city schemes 37w
Electricity generation, South East region 11
Oakthorpe, Government grants 557w

Orthopaedics
Hospital beds 167w

Osborn, Sir John
Debates etc
Sizewell B (12.03.87) 487

Ottaway, Mr Richard
Debates etc
Arms control (09.03.87) 66
Budget March 1987, Employment (19.03.87) 1061
Nicaragua, Arms trade (18.03.87) 933

Outgoers scheme 607-8w
Dairy farming 607-8w

Out-patients
Hospital waiting lists 237w, 326w
Trent Regional Health Autority 625w
Wessex Regional Health Authority 237w

Overseas aid
Africa Fund 547w
Agriculture 187-8w
Central America 45w
Front line states 547w
Kenya 349w
Lebanon 186w
Mozambique 688-9
Nepal 524w
Police training 632-3w
Sudan 577-8w
Tanzania 348w

Overseas Development Administration
Family planning 348w

Overseas loans
Developing countries 186w

Overseas students
Educational institutions 362w

Overseas trade
Japan 526w
South Africa 364w
USSR 545w

Overseas visitors 82w

Overtime
Job training scheme 21w, 129w

Owen, Rt Hon David
Debates etc
Arms control (09.03.87) 38, 79
Questions
MI5, Labour Party 1038
Theatre nuclear weapons, Arms control treaties 919
Wright, Peter, National security 694-5

Own resources 194-5w, 266w
EC budget 266w

Owner occupied housing 180-1w
Thamesmead Town 440w

Oxford university 473-4w

Ozone layer
Chlorofluorocarbons 405w
EC action 437-8w
Treaties 401-2w

Package holidays
Abortion 144-5

Page, Sir John
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 158
Investor protection (11.03.87) 439-41

Page, Mr Richard
Debates etc
Motor industry (11.03.87) 365, 379-81
Questions
Police, Manpower 124-5w

Paignton Secretarial College 579w
Industrial training schemes 579w

Pakistan
Immigration controls 309w
Refugees 543w
Visas 637-8w

Palace of Westminster
Cleaning services 54w
Contracts for services 2w
Television licences 171w

Palestine
Refugees 186w

Paramilitary forces
Terrorism 145w

Parental contributions
Student grants 462w

Parish, E W 477w
Members' correspondence 477w

Park, Mr George
Debates etc
Motor industry (11.03.87) 371-2
Westland Helicopters, Standing Order No 20 applications (11.03.87) 295
Questions
National Unity of Salvadorean Workers, Diplomatic relations 544w

Park Vista, Greenwich
Planning permission 342w
Restrictive covenants 538w

Parking offences 432w

Parks
Demonstrations 124w

Parliamentarians
USSR 582w

Parliamentary & Health Service Commissioner Bill 1986/87
Debates etc
Rep & 3R (10.03.87) 206-18

Parliamentary constituencies (09.03.87) 121-4
Electoral register 479w
Radioactive waste disposal 49w

Parliamentary Constituencies (England) (Miscellaneous Changes) Order 1987
Debates etc
(09.03.87) 121-4

Parole
Judgments 123w, 147-8w
Scotland 147-8w

Parry, Mr Robert
Questions
AIDS, Death 235w
AIDS, Merseyside 235w
AIDS, Northern Ireland 213w
AIDS, Scotland 248w
Anglo-Irish Agreement, Republic of Ireland 274-5w
Breast cancer, Liverpool 162-3w
Breast cancer, Northern Ireland 213w
Breast cancer, Scotland 147w
Breast cancer, Screening 163w
Bus crews, Crosville Bus Company 258w, 288w
Business statement 468-9
Cancer, Merseyside 239w
Canning House Probation Hostel 28w
Canning House Probation Hostel, Crimes of violence 28w
Canning House Probation Hostel, Public administration 28w
Cervical cancer, Liverpool 162-3w
Cervical cancer, Merseyside 240w
Cervical cancer, Northern Ireland 143w, 213w
Cervical cancer, Scotland 147w
Cervical cancer, Screening 162w
Currie, Edwina, Ministerial duties 136
Gaelic Athletic Association, Government grants 213-4w
Immigrants' dependents, Immigration rules 123w
Iran-Iraq War, Arms trade 922-3
Maternity benefits, Liverpool 294-5w
Maternity benefits, Wallasey 294-5w
Members' facilities, Taxis 214-5w
Oils & fats, Taxation 598w
Prime Minister official engagements 114w
Prime Minister official engagements, Afghanistan 225w
Prime Minister visits abroad, USSR 225w
Registered Homes Act 1984, Members' correspondence 234w
Terrorism, Merseyside 361-4w

Part-time employment
Community programme 353-4w

Passenger ships
Immigrant detainees 448-9w

Passengers
Channel ferries 396w, 430w
Ships 286-7w

Passports
Forgery 551-2w
Israel 551-2w

Patchett, Mr Terry
Questions
Arts, Tourism 82w
Barnsley Hospital, Contracts for services 302w
Barnsley Hospital, Hospital beds 301w
Barnsley Hospital, Hospital length of stay 301-2w
Barnsley Hospital, Hospital waiting lists 301w
Barnsley Hospital, Hospital wards 302w
Barnsley Hospital, Maternity services 302w
Barnsley Hospital, Private patients 302w
Barnsley Hospital, Privatisation 417w
British Coal Corporation, Manpower 282-4w
Coal mine closures 283-4w
Coal mining, Death 284w
Coal mining, Mine accidents 283-6w

Patients
Domestic safety 580-1w
Glasgow 580-1w

Patten, Mr Chris, Minister of State for Overseas Development
Questions
Beira corridor, EC aid 524w
Developing countries, Aid financed trade 692
Development aid, Research finance 689-90
Development aid, Women 690
Food, Shortages 348w
Kenya, Overseas aid 349w
Locusts, Africa 687-8
Mozambique, Disaster relief 348w
Mozambique, Military aid 688
Mozambique, Overseas aid 688
Mozambique, South Africa 689
Nepal, Overseas aid 524w
Overseas aid, Police training 632-3w
Overseas Development Administration, Family planning 348w
Sudan, Overseas aid 577-8w
Tanzania, Overseas aid 348w
UNICEF, Vaccination 349w, 690-1

Patten, Mr John, Minister of State for the Environment (Housing, Urban Affairs & Construction)
Questions
Bascombe, Linda, Members' correspondence 517-8w
Building industry, Training 49-50w
Defective housing, PRC homes 104w
Derelict land, Birmingham 436w
Derelict land grants, Staffordshire 433-4w
Derelict land grants, West Midlands 103w
Estate Action, Council housing finance 403w
Estate Action, Portsmouth 400w
Fish farming, Planning permission 433-4w
Flats, Leasehold housing 50w
Housing insulation, Public expenditure 52w
Inner area programmes, Leicester 270w
Inner city areas, Economic policy 399-400w
Insulation grants, Public expenditure 110w
Land registration, Computer applications 398w
London Docklands, Land values 558w
Merseyside Maritime Museum, Government grants 558w
Neighbourhood energy action, Members' correspondence 52w
New towns 435-6w
New towns, Economic policy 398w
Notting Hill Housing Trust, Property development 436w
Public sector housing, Telford Development Corporation 53w
Thamesmead Town, Property transfer 557-8w
Urban development corporations 556-7w
Urban development corporations, London Docklands 433w
Urban programme, North West region 107-10w
Water authorities, Fire prevention 268-9w
Water authorities, Members' correspondence 53w
Water authorities, Privatisation 269w
Water charges, Price increases 398-9w
Water pollution, Sewage 435w

Pattie, Rt Hon Geoffrey, Minister of State for Information Technology
Questions
Communications, Competition 641w
EC Research Council 112w
Film distribution 525w
Post Office, Privatisation 525w
Rolls-Royce Aeroengines, Company finance 587w
Satellite communications 364w
Westland Helicopters, Expenditure 525w

Pavitt, Mr Laurie
Questions
Nurses, Professional qualifications 158-9w
Planning permission, Sportagrounds 53-4w

Pawsey, Mr J F
Debates etc
Grammar schools, Warwickshire (09.03.87) 125-7
Parliamentary & Health Service Commissioner Bill, Rep & 3R (10.03.87) 206, 209, 212-5
Questions
Arts, Charitable donations 84w
Cash limits 446-8w
City technology colleges 799
Civil service, Training 49w
Dept of Education & Science, Cash limits 102-4w
Hospital waiting lists, NHS finance 161w
Local Development Agency Fund 556w
Microcomputers, Computers in schools 97w
Microcomputers, Primary education 470-1w
Secondary education, Warwickshire 22w

Pay
Charitable donations 84w
Food inspection 146w
Government car service 51-2w
Health & Safety Executive 130w
Local government staff 183-5w
MacGregor, Ian 43w
National Union of Teachers 467w
Nurses 158w
Screening 153w
Teachers 181w, 183-5w, 460
Wages Inspectorate 132w

Pay beds
Barnsley Hospital 302w

Pay incentives
Debt collection 61w

Pay settlements
Civil service 18
Research finance 671-2w
Teachers 467w, 807-9

"Paying for Local Government Green Paper" 343w

Payments for Debt (Emergency Provisions) Act (Northern Ireland) 1971
Unity Flats 144w
Questions
144w

Peace negotiations
Central America 540-1w
Cyprus 542w
Iran-Iraq War 548w
Lebanon 547w
Middle East 550-1w
Sri Lanka 543-4w

Peacock, Mrs Elizabeth
Questions
Community programme, Batley 354w
Hormone treatments, Prescriptions charges 415w
School administration, Departmental circulars 24w
Unemployment, Kirklees 20w
Youth training scheme, Batley 354-5w

Peat Marwick Mitchell
Iron & steel industry 700

Peckham
Personal income 578w
Unemployment 646-7w

Pedestrian crossings
Newtonabbey 310w
Schools 684

Pennine dales 421w

Penn, Phil 554w
Custodial treatment 554w

Pension funds
Occupational pensions (19.03.87) 1136-44

Pensioner price index 74w

Pensioners 113w
Christmas bonus 480-1w
Income 300w
Intervention stocks 1026
Personal income 153w, 336w
Personal savings 141-3, 155w
Rates & rating 476w
Severe weather payments 142-3
Social security benefits disqualification 155w

Pensions
Family doctors 480w
Inflation 153w
Insurance 155w
Population studies 303-4w
Public expenditure 668w
Redundancy 645-6w
Retirement age 645-6w

Per capita costs
Welsh language 376w

Percival, Rt Hon Sir Ian
Questions
Wright, Peter, National security 697

Performance indicators 68-9w

Performance related bonus scheme
Tax collection 142w

Performance related pay 142w

Performing arts
Foreign tourists 82w
VAT 82-3w

Pershing missiles
Arms control treaties 911

Personal income
Bermondsey 578w
Income tax 388-90w
Married people (12.03.87) 491
Peckham 578w
Pensioners 153w, 336w
Personal tax allowances 388-90w
Taxpayers 61w

Personal savings
Funerals 142
Pensioners 141-3, 155w

Personal social services
Handicapped 157w

Personal tax allowances
Personal income 388-90w
Tax yields 207w

Perth
Prime Minister domestic visits 174

Peru
Ministers' visits abroad 547w

Pest control
Locusts 687-8

Petroleum
Industrial production 44w

Pharmacies
Scotland 580w

Photographs
Driving licences 285w, 597w

Photography
Arts finance 86w

Physical education
Jordanhill College of Education 149-50w

Pigmeat
Agricultural marketing 605w

Pike, Mr Peter
Debates etc
Arts (12.03.87) 533, 540-4
Budget March 1987, Employment (19.03.87) 1099-103, 1124
Parliamentary Constituencies (England) (Miscellaneous Changes) Order 1987 (09.03.87) 123
Questions
Arts, North West region 79w
Factories, Textile industry 439w
Food surpluses, Food standards 612w
Job training scheme, Finance 535w, 578w
Manufacturing industries, North West region 588w
NHS, Health services 409-10w
Nursery schools 469w
Power stations 39w
Prime Minister official engagements 114w
Rate rebates, Social security recipients 161w
Royal Ordnance Factories, Privatisation 141w
Turks & Caicos Islands, Elections 918

Pincher, Chapman
Official Secrets Act 1911 686
Prosecutions 694-5

Planning
Higher education 530w
Scotland 530w

Planning appeals
Administrative delays 438-40w
Ministerial powers 516w
South East region 438-40w
Wales 516w

Planning inquiries
Nuclear fuel reprocessing 529w

Planning permission 403w, 518w
Agricultural land 1028
Airports 114w
Brent 53-4w
Demolition (20.03.87) 1145
Fish farming 433-4w
Hypermarkets 657w
Muir Construction 242w
Northern Ireland Housing Executive 145w
Park Vista, Greenwich 342w
Poole 435w
Property development 403w
Radioactive waste disposal 180w
Sportagrounds 53-4w
Youth clubs 271w

Planning Permission (Demolition of Houses) Bill 1986/87
Debates etc
1R (20.03.87) 1145

Plant Breeding Institute 470w
National Seed Development Organisation 470w

Play
Government grants 5w
Wales 5w

Play Board 5w, 271w, 439w
Sports Council 271w, 439w

Play facilities
Local government expenditure 649w

Playing fields
Ealing Green School 367w
Land acquisition 367w

Plessey
Early warning systems 176w

Plugs & Sockets Etc (Safety) Regulations 1987
Debates etc
(16.03.87) 789

Plutonium
Hinkley Point 281w
Magnox reactors 281w

Poindings
Scotland 18w

Points of order
Speaker's rulings & statements (12.03.87) 474, (18.03.87) 926, 954

Police
Civil proceedings 357w
Manpower 124-5w, 554-5w, 653-4w, 1036-7
Road traffic control 554-5w
Schools 121w
Scotland 653-4w
Wapping 555w

Police authorities
Homicide 450-2w
Rape 450-2w

Police cautions 30w
Drug crimes 30w

Police firearms
Metropolitan Police 360w
Police patrolling 360w

Police housing
Greater London 358w
Metropolitan Police 358w

Police misconduct
Computer privacy 350w

Police national computer
Disclosure of information 350w
Official secrets 636w
Prosecutions 636w

Police patrolling
Police firearms 360w
Thatcher, Mark 31w

Police photographs 360w
Metropolitan Police 360w

Police relations with public
Hackney 216w

Police right of search
BBC 17w, 91-2w, 523w

Police surgeons 243-4w
Strathclyde 243-4w
Women 292

Police training
Overseas aid 632-3w

Police vehicles
Road accidents 215w

Political levy
Civil & Public Services Association 19-20

Political meetings
Bumbridge 598w

Political prisoners
USSR 917

Political refugees 27w, 310w
Costs 451w
Immigrant detainees 633-4w
Immigration applications 359-80w
Immigration controls 362w, (16.03.87) 706-88
Sierra Leone 554w
Tamils 29-30w, 216w, 451w
Turkey 122w

Pollock, Mr Alexander
Debates etc
Debtors (Scotland) Bill (HL), 2R (10.03.87) 174
Questions
Coal mining, Productivity 5-6
Consultative Committee on the Curriculum 387-8w
Forestry, Agriculture 603w
Official hospitality, Chequers 113w
Reckless driving, Scotland 200w
Scottish Development Agency 243w
Scottish Development Agency, Expenditure 283-4
Unemployment, Scotland 299

Pollution control
Air pollution 405w
Anti-fouling paints 52-3w
Chlorofluorocarbons 405w
Motor industry 59w
Sewage 435w
Tributyl tin 404-5w
Water pollution 269-70w

Pollution monitoring
Radioactivity 226-7w, 306w, 605-6w

Polytechnics 265w

Poole
Housing & elderly 435w
Planning permission 435w

Population
Comber 659w
Scotland 474-6w

Population studies
Average earnings 303-4w
Pensions 303-4w

Port Glasgow 412w, 415w, 506-8w
Supplementary benefits 506w
Women's employment 522w

Porter, Mr Barry
Questions
Anglo-Irish Agreement, Publicity 457

Ports
EC action 489w
Shipping 201w, 243w, 285w

Portsmouth
Council housing finance 400w
Employment opportunities 19w
Estate Action 400w
Government grants to voluntary organisations 26w
Housing Corporation 436w

Portsmouth City Council
Council housing 436w
Empty housing 436w

Positive discrimination 553w
Civil Service recruitment 553w

Post Office
Data networks 347w
Privatisation 525w

Postal deliveries
USSR 549w

Postal services
European Security Conference 549w
USSR 912-3

Potato crisps 275

Poultry
Nature conservation (12.03.87) 491

Powell, Rt Hon J Enoch
Questions
Absent voting 447w
Anglo-Irish Intergovernmental Conference, Civil servants 143w
Political meetings, Bumbridge 598w
Terrorism, Republic of Ireland 449-50

Powell, Mr Ray
Debates etc
Budget March 1987 (17.03.87) 894-6
Questions
Board & lodging charges, Social security reform 663-4w

Powell, Mr William
Debates etc
Budget March 1987 (17.03.87) 880-3

Power disconnections
Greenock 522w

Power industry
Health physics 317-9w
Radiation hazards 317-9w

Power industry disconnections 206w
Strathclyde 522w

Power stations 39w
Capital investment 205w
Employment opportunities 205w
Manpower 202-3w

Powley, Mr John
Questions
Petroleum, Industrial production 44w
Student loans, Student protest 805

PRC homes 104w
Defective housing 104w

Pre-school education 154-5w
Moray House College of Education 244w
Teacher training 244w

Prescott, Mr John
Debates etc
Budget March 1987, Employment (19.03.87) 1056, 1060-1, 1066-75, 1105, 1134

Prescription charges
Hormone treatments 415w

Prescription charges exemptions 71w
Costs 71w

Prescription drugs
Costs 299w

Prescription (Scotland) Bill 1986/87
Debates etc
1R (11.03.87) 299

Prescriptions
Blood glucose meters 137-8
Cornwall 70w
Costs 70-1w, 304-5w
Disposable syringes 138
NHS 70-1w

Press
Shipping accidents 287w

Press briefings 576-7w
Ministry of Defence 576-7w

Pressurised water reactors 3
Hinkley Point B 4
Nuclear power stations 39w
Nuclear safety 205-6w
Public inquiries 4
Testing 582-3w
United Kingdom Atomic Energy Authority 582-3w

Preston
Hospital waiting lists 134

Prestwick
Air traffic 681

Price, Sir David
Questions
Building industry, Unemployment 443w
Civil service, Job description 49w
Life insurance 196w, 280w
Music 82w
Occupational pensions 235-6w
Owner occupied housing 180-1w
Prime Minister visits abroad, USSR 265w
Share ownership 196w

Price increases
Food prices 598-600w
Water charges 398-9w

Prices
Auctions 14
Cereals 423w
Common agricultural policy 610w, 1034-5
Milk 225w
Oils & fats 598w
Wheat 226w, 229w, 602w

Primary education
Capital investment 264-5w
Greater London 265w
Metropolitan districts 264-5w
Microcomputers 470-1w
Non-metropolitan counties 264-5w
School buildings 264w
School closures 181-2w

Primary health care
Scotland 241w
Women 241w

Prime Minister correspondence
Caterpillar Tractors 523w

Prime Minister domestic visits
Bedfordshire 113-4w
Perth 174

Prime Minister official engagements 114w, 266w, 458w, 554w
Afghanistan 225w
House of Commons questions 26w

Prime Minister questions
Speaker's rulings & statements (10.03.87) 162, (12.03.87) 462, (17.03.87) 811, (18.03.87) 933-5

Prime Minister visits abroad
Costs 457w
European Investment Bank 553w
USSR 225w, 265w

Prime Minister's Office 457w
Computers in government departments 457w

Prison employment
Leeds Prison 359w

Prison overcrowding
Scotland 241w

Prison riots
HM Chief Inspector of Prisons 357w

Prison sentences
Fine defaulters 285-6, 656w
Mentally disturbed offenders 297w

Prison staff
Housing 358w
Housing occupancy 358w

Prison visits
Prisoners' rights 526w

Prisoners
Courts 255w
Evidence 2w
Northern Ireland 2w

Prisoners' mail
Prisoners' rights 526w

Prisoners on remand
Courts 357-8w
Women 357-8w

Prisoners' rights
Prison visits 526w
Prisoners' mail 526w

Prisoners' transfers
Mentally disturbed offenders 296w
Northern Ireland 359w
Special hospitals 296-8w

Prisons
Members' correspondence 89w
Public sector housing sales 28w
Scotland 242w

Private Bill Procedure Joint Select Committee (09.03.87) 124

Private health services
Abortion 238w, 504-5w
Addenbrooke's Hospital 333w
Nurses 314w, 333w, 337-8w

Private investment
City technology colleges 530w

Private members' motions
Cancer (13.03.87) 601-56
Gypsies (13.03.87) 657-64
Law enforcement (20.03.87) 1146-209

Private notice questions
Speaker's rulings & statements (18.03.87) 928

Private patients
Audit 6w
Barnsley Hospital 302w
Wales 6w

Private sector
Coal 648w
Housing construction 650w

Private sector housing
Landlord & tenant 50w

Privatisation 389w
Air force bases 572w
Air traffic control 681
Airports 391w
Barnsley Hospital 417w
British Airports Authority 683-4
British Rail Engineering 673
British Shipbuilders 584w
Driving tests 679-80
National Bus Company 391w, 394-5w, 565w
NHS 6w, 614-24w
Post Office 525w
Rover Group 589-90w
Royal Ordnance 322w, 377-8w, 441w
Royal Ordnance Factories 441w
Water authorities 269w

Privileges Select Committee (10.03.87) 267

Probation hostels
Liverpool 28w

Proceeds of crime 257w
Drug crimes 257w

Proctor, Mr K Harvey
Questions
Immigrants, United Kingdom Immigrants Advisory Service 29w

Procurator Fiscal Service 198-9w

Procurators fiscal 17w, 199w, 290
Legal aid 199w

Procurement
Freightliner 396-7w

Product liability 641w

Production quotas
Cereals 604w
Dairy farming 633w, 1030, 1032-3
EC countries 606w
Milk 217w, 606w

Productivity
Coal mining 5-6
Woollen industry 355w

Professional Association of Teachers
Industrial disputes 808

Professional misconduct 289-90

Professional qualifications
Nurses 158-9w
Teachers 564w

Property development
Notting Hill Housing Trust 436w
Planning permission 403w

Property Services Agency
Civil service dispersal 400-1w
York 400-1w

Property transfer
British Rail 15w
Kingmoor motor transport sheds 15w
Local government buildings 179w
London Residuary Body 109w, 439-40w
Rushgrove House 343w, 406w
Sir Thomas & Lady Edith Dixon Hospital, Cairndhu 595-7w, 657-8w
Thamesmead Town 109w, 439-40w, 557-8w

Prosecutions
Drug abuse 37w
Drug crimes 654-5w
Finley, Lorrien 351w
Fox hunting 200w
Landlords 659w
Official Secrets Act 1911 457w, 685-6
Pincher, Chapman 694-5
Police national computer 636w
Safety belts 254-6w

Prosthetics (10.03.87) 151-62
Costs 165w

Protheroe, Alan 17w

Psychiatric nurses 62w
Community nurses 62w
Manpower 62w

Psychiatry
Greenwich 409w
Kenny, Bernadette 409w

Psychogeriatrics
North Downs 597w

Public Accounts Committee
Defence expenditure 378w

Public administration
Canning House probation hostel 28w

Public appointments
Health Education Authority 625w
Judges 687
Office of Telecommunications 587w
Scottish Legal Aid Board 656-8w
South Manchester Health Authority 166w

Public companies
Shareholders 316-8w

Public employment
Public sector employment 59-60w

Public expenditure
Education 389w
Employment opportunities 282-3
Housing 389w
Housing insulation 52w
Insulation grants 110w
National income 281-2
Pensions 668w
Scotland 281-3

Public health laboratory service 295w

Public Health (Scotland) Act 1897 250-1w
Questions
250-1w

Public houses
Wapping 555w

Public inquiries
Ayr road route 243w
Nuclear power stations 205-6w
Pressurised water reactors 4

Public libraries
News International 81w, 253-4w
Newspaper press 81w, 253-4w

Public Libraries & Museums Act 1964
Questions
81w

Public morals
Crime 813

Public order
Northern Ireland (10.03.87) 219-67

Public Order (Northern Ireland) Order 1987
Debates etc
(10.03.87) 219-67

Public participation in planning
M80 337w

Public sector employment
Public employment 59-60w

Public sector housing
Northern Ireland 380w
Telford Development Corporation 53w

Public sector housing sales
Flats 106w
Prisons 28w
Thamesmead Town 440w
West Yorkshire Residuary Body 652w

Publicity
Anglo-Irish Agreement 456-7
Food surpluses 341w, 426-7w
Maternity Pay 160w
Meningitis 414w
Severe weather payments 507-8w

Punishment
Saudi Arabia 546w

Pupil-teacher ratios 534w
Derbyshire 24-5w
Hampshire 469w
Local education authorities 532-4w
Staffordshire 24-5w

Pupils
City technology colleges 806-7
Health 308-9w
OECD countries 308-9w
Secondary education 308w
Welsh language 8w

Quality control
Cattle 306w

Racial attacks 121-2w
Arrests 121-2w
Southwark 121-2w

Radar
Technical assistance 252w

Radiation hazards
Nuclear weapons tests 172w
Power industry 317-9w

Radice, Mr Giles
Questions
City technology colleges, Sponsorship 799-800
Class sizes 530w
Housing benefits, Students 237-8w
Pupil-teacher ratios 534w
Pupil-teacher ratios, Local education authorities 532-4w
School population, Local education authorities 530-2w
Teachers, Pay settlements 809

Radioactive waste disposal
Electricity tariffs 458w
Nuclear power stations 342w
Parliamentary constituencies 49w
Planning permission 180w
Torness Power Station 336-7w

Radioactive Waste Management Advisory Committee 117w
Disclosure of information 117w

Radioactivity
Agricultural products 605-6w
Amersham International 179w
Chapelcross Power Station 179w
Fish 3-4w
Food contamination 227w
Nuclear fuels 634-5w
Pollution monitoring 226-7w, 306w, 605-6w
Sheep 227w
Water pollution 226-7w

Radiophones
Official cars 53w

Radiotherapy
Southend Hospital 167-8w

RAF Bentwaters 378w
Nuclear weapons 378w

RAF Stornoway 377w

Raffan, Mr Keith
Debates etc
Budget March 1987, Employment (19.03.87) 1109-13
Questions
Mental health services, Wales 118w
Rate support grants, Wales 583w

Railway closures
Freightliner 397w

Railway electrification
East coast railway line 15w
Leeds 676
Wales 372w
West Yorkshire 677

Railway fares
London Underground 13-4w

Railway freight transport
Channel tunnel 677

Railway network
Airports 678
Channel tunnel 430w
Heathrow 678
Investment 930, 932
Manchester Airport 678-9
Railway track 394w, 565w
West Yorkshire 676

Railway timetables
Central line 680
Scotland 240-1w

Railway track
Railway network 394w, 565w

Railway transport
British Rail 277

Railways Act 1974
Questions
396-7w

Raison, Rt Hon Timothy
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 724-8, 736
Questions
Immigration controls, Refugees 362w
Local government expenditure, Capital investment 140w

Rajah, Joe 121w
Homicide 121w

Rampton Committee see Education of Children from Ethnic Minority Groups Committee

Randall, Mr Stuart
Debates etc
Budget March 1987 (17.03.87) 857, 870-4
Questions
Agriculture, Government assistance to industry 1030
Business statement 1052
Food surpluses, Charities 1027
Mature students, Higher education 261-2w
Vegetables, Agricultural land 1032

Rape
Attorney-General 350w
Police authorities 450-2w
Sentencing 350w

Rate fund revenue accounts (11.03.87) 419-38

Rate increases
Non-metropolitan counties 400w

Rate limitation
Liverpool City Council 627-8w

Rate rebates 325-6w
Social security recipients 161w

Rate support grants 650w
Wales 583w
Waltham Forest 51w

Rate Support Grants Bill 1986/87
Debates etc
Royal Assent (12.03.87) 491

Rates & rating 18w
Agricultural land 607w
Crofting 280-1
Ealing 342-3w, (13.03.87) 665-72
Liverpool City Council 591w, 672w
Local government revenue 343w
Non-metropolitan counties 558w
Pensioners 476w
Recreation spaces 289-90w
Scotland 246w, 289-90w, 386-7w
Social security recipients 476w

Ravendale Group 272w, 276-7w
Business expansion scheme 272w
Dept of Trade inquiries 276-7w
Licensing 276w

Ravenscraig Steelworks 588w
Industrial production 588w, 699
Iron & steel industry 280

Raynsford, Mr Nick
Debates etc
Budget March 1987, Economic situation (18.03.87) 956-8, 962
Written questions, Road construction (19.03.87) 1054
Questions
Arts, Economic situation 81w
Council house rents, Hammersmith & Fulham 104-6w
Housing insulation, Low incomes 37w
Metropolitan Police, Police housing 358w
Pensioners, Personal income 336w

Reckless driving
Road accidents 200w
Scotland 200w, 293-4
Scottish courts 293-4

Recreation spaces
Rates & rating 289-90w

Recruitment
Victim support schemes 357w

Redmond, Mr Martin
Questions
Civil defence, Local authorities 122-3w
South Africa, Angola 541w
Water authorities, Privatisation 269w

Redundancy
British Rail Engineering 673-4, 927-32
Fife 657w
Health service ancillary staff 624-5w
Local government staff 652w
Nuclear power stations 130w
Pensions 645-6w
Scotland 89w, 291-2w

Redundancy pay
Local government staff 404w

Rees, Rt Hon Merlyn
Questions
Community programme 257w, 353w
Community programme, Government grants to voluntary organisations 257w
Community programme, Inner city areas 442-3w
Fire prevention, Multiple occupation 215w
MI5, Labour Party 812
Wright, Peter, National security 693-4

Rees, Rt Hon Peter
Debates etc
Zeebrugge Ferry Disaster Inquiry (09.03.87) 24-5

Refrigeration
Fishing vessels 422-3w
Retail trade 612w

Refugees
Afghanistan 543w
Immigration controls 362w
Pakistan 543w
Palestine 186w

Regional aid
Employment opportunities (09.03.87) 82-120
Expenditure 590w
Strathclyde 89w

Regional airports
Air routes 392w

Regional arts associations 81w, 86w
Administrative costs 81w

Regional development grants
Darlington 31-3w
Yorkshire & Humberside 525w

Regional health authorities
Cash limits 412-4w, 482-4w
Childbirth 75-80w
Contracts for services 72-3w, 672w
Hospital waiting lists 335w
Management consultants 168w
NHS finance 303w, 508-14w

Regional planning & development
Opposition days (09.03.87) 82-120

Regional selective assistance 31-3w, 89w
Darlington 31-3w

Registered Establishments (Scotland) Bill 1986/87
Debates etc
3R* (20.03.87) 1212

Registered homes 163w
Safety standards 163w

Registered Homes Act 1984
Members' correspondence 234w

Questions
234w

Religious education
AIDS 326-7w

Religious freedom
USSR 916-7

Relocation of employees
Employment opportunities 36w
Northern region 36w

Remand in custody 255-6w

Remission
Terrorism 659w
Northern Ireland 659w

Renfrew
Industrial development 247w

Rent arrears
Local authorities 434w

Rent rebates 325-6w

Rented housing
Scotland 291w
Single people 291w

Renton, Mr Tim, *Minister of State for Foreign & Commonwealth Affairs*
Debates etc
Arms control (09.03.87) 77-81
Questions
Armed forces uniforms, Export licensing 259w
Arms control treaties, NATO 546w
Czechoslovakia, Trials 441-2w
European Security Conference, Human rights 550w
Export licensing, Anti-aircraft missiles 259w
Foreign & Commonwealth Office, Official Secrets Acts 211w
Iran, Arms trade 924-5
Iran-Iraq War, Arms exports 548w, 550-1w
Iran-Iraq War, Arms trade 922-3
Iran-Iraq War, Chemical weapons 922-3
Iran-Iraq War, Peace negotations 548w
Iran-Iraq War, Shipping safety 923-4
Israel, EC external trade 551w
Israel, Passports 551-2w
Jews, USSR 47-8w
Lebanon, EC Foreign Affairs Council 137w
Members' visits abroad, USSR 47-8w
Middle East, Peace negotiations 550w
Nuclear test ban, USA 549w
Nuclear weapons tests, USSR 259w
Oman, Diplomatic relations 543w
Oman, Ministers' visits abroad 543w
Saudi Arabia 546w
Saudi Arabia, Foreign policy 211w
South Pacific, Environment protection 639w
Tibet, China 212w
Turkey, Bulgaria 136-7w
USSR, Human rights 916-8, 920-2
USSR, Jews 917
USSR, Members' visits abroad 541w
USSR, Ministers' visits abroad 547w
USSR, Postal deliveries 549w
USSR, Postal services 912-3
USSR, Visas 582w
Western European Union 638w

Rents
Disposable income 207w

Repairs & maintenance
Roads 432w
Rolling stock 674, 929, 932

Repossession orders
Mortgages 404w

Reproductive Freedom International 351w

Republic of Ireland
Anglo-Irish Agreement 274-5w, 449-51, 453-4, 458
Anglo-Irish Intergovernmental Conference 451, 456
Armed forces deployment 311-2w
Army in Northern Ireland 311-2w
Cattle 420w
Elections 454
Emigration 449
Livestock 1025
Official engagements 211w
Terrorism 449-50, 456

Research
Alcoholism & crime 30w
Conductive education 261w
Electrical control equipment 454-5w
Vaccination 631w
Violence on television 361w

Research finance
AIDS 327-8w
Development aid 689-90
EC countries 33-4w
Meningitis 414w
Pay settlements 671-2w
Science & technology research 33-4w, 461w, 1035-6
Universities 466w

Residential care 232w
Corporal punishment 64w
Supplementary benefits (17.03.87) 901-8

Residuary bodies 558-60w
Local government finance 558-60w

Resignations
Nurses 68w

Resource Allocation Working Party 310-1w

Restrictive covenants 538w, 595w
Park Vista, Greenwich 538w

Retail price index 598-9w

Retail prices
Food 287

Retail trade
Coal 648w
Refrigeration 612w
Safety labelling 111w
Spectacles 661w

Retirement age
Men 482w
Pensions 645-6w
Women 482w

Retirement pensions
Age 155w
EC countries 480w
Social security benefits uprating 234w, 668-9w

"Review of Artificial Limb & Appliance Centre Services" (10.03.87) 151-62

Rheumatism
Scotland 246w

Rhizomania disease 604-5w
Disease control 341w

Rhodes James, Mr Robert
Debates etc
Law enforcement (20.03.87) 1202-3

Rhys Williams, Sir Brandon
Debates etc
Law enforcement (20.03.87) 1206-9
Occupational pensions, Pension funds (19.03.87) 1136-9, 1142-4
Questions
Income tax, Tax allowances 139w, 272w
Means tested benefits, Social security recipients 229-30w

Richardson, Ms Jo
Questions
Natural History Museum, Admission charges 21w
Tourist industry, Women's employment 163

Richmond Terrace 438w
House of Commons accommodation 438w

Ridley, Rt Hon Nicholas, *Secretary of State for the Environment*
Debates etc
Local Government Finance Bill, Lords amendments (11.03.87) 436
Questions
Community charge, Low incomes 271-2w
Ethnic minorities, Dept of the Environment 50-1w
Inner city partnerships, Birmingham 518-9w
Keeni Meeni Services, Dept of the Environment 107w
Rate support grants 650w

Ridley, Nicholas 145-6
Shipping accidents 145-6

Ridsdale, Sir Julian
Debates etc
Arms control (09.03.87) 30
Budget March 1987 (17.03.87) 834-6

Rifkind, Rt Hon Malcolm, *Secretary of State for Scotland*
Questions
Ayr road route, Public inquiries 243w
BBC, Police right of search 91-2w, 523w
Caterpillar Tractors, Factory closures 277-9
Caterpillar Tractors, Management 279
Crown Estate Commissioners, Scotland 247w
Dee Corporation, Employment opportunities 475w
Drug crimes, Glasgow 654-5w
Drug crimes, Scotland 655-6w
Dunfermline College of Physical Education, Jordanhill College of Education, 148w
Dunfermline College of Physical Education, Sanitation 148w
Dunfermline College of Physical Education, Sports facilities 148w
Ethnic minorities, Scottish Office 146-7w
Fines, Scotland 655-6w
Hypermarkets, Scotland 657w
Jordanhill College of Education, College closures 148-50w
Medical education, Lothian health board 654w
Muir Construction, Planning permission 242w
Newspaper press, Scotland 244w
Parole, Scotland 147-8w
Police, Scotland 653-4w
Ports, Shipping 243w
Prisons, Members' correspondence 89w
Public expenditure, Scotland 281-3
Radioactive waste disposal, Torness Power Station 336-7w
Road works, Dumfries & Galloway 247-8w
School discipline, Scotland 89w
Scottish Community Halls Advisory Service, Government grants to voluntary organisations 381w
Scottish Development Agency 243w
Scottish Development Agency, Expenditure 283-5
Scottish Development Agency, Government grants 284
Scottish Legal Aid Board, Public appointments 656-8w
Strathclyde, Local government finance 654w

Rillington bypass 636w
Road construction 636w

Riot control weapons
Water cannon 529w

Riot shields 555w

Rippon, Rt Hon Geoffrey
Questions
Intelligence services, National security 685
Wright, Peter, National security 694

River Clyde 570w

River Yealm 270w

RNAY Fleetlands 94-6w

Road accidents 312w
Cranes 325w
Metropolitan Police 215w

Military vehicles 325w
Motorways 201w, 431w
Newtownabbey 310w
Northern Ireland 310w
Police vehicles 215w
Reckless driving 200w

Road assessment studies 493-4w
Greater London 493-4w

Road closures 429w

Road construction
A46 393w
Conwy tunnel 372-3w
Earls Court 566-7w
Garages & petrol stations 17w
High Court 489w
Inland waterways 15-6w
M24 677
M80 337w
Motorways 677, 684
Rillington bypass 636w
Ruabon bypass 372-3w
Somerset 114-5w
Sussex 682
West Sussex 390w, 682
Wiltshire 114-5w

Road freight transport
EC action (09.03.87) 27
Freightliner 397w

Road safety
Car industry 588-9w
Cost effectiveness 396w
Local authorities 397w
Road works 396w
Safety belts 286w

Road safety barriers
A45 393w
Motorways 398w

Road safety education 464-5w
Government grants 684

Road traffic
Ballyharry School 658w
Barrhead 381w
Comber 659w
Greater London 429w, 432-3w
Local government reform 429w
M4 684
M25 116w, 288-90w, 391w

Road traffic control
Lorries 393w
M23 492w
Police 554-5w

Road traffic offences
Information 358-9w

Road Transport Industry Training Board 214w
Training grants 214w

Road works
Dumfries & Galloway 247-8w
Expenditure 247-8w, 456w
Road safety 396w

Roads
Local government expenditure 393-4w
London boroughs 489-91w
Metropolitan districts 489-91w
Repairs & maintenance 432w
Wales 456w

Roberts, Mr Wyn, Under-Secretary of State for Wales
Questions
Curriculum, Wales 375w
District health authorities, Contracts for services 6w
Educational institutions, Wales 636-7w
Fish, Llyn Vonwy 3w
Fish, Radioactivity 3-4w
Further education, Wales 456w
National Childminding Association, Government grants to voluntary organisations 4w
National Museum of Wales 3w
NHS & private practice, Wales 6w
Play, Wales 5w
Private patients, Wales 6w
Radioactive Waste Management Advisory Committee, Disclosure of information 117w
Railway electrification, Wales 372w
Roads, Wales 456w
Ruabon bypass, Road construction 372-3w
School buildings, Criminal damage 371-2w
Singleton Hospital, Swansea, Accident & emergency departments 118w
Transport supplementary grants, Wales 374w
Welsh language, Per capita costs 376w
Welsh language, School population 7-14w
Welsh language, Schools 8w
Workers' Educational Association, Wales 375w

Robertson, Mr George
Questions
EC budget 915
Diplomatic service, Telecommunications 551w
Invalid care allowances 233w
Invalid care allowances, Administrative delays 162w
Invalid care allowances, Married women 295-6w
Invalid care allowances, Social security benefits rules 161w
Iran, Arms trade 924
Nuclear weapons, Arms control treaties 912
Unemployment, Lanarkshire 279-80

Robinson, Mr Mark, Parliamentary Under-Secretary of State for Wales
Questions
Cancer, North Wales 516-7w
Children in care, Wales 515w
Council house waiting lists, Wales 374w
Fish farming, Wales 455-6w
Fisheries, Wales 514-5w
Health service staff, Wales 4w
Homelessness, Wales 373w
Hospital waiting lists, Wales 4w, 583w
House renovation grants, Wales 374-6w
Local government expenditure, Wales 515w
Mental health services, Wales 118w
Planning appeals, Wales 516w

Roe, Mrs Marion
Debates etc
Cancer (13.03.87) 604-7, 626
Questions
Abortion Act 1967 144-5
Horticulture, Vegetables 610w
Married women, Investment income 389w

ROF Burghfield 74w

Rolling stock
Repairs & maintenance 674, 929, 932

Roll-on roll-off ships (09.03.87) 21-6, 429w
Early warning systems 429w

Rolls-Royce Aeroengines
Company finance 587w

Rooker, Mr Jeff
Questions
Derelict land, Birmingham 436w
Derelict land grants, West Midlands 103w
Inner city partnerships, Birmingham 518-9w
Visas, India 637-8w

Ross, Mr Ernie
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 157
Questions
Breast cancer, Screening 383w
Food surpluses, Dundee 386w
Food surpluses, Scotland 386w
Food surpluses, Voluntary organisations 386w
Job training scheme, Government departments 21w, 129w
Job training scheme, Overtime 21w
Job training scheme, Shift work 21w, 129w
Job training scheme, Training allowances 21w, 129w
Jobclubs, Dundee 92w
Rheumatism, Scotland 246w
Senile dementia, Scotland 246w

Ross, Mr Stephen
Debates etc
Arms control (09.03.87) 32, 37
Budget March 1987 (17.03.87) 877-80
Questions
British Airports Authority, Privatisation 683-4
Flats, Leasehold housing 50w
Heathrow, Railway network 678
National Bus Company, Privatisation 391w
Overseas students, Educational institutions 562w
School buildings, HM Inspectorate of Schools 463w

Rossi, Sir Hugh
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 157
Gypsies, Caravan sites (13.03.87) 662-3
Questions
Dept of the Environment, European Year of the Environment 518w
Teachers, Pay settlements 809

Rost, Mr Peter
Debates etc
Coal mining (11.03.87) 313-5
Questions
British Rail Engineering, Redundancy 930-1
Sizewell B, Nuclear power stations 38w

Rothschild, Lord 686
National security 686

Rover Group (11.03.87) 343-409, 589-90w
Corporate plans (11.03.87) 343-409
Privatisation 589-90w

Rowe, Mr Andrew
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 784
Parliamentary & Health Service Commissioner Bill, Rep & 3R (10.03.87) 214-6
Questions
Nuclear accidents, Emergency planning 460w

Rowlands, Mr Ted
Questions
Energy efficiency 40-1w
Offshore Supplies Office, North Sea oil 2

Royal Aircraft Establishments 272w
Empty housing 272w

Royal Manchester Children's Hospital
NHS finance 134

Royal National Orthopaedic Hospital 167w
Hospital closures 167w

Royal Ordnance 377-8w
Privatisation 322w, 377-8w, 441w
Trafalgar House 377w

Royal Town Planning Institute 530w

Royal Ulster Constabulary
Codes of practice 274w
Garda Siochana 457-8
Immigration 452
Official engagements 275w

Ruabon bypass 372-3w
Road construction 372-3w

Rumbold, Mrs Angela, Minister of State for Education & Science
Questions
City technology colleges, Educational finance 260w
City technology colleges, Expenditure 464w
City technology colleges, Langbourgh 807
City technology colleges, Private investment 530w

City technology colleges, Pupils 806-7
City technology colleges, Sponsorship 807
City technology colleges, Teachers 464w
Curriculum 465w
Education, Departmental circulars 262w
Educational finance, Local government expenditure 25w, 564-5w
Educational qualifications 800
Educational qualifications, Further education 800-1
Educational qualifications, Vocational education 800
Educational standards 801
Educational standards, Curriculum 801
Educational standards, Industrial disputes 801-2
English language, Languages education 103w
Ethnic minorities, Dept of Education & Science 307w
Ethnic minorities, Education 632w
Further education, Young people 464w
GCE O level, Examinations 183w
General Certificate of Secondary Education 182w, 469w
General Certificate of Secondary Education, Curriculum 263w
General Certificate of Secondary Education, Educational publications 183w
General Certificate of Secondary Education, Educational standards 263w, 802
General Certificate of Secondary Education, Examinations 263-4w
General Certificate of Secondary Education, HM Inspectorate of Schools 22-3w
General Certificate of Secondary Education, In-service training 263w
General Certificate of Secondary Education, Local government expenditure 100-1w
General Certificate of Secondary Education, Local government finance 101-2w
General Certificate of Secondary Education, Teachers 182-3w
HM Inspectorate of Schools, Management consultants 22w, 632w
Microcomputers, Computers in schools 97w
Microcomputers, Primary education 470-1w
National Union of Teachers, Pay 467w
Pupils, Health 308-9w
Road safety education 464-5w
School violence 468w
Schools, HM Inspectorate of Schools 23w
Schools, Violence 102w
Sports, Schools 467w
Teachers' appraisal, Trade unions 367w
Teachers, Bedfordshire 367w
Teachers, Collective bargaining 467w
Teachers, Local education authorities 562w
Teachers, Pay 181w, 183-5w
Training 466w
Vocational guidance, Secondary education 470w

Rural areas
Bus services 494w
Schools 803
Scottish Development Agency 284

Rushgrove House 406w
Property transfer 343w, 406w

Ruskin College 368w
Freedom of expression 368w

Russell David Construction
Tax exemption certificates 591-2w

Sackville, Mr Tom
Questions
AIDS, Health education 151w

Safety at Sea Act 1986 312w
Questions
287-8w, 312w

Safety belts
Children 286w
Convictions 254-6w
Prosecutions 254-6w
Road safety 286w

Safety equipment
Channel ferries 312w

Safety labelling
Clothing 111-2w
Retail trade 111w

Safety measures
Air safety 201w
Channel ferries 396-7w, 567-70w

Safety standards
Ferries 148
London Regional Transport 491w
Registered homes 163w

St Andrew's Hospital, Norwich 408w

St James' Hospital, Balham
Bedding 160w

St Margaret's Hospital, Epping 137

Sales methods
Time sharing 638w, 641-2w

Salmon 88w
Fish conservation 424w
Fish farming 434-5w
Seals 424w

Sanitation
Dunfermline College of Physical Education 148w

Satellite communications 364w

Satellite Information Systems
Bookmakers 111w

Satellites
Disclosure of information 449w
National security 30w, 309w

Saudi Arabia 546w
British residents abroad 546w
Foreign policy 211w
Punishment 546w

Sayeed, Mr Jonathan
Questions
Brazil, Debts 916
Transport 565-6w

School administration
Departmental circulars 24w

School buildings
Building repairs 99w, 805-6
Criminal damage 371-2w
Headteachers 806
HM Inspectorate of Schools 463w
Local government expenditure 806
Manchester 806
Primary education 264w

School choice
Church schools 449

School closures
Boarding schools 562-3w
Primary education 181-2w

School discipline
List D schools 89w
Scotland 89w

School fees
Assisted places scheme 91-3w

School governors 463w
School uniforms 24w

School leaving
Social security benefits rules 300w
Supplementary benefits 300w, 415-6w
Unemployment 444w

School meals 102w

School population
Local education authorities 530-2w
Nursery schools 23-4w
Welsh language 7-14w

School uniforms
School governors 24w

School violence 468w

Schools
AIDS 265w
Birmingham 466w
HM Inspectorate of Schools 23w
Manchester 802
Pedestrian crossings 684
Police 121w
Rural areas 803
Sports 467w
Violence 102w
Welsh language 8w

Science & technology
Government assistance to industry 278w
Higher education 801
Wales 278w

Science & technology research
Research finance 33-4w, 461w, 1035-6
Tax allowances 207-8w
Universities 472w

Science education
AIDS 327w
Blood tests 327w
Higher education 799

Scope of debate
Speaker's rulings & statements (09.03.87) 124, (10.03.87) 164, 209, 243-5, 253, 255, 265, (11.03.87) 413-5, (12.03.87) 584, (20.03.87) 1204

Scotland
Abortion 519-22w
AIDS 248w, 384w
Air force bases 571-2w
Anthracite 43w
Arts finance 13-4
Assisted places scheme 91-3w
Bed & breakfast accommodation 290w
Beef & veal 244w
Breast cancer 147w
Cervical cancer 147w
Chemists' shops 580w
Children in care 522w
Coal mining 40w
Colleges of education 475w
Community charge 246w
Community programme 385w, 581w
Company liquidations 35-6w, (11.03.87) 299
Complaints against local government 246-7w
Council house waiting lists 291w
Craft industries 382w
Crown Estate Commissioners 247w
Debts (10.03.87) 165-205
Drug crimes 655-6w
Employment policy 245w
Environmentally sensitive areas 653w
Exceptional circumstances additions 335-6w
Factory closures 89w, 291-2w
Farm incomes 1024
Financial services 289w
Fine defaulters 285-6
Fines 655-6w
Fish conservation 381-2w
Fisheries 491-2w
Fishing vessels 245w
Food surpluses 286-7, 386w
Forensic science 292
Forestry 242w
Fraud 199w
Homelessness 290-1w
Hospital waiting lists 580w
Housing & elderly 247w
Hypermarkets 657w
Insolvency 35-6w
Intervention stocks 386w
Iron & steel industry 699
Legal aid 199w
Licensing laws 292-3
Local income tax 246w
Manufacturing industries 240w
Mental health community care 243w

Mentally handicapped 243w
New towns 240w, 519-20w
Newspaper press 244w
Official Secrets Acts 211w
Oil industry 244-5w
Ophthalmic services 384-5w
Parole 147-8w
Pharmacies 580w
Planning 530w
Poindings 18w
Police 653-4w
Population 474-6w
Primary health care 241w
Prison overcrowding 241w
Prisons 242w
Public expenditure 281-3
Railway timetables 240-1w
Rates & rating 246w, 289-90w, 386-7w
Reckless driving 200w, 293-4
Redundancy 89w, 291-2w
Rented housing 291w
Rheumatism 246w
School discipline 89w
Seal culling 387w
Senile dementia 246w
Severe weather payments 73w, 507-8w
Shareholders 647w
Sheriff officers 17w
Sheriffs 248w
Small claims 200w
Smoke control areas 382w
Solicitors 289-90
Standard of living 282
Summary trial 17-8w
Supplementary benefits 415w
Unemployment 245w, 287-9
University finance 468w
Warrant sales 18w

***Scott, Mr Nicholas**, Minister of State for Northern Ireland*
Debates etc
Public Order (Northern Ireland) Order 1987 (10.03.87) 248, 260-5
Questions
Action for Community Employment, EC grants & loans 453
Anglo-Irish Agreement 275w, 455-6, 459
Anglo-Irish Agreement, Border security in Ireland 455
Anglo-Irish Agreement, Republic of Ireland 458
Anglo-Irish Intergovernmental Conference, Republic of Ireland 456
Anglo-Irish talks 275w
Drug crimes, Northern Ireland 379w
Ethnic minorities, Northern Ireland Office 142-3w
Fitzgerald, Garrett 456
Keeni Meeni Services, Northern Ireland Office 143w
Maghaberry Prison, Body searches 539w
Prisoners, Northern Ireland 2w
Remission, Terrorism 659w
Royal Ulster Constabulary, Codes of practice 274w
Security, Northern Ireland 275w
Terrorism, Northern Ireland 145w
Ulster Defence Regiment, Security 274w
Unity Flats, Payments for Debt (Emergency Provisions) Act (Northern Ireland) 1971 144w

Scott Lithgow 1, 475-6w
Land acquisition 475-6w
Offshore Supplies Office 1

Scottish Affairs Select Committee (19.03.87) 1135

Scottish Arts Council 382w

Scottish Community Halls Advisory Services 381w
Government grants to voluntary organisations 381w

Scottish courts 18w
Reckless driving 293-4
Search warrants 290-1

Scottish Curriculum Development Service 387-8w

Scottish Development Agency 243w, 523w
Buckie 283-4
Expenditure 283-5, 657w
Government grants 284
Industrial investment 284
Land acquisition 475-6w
M80 337w
Rural areas 284
Unemployment 287-8

Scottish Education & Action for Development 46w

Scottish Education Department 381w

Scottish Fishermen's Federation 491-2w

Scottish health boards
Capital investment 250w
Health service staff 338-40w
NHS finance 249-50w
Nurses 337-8w

Scottish Legal Aid Board 656-8w
Public appointments 656-8w

Scottish Museums Council 382w

Scottish Office
Ethnic minorities 146-7w
Keeni Meeni Services 147w, 475w

Scottish Special Housing Association 289-90w

Scottish White Fish Producers' Association 491-2w

Screening
Administrative delays 162-3w
AIDS 235w, 384w
Breast cancer 147w, 154w, 163w, 383w
Cancer 239w
Cervical cancer 143w, 147w, 153w, 162w, 506w, 628w, 631w
House of Commons staff 631w
Pay 153w
Stonehouse 416-7w

Sea Fish Industry Authority
Government grants 607w
Manpower 607w

Sea travel
Compensation 287w

Seal culling 387w
Scotland 387w

Seals
Salmon 424w

Search warrants 290, 553w
Common law 290
Official Secrets Act 1911 553w
Scottish courts 290-1
Sheriffs 553w

Secondary education
Cost per pupil 797
Educational finance 797-8
Microcomputers 470-1w
Pupils 308w
Staffordshire 797
Vocational guidance 470w
Warwickshire 22w

Secretarial staff
Conditions of employment 154w
Health service staff 154w

Securities & Investments Board 289w

Security
9 Signal Regiment 553-4w
Northern Ireland 274-5w, 459-60
Ulster Defence Regiment 274w, 452-3

Sedgemore, Mr Brian
Debates etc
Arts (12.03.87) 547-50
Questions
Police relations with public, Hackney 216w

Seismic monitoring 259w, 319w
Nuclear test ban 319w
Nuclear weapons tests 259w

Self-employed
Financial institutions 130w
Income tax 536w
National insurance contributions 660w

Self-regulating organisations 275-6w

Sellafield District Cancer Levels Inquiry 506-7w

Senile dementia 246w
Scotland 246w

Sentencing 812
Criminal Justice Bill 1986/87 809-10
Rape 350w

Sequestration of assets 35-6w

Serjeant at Arms Dept 313w

Severe disability premium 134-5, 239-40w
Attendance allowance 135
Exceptional circumstances additions 135-6
Invalid care allowances 134-5
Social fund 135
Social security benefits rules 134-5

Severe weather payments 73w, 141-3, 153w, 233w, 332w, 507-8w
Advertising 507w
Dunfermline 667w
Kirkcaldy 667w
Pensioners 142-3
Publicity 507-8w
Scotland 73w, 507-8w
Social security benefits rules 153w
Social security claims 73w, 141-2
Walthamstow 233w
Woolwich 332w

Severn barrage 7-8, 281w, 459w
Electricity generation 459w
Employment opportunities 281w
Environmental impact assessment 7

Severn bridge 392-3w

Severn-Trent Water Authority 269w

Sewage
Pollution control 435w
Water pollution 435w

Sexual offences
Diplomatic immunity 138w
Embassies 29w
Jordan 29w

Share ownership 196w, 365w

Shareholders
British Airports Authority 683-4
Directors (10.03.87) 163-5
Ministerial responsibility 316-8w
Public companies 316-8w
Scotland 647w
Wales 647w

Shares
British Airports Authority 683
IC Gas 365w
Lonrho 588w
Townsend Thoresen 148
Westland Helicopters 346w, 453w, 460-1, 636w

***Shaw, Mr Giles**, Minister of State for Trade & Industry*
Debates etc
Motor industry (11.03.87) 402-6
Regional planning & developments (09.03.87) 114-7
Questions
British Steel Corporation, Industrial production 699-700
Carbon tetrachloride, Industrial production 453w
Electrical control equipment 364-5w
Electrical control equipment, Research 454-5w
European Investment Bank, EC grants & loans 194-5w
European Investment Bank, Exchange risk guarantee scheme 193-4w
Iron & steel industry, EC countries 454w

Iron & steel industry, Industrial production 698-701
Iron & steel industry, Scotland 699
Manufacturing industries, North West region 588w
Ministers domestic visits, Leicester 34-5w
Ravenscraig Steelworks, Industrial production 588w
Regional aid, Expenditure 590w
Regional development grants, Darlington 31-3w
Regional development grants, Yorkshire & Humberside 525w
Relocation of employees, Northern region 36w
Shipbuilding, EC grants & loans 642w
Shipbuilding intervention fund, EC countries 278-9w
Textile machinery, Educational institutions 585-6w
Vosper Shiprepairers 584w
Yorkshire & Humberside Development Association, Government grants 36w, 112w

Shaw, Sir Michael
Questions
Common agricultural policy, Prices 1034-5

Sheen Committee see Zeebrugge Ferry Disaster Inquiry

Sheep
Animal breeding 424w
Compensation 227w
Farm incomes 1025
Radioactivity 227w
Wales 216-8w

Sheep worrying
Wales 267w

Sheerman, Mr Barry
Debates etc
Budget march 1987, Employment (19.03.87) 1083
GATT (12.03.87) 578
Industrial Training Board Levy (Engineering Board) Order 1987 (12.03.87) 581-5, 593
Questions
Adult education, Unemployed 465w
Airlines, Trade competitiveness 674
Drinking & driving, Law enforcement 30w
Educational qualifications, Further education 800-1
Employment schemes, Women 352-3w
Inner city areas, Inner Urban Areas Act 1978 650-1w
Local acts, Local authorities 651w
Manpower Services Commission, Advisory services 20w
Manpower Services Commission, Huddersfield 20w
Wool, Imports 590-2w
Woollen industry, Exports 366w
Woollen industry, Imports 366w
Woollen industry, Industrial production 366w
Woollen industry, Industrial training 355w
Woollen industry, Manpower 355-6w
Woollen industry, Productivity 355w
Yorkshire & Humberside Development Association, Government grants 36w, 122w

Sheffield
Childbirth 234w
Maternity benefits 232w, 293w
Vitamins 408w
Welfare milk 63w, 408w

Sheldon, Rt Hon Robert
Debates etc
Arts (12.03.87) 496
Questions
Art works, Objects in lieu of tax 14

Shepherd, Mr Colin
Questions
Education (No.2) Act 1986 459-60w
Safety belts, Prosecutions 254-6w

Shepherd, Mr Richard
Questions
Civil service manpower, Government departments 445w
Common agricultural policy, Prices 610w

Sheriff officers 17w
Scotland 17w

Sheriffs
Scotland 248w
Search warrants 553w
Women 248w

Shersby, Mr Michael
Debates etc
Budget March 1987 (17.03.87) 843-5
Questions
Business statement 473
Chemical weapons USSR 461-2
Iron & steel industry, Industrial production 701

Shetland
North Sea oil 9
Oil industry 9-10

Shields, Mrs Elizabeth
Questions
AIDS, Health education 151-2w
Compulsory purchase, Compensation 650w
Food labelling, Convenience foods 1031
Rillington bypass, Road construction 636w

Shift work
Job training scheme 21w, 129w
Margam Mine 5

Shipbuilding
EC grants & loans 278-9w, 642w
Engines 642w
Fishing vessels 245w

Shipbuilding intervention fund 642w
EC countries 278-9w

Shipping 391w
Ports 201w, 243w, 285w

Shipping accidents
Channel ferries (09.03.87) 21-6, 287w, 346w, 395-6w, 430w, 567-70w, 636w
Ferries 145-6
Fishing vessels 392w
Insurance 636w
Legal advice & assistance 346w
Press 287w
Ridley, Nicholas 145-6
Submarines 116w

Shipping registration 15w

Shipping safety 287-8w, 312w
Channel ferries 312w
Chemicals 287w
Iran-Iraq War 923-4

Ships
Passengers 286-7w

Shops
Equipment 444w

Shops Act 1950
Sunday trading 121w
Questions
121w

Shore, Rt Hon Peter
Questions
Balance of payments 537w
Balance of trade 595-6w
Housing completions, Tower Hamlets 403w

Short, Ms Clare
Debates etc
Budget March 1987, Employment (19.03.87) 1071
Questions
Action for Community Employment, EC grants & loans 453
Anglo-Irish Agreement 459
Arts, Economic situation 80-1w
Christianity, Northern Ireland 448-9
Enterprise allowance scheme 130w
Industrial training schemes, Adult education 132w
Job training scheme 534-6w
Job training scheme, Finance 129w
Job training scheme, Training 129w
National insurance contributions, Low pay 494w
National insurance contributions, Self-employed 660w
South Africa, Coal 545w
Unemployment 126-7w

Short, Mrs Renee
Debates etc
Cancer (13.03.87) 614-6
Questions
AIDS, Blood tests 299w
AIDS, Health education 140
Blood plasma 71-2w
City technology colleges 799
Engineering Council, Engineering education 24w
London Lighthouse project, Government grants 70w
Sickle cell disease, Medical research 481-2w
Tay-Sachs, Medical research 299w

Shortages
Food 348w

Shrewsbury bypass 430-1w
High Court 430-1w

Sickle cell disease
Medical research 481-2w

Sierra Leone
Political refugees 554w

Sign language 152w
Video recordings 152w

Silkin, Rt Hon John
Questions
Road traffic, Greater London 429w

Silvester, Mr Fred
Debates etc
Artificial limb & Appliance Centres Review (10.03.87) 160
Questions
Anglo-Irish agreement, Republic of Ireland 450-1
Banfield, A D, Compensation 408w
Film distribution 525w
Manchester Airport, Railway network 678
North Western Regional Health Authority, NHS finance 133-4

Sims, Mr Roger
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 155
Cancer (13.03.87) 611-4
Questions
Sri Lanka, Peace negotiations 543-4w

Singh, Jeffrey 94w
Death 94w

Single European Act 137w

Single people
Rented housing 291w
Supplenentary benefits 669w

Singleton Hospital, Swansea 118w
Accident & emergency departments 118w

Sinn Fein
Elections 454
Terrorism 455

Sir John Moore's Barracks 94w

Sir Thomas & Lady Edith Dixon Hospital, Cairndhu
Land use 595w
Property transfer 595-7w, 657-8w

Sites of special scientific interest
Broadleaved woodlands 146w
Government grants 1028

Sit-ins
Caterpillar Tractors 278-9

Sixth form education 463-4w, 800

Sizewell B 38w, 119w, (12.03.87) 475-90
Construction 119w
Employment opportunities 119w
Ministerial statements (12.03.87) 475-90
Nuclear power stations 38w
Nuclear safety 8-9

"Sizewell B Public Inquiry Report" 38w

Sizewell Inquiry 38w

Skeet, Sir Trevor
Debates etc
Sizewell B (12.03.87) 481
Questions
Coal fired power stations, Nitrogen oxides 12
Pressurised water reactors 3

Skillcentres
Strathclyde 248-9w
Training 642-6w
Unemployment 642-6w

Skilled workers
High technology 465w
Industrial training 5-6w
Wales 5-6w

Skinner, Mr Dennis
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 159
Coal mining (11.03.87) 315-20, 322, 340
Intelligence services (18.03.87) 934
Members' conduct, Beaumont-Dark, Anthony (11.03.87) 297-8
Members' interests, Jenkins, Roy (16.03.87) 704
Prime Minister's questions (18.03.87) 936
Private notice question intervention (16.03.87) 694
Sizewell B (12.03.87) 489
Questions
Agricultural land, Land use 1027-8
Anglo-Irish Agreement 450
Arts sponsorship, Arts finance 82w
British Rail Engineering, Redundancy 932
Business statement 472, 1050-1
City technology colleges, Sponsorship 807
Coal fired power stations, Coal mining 12
Departmental forms, Civil service 19-20
Hospital beds, Trent Regional Health Authority 297-8w
Hospital waiting lists, Trent Regional Health Authority 297w, 326w
Iron & steel industry, Industrial production 700-1
Judges, High Court 687
Official hospitality, 10 Downing Street 319w
Palace of Westminster, Cleaning services 54w
Palace of Westminster, Contracts for services 2w
Prime Minister visits abroad, Costs 457w
Trent Regional Health Authority, Health service ancillary staff 624-5w
Trent Regional Health Authority, Hospital waiting lists 625w

Slums
Armagh 380-1w
Newry 380-1w
Northern Ireland 379w

Small businesses
Factories 443w
VAT 273w, 390w

Small claims
Scotland 200w

Small farms
Co-responsibility levy 228w
Farm incomes 607w
Food inspection 146w, 425w

Smith, Mr Chris
Debates etc
Law enforcement (20.03.87) 1156-61, 1166, 1168
Questions
Arts, Expenditure 84w
Food surpluses, Charities 1026
Guatemala, Foreign policy 544w
Metropolitan police, Road accidents 215w

Smith, Mr Cyril
Questions
Abortion, Highfield Hospital 505w
Minimum wage, Tax yields 321w

Smith, Rt Hon John
Debates etc
Motor industry (11.03.87) 346-7, 350-7
Questions
Iron & steel industry, Industrial production 698-9

Smith, Ronald T
Death 29w

Smith, Mr Tim
Debates etc
Budget March 1987 (17.03.87) 862-5
Local Government Finance Bill, Lords amendments (11.03.87) 420, 423
Questions
Air traffic control, Privatisation 681
Business statement 1046
Food prices, Price increases 598-9w
Lonrho, Subsidiary companies 453-4w
Lonrho, Company investigations 195-6w
Lonrho, Dept of Trade inquiries 350-1w
Lonrho, Shares 588w
Night flying, Air traffic control 491w
Sellafield District Cancer Levels Inquiry 506-7w
Teachers, Pay settlements 807-8
Television licences, Palace of Westminster 171w
Wexham Park Hospital, Construction costs 159-60w

Smith, T F 557w
Council house sales 557w

Smoke & chimney gases
Air pollution control 382w
Coal fired power stations 12

Smoke control areas 382w
Scotland 382w

Smoking
Currie, Edwina 136-7
Health hazards 328-9w
Tobacco advertising 136-7

Snape, Mr Peter
Questions
British Rail Engineering, Redundancy 927-8

Soames, Mr Nicholas
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 710
Private notice question intervention (16.03.87) 694
Public Order (Northern Ireland) Order 1987 (10.03.87) 254
Questions
Agricultural products, Marketing 601w
Air routes, British Caledonian 674
Aircraft noise, Gatwick 492-3w
Airports, Fees & charges 492w
Council house sales, Crawley 104w
Defence research, National income 539w
Gurkhas, Nepal 538w
M23, Road traffic control 492w
Mozambique, Overseas aid 688
Nepal, Overseas aid 524w
Overseas trade, Japan 526w
Road construction, West Sussex 682
Science & technology research, Research finance 461w

Social class
Universities 804

Social fund 156-7w, 159w, 292-3w, 414-5w
Dept of Health & Social Security local offices 156-7w
Severe disability premium 135
Social security appeals 159w
Voluntary organisations 414-5w

Social Fund (Maternity & Funeral Expenses) Bill 1986/87
Debates etc
Royal Assent (17.03.87) 836

Social security adjudications 413w
Nationality 413w

Social security appeals
Social fund 159w

Social security benefits
Administrative delays 480w, 508w
Coventry 480w, 508w
Expenditure 230w
Handicapped 230w

Social security benefits disqualification
Pensioners 155w

Social security benefits rules
Armed forces reserves 538w
Exceptional needs payments 479-80w
Invalid care allowances 161w
School leaving 300w
Severe disability premium 134-5
Severe weather payments 153w
Supplementary benefits 169-70w

Social security benefits uprating
Retirement pensions 234w, 668-9w

Social security claims
Dependents 157w
Means tested benefits 73w
Severe weather payments 73w, 141-2

Social security commissioners 125-6w
Disclosure of information 125-6w

Social security disqualifications
Job training scheme 494w

Social security recipients
Board & lodging charges 65-6w, 73w, 410-1w
Children 410-1w
Maternity benefits 166w, 292-5w, 334-5w, 408-9w
Means tested benefits 229-30w
Mobility allowance 413-4w
Rate rebates 161w
Rates & rating 476w
Waltham Forest 662w
Welfare milk 478w

Social security reform 160w, 232w, 292-3w, 415-6w, 476w, 663-4w, 668-9w
Board & lodging charges 663-4w
Death grants 669w
Housing benefits 237-8w
Maternity benefits 292w, 669w
Maternity pay 160w
Supplementary benefits 415-6w

Social security rules
Housing benefits 668w

Soley, Mr Clive
Debates etc
Law enforcement (20.03.87) 1150, 1165-6, 1175, 1186-93, 1196, 1197, 1200, 1208-9
Public Order (Northern Ireland) Order 1987 (10.03.87) 245-50, 263
Questions
Civil service unions, Official engagements 17
Crime 1039
Maternity benefits, Brentford 294w, 409w
Maternity benefits, Crawley 293w, 409w
Maternity benefits, Croydon 334-5w, 409w
Maternity benefits, Hammersmith & Fulham 294w, 408-9w
Natural History Museum, Admission charges 21w
Prison riots, HM Chief Inspector of Prisons 357w
Prison staff, Housing 358w
Prison staff, Housing occupancy 358w
Prisoners' mail, Prisoners' rights 526w
Victim support schemes, Government grants 357w

Solicitors
Codes of practice 289-90
Crown Prosecution Service 350w

Scotland 289-90

Solihull
City technology colleges 799

Somerset
Road construction 114-5w

South Africa
Mozambique 689

South Africa
Angola 541w
Arms embargoes 135w, 545w
Arms exports 543w
British embassies 135-6w
Buccaneer aircraft 543w
Coal 545w
Diplomatic service 545w
EC Foreign Affairs Council 545w
Economic sanctions 545w
Front line states 689
London Regional Transport 429w
Mozambique 549w, 689
Namibia 545-6w
Optica aircraft 364w
Overseas trade 364w
UN resolutions 545-6w
USA 545w

South America
Foreign & Commonwealth Office 212w

South Birmingham Health Authority 160w
Capital investment 160w

South East region
Economic policy 26w
Electricity generation 11
Hand drilling 3
Planning appeals 438-40w

South East Thames Regional Health Authority 161w
Hospital waiting lists 161w

South Korea
Import controls 584w

South Manchester Health Authority 166w
Nurses 68w
Public appointments 166w

South of Scotland Electricity Board
Electricity supply industry 150-1w
Manpower 204w

South Pacific 639w
Environment protection 639w
Nuclear weapons tests 639w

South West region
Arts 79w

South West Surrey Health Authority 67-9w
Expenditure 68-9w
Health service staff 67w
Nurses 68w

South West Thames Regional Health Authority 65w

Southend Hospital 167-8w
Radiotherapy 167-8w

Southern Africa
EC aid 524w

Southwark
Housing investment programmes 434w
Racial attacks 121-2w

Spain
Homicide 121w

Speaker and his deputies, For rulings & statements see separate heading Speaker's rulings & statements
Debates etc
Amendments & new clauses (09.03.87) 82, (11.03.87) 343, 419, (12.03.87) 492, (16.03.87) 706
Budget (17.03.87) 828
Private Members bills, 2R order read (20.03.87) 1212
Procedure (16.03.87) 729, 764, (17.03.87) 802, 810-1, 815, (18.03.87) 915, (19.03.87) 1050
Royal Assent notified (12.03.87) 491
Standing Order No 20 applications, Censorship (19.03.87) 1054
Standing Order No 20 applications, Westland Helicopters (11.03.87) 295
Standing Order No 20 applications, Wright, Peter (16.03.87) 702-3
Questions
Road construction, Sussex 682

Speaker's rulings & statements
Adjournment debates (11.03.87) 297
Calling of Members (10.03.87) 199
Consolidated Fund debates (19.03.87) 1052
House of Commons chamber (17.03.87) 808
House of Commons questions (18.03.87) 936
Members' conduct (10.03.87) 144, 146-8, 180, (11.03.87) 296-9, 412, 416, (12.03.87) 468, (16.03.87) 694, (17.03.87) 798, 814, 821, (19.03.87) 1040
Members' interests (16.03.87) 704
Members' interventions (17.03.87) 839, 874, (18.03.87) 955, (20.03.87) 1176, 1197
Members' speeches (09.03.87) 98, 113, (11.03.87) 298-9, 322, 343, 368, 378, (12.03.87) 507, 534, (17.03.87) 885, (18.03.87) 988
Ministerial responsibility (10.03.87) 137
Ministerial statements (09.03.87) 26, (12.03.87) 485, 488, (13.03.87) 614, (18.03.87) 933
Oral questions (11.03.87) 281
Points of order (12.03.87) 474, (18.03.87) 926, 954
Prime Minister's questions (10.03.87) 162, (17.03.87) 811, (12.03.87) 462, (18.03.87) 933-5
Private notice questions (18.03.87) 928
Scope of debate (09.03.87) 124, (10.03.87) 164, 209, 243-5, 253, 255, 265, (11.03.87) 413-5, (12.03.87) 584, (20.03.87) 1204
Standing Order No 20 applications (11.03.87) 294, (16.03.87) 705
Supplementary questions (10.03.87) 146, 162, (16.03.87) 682, (18.03.87) 932, (19.03.87) 1030
Table Office (18.03.87) 933, 935-6
Ten minute rule bills (11.03.87) 296
Unparliamentary expressions (09.03.87) 73, (16.03.87) 765, (17.03.87) 814, (20.03.87) 1180-1
Written questions (19.03.87) 1054

Spearing, Mr Nigel
Debates etc
Cancer (13.03.87) 608, 623-8, 636, 645
Law enforcement (20.03.87) 1168
Local Government Finance Bill, Lords amendments (11.03.87) 428-31, 438
Questions
Channel ferries, Shipping accidents 567-70w
Food surpluses, Charities 1033
Homelessness, Bed & breakfast accommodation 649w
London Regional Transport, Safety standards 491w

Special education 461w
Essex 461w

Special educational needs 100w, 307-8w, 469-70w
Educational finance 100w, 469-70w

Special hospitals
Ethnic monitoring 297w
Prisoners' transfers 296-8w

Spectacles
Retail trade 661w

Speech therapists
Manpower 513-4w

Speech therapy
Northern region 179w

Speed, Mr Keith
Questions
Ear disorders, Medical research 25w
Firearms, Armed forces training 323w
M25, Motorway service areas 312-3w
Warships, Energy efficiency 323w

Speed limits
Buses 115w

Speller, Mr Tony
Questions
Debt collection, Pay incentives 61w
Radioactive waste disposal, Parliamentary constituencies 49w
Radioactive waste disposal, Planning permission 180w
Redundancy, Pensions 645-6w
Tax collection, Performance related bonus scheme 142w

Spencer, Mr Derek
Questions
City technology colleges 464w
Food surpluses, Charities 1025-6
Hospices, Health services finance 143-4
Security, Northern Ireland 459

Spicer, Mr Jim
Debates etc
Arms control (09.03.87) 47-8, 63-4, 75

Spicer, Mr Michael, Under-Secretary of State for Transport
Questions
Air accidents, Manchester Airport 201w
Air routes, British Caledonian 674
Air routes, Stansted Airport 675
Air traffic control, Manpower 680-1
Air traffic control, Privatisation 681
Air traffic control, Working hours 682
Air transport, Europe 391w
Aircraft noise, Gatwick 492-3w
Airlines, Competition 675
Airlines, Loganair 674-5
Airlines, Trade competitiveness 674
Airlines, USA 675
Airports, Fees & Charges 492w
Airports, Planning permission 114w
Airports, Privatisation 391w
Channel ferries, Safety equipment 312w
Channel ferries, Safety measures 397w
Channel ferries, Shipping accidents 395-6w
Civil Aviation Authority 390w
Driving licences, Photographs 285w
Fisheries, Scotland 491-2w
Fishing vessels, Shipping accidents 392w
Lorry drivers, Driving licences 16-7w
Night flying, Air traffic control 491w
Ports, EC action 489w
Ports, Shipping 201w, 285w
Regional airports, Air routes 392w
Safety at Sea Act 1986 312w
Shipping 391w
Shipping accidents, Submarines 116w
Shipping registration 15w
Shipping safety 287-8w

Spinal injuries 167w
Hospital beds 167w

Sponsorship
City technology colleges 798-800, 806-7

Sports
Schools 467w

Sports competitors
Taxation 322w

Sports Council
Government grants 406w, 441w
Play Board 271w, 439w
Yorkshire & Humberside 441w

Sports facilities
Dunfermline College of Physical Education 148w

Sportsgrounds
Planning permission 53-4w

Spot checks 208w
Discount houses 208w

Springburn
British Rail 276-7
Employment opportunities 276-7

Squire, Mr Robin
Debates etc
Coal mining (11.03.87) 320
Questions
Hospital waiting lists, NHS finance 137
London Underground 680
Taxation, Entertainers 322w

Sri Lanka 47w
Peace negotiations 543-4w

Staffordshire
Derelict land grants 433-4w
Pupil-teacher ratios 24-5w
Secondary education 797

Stanbrook, Mr Ivor
Questions
Anglo-Irish Agreement 454
Business statement 471-2w

Standard of living
Scotland 282

Standing Advisory Commission on Human Rights 359w

Standing Order No 20 applications (11.03.87) 295, (16.03.87) 702-3, (19.03.87) 1053-4
Censorship (19.03.87) 1053-4
Speaker's rulings & statements (11.03.87) 294, (16.03.87) 705
Westland Helicopters (11.03.87) 295
Wright, Peter (16.03.87) 702-3

Stanley, Rt Hon John, *Minister of State for the Armed Forces*
Questions
Chinook helicopters 576w
Defence expenditure 251-2w
Exercise Swift Sword, Costs 575-6w
5 Airborne Brigade 576w
Gurkhas, Nepal 538w
Military vehicles, Road accidents 325w
Ministry of Defence, Press briefings 576-7w
Nuclear safety, Naval bases 634w
Nuclear submarines, Nuclear accidents 635w
Nuclear submarines, Nuclear fuels 634-5w
Nuclear weapons, Transport 252w
RAF Bentwaters, Nuclear weapons 378w
Submarines, USA 570w
Theatre nuclear weapons 575w
Theatre nuclear weapons, USSR 322-3w

Stansted Airport
Air routes 675
British Airports Authority 683

State earnings related pension scheme 62w

Statutory Instruments Joint Select Committee (16.03.87) 789

Steel, Rt Hon David
Debates etc
Local government finance, Liverpool (18.03.87) 1021
Questions
AIDS, Compensation 477w
AIDS, Haemophilia 626w
Councillors, Liverpool City Council 461
Ports, Shipping 243w
Scottish Community Halls Advisory Service, Government grants to voluntary organisations 381w

Steen, Mr Anthony
Questions
Anti-fouling paints, Pollution control 52-3w
Anti-fouling paints, Testing 270w
Anti-fouling paints, Water pollution 269-70w
Paignton Secretarial College, Industrial training schemes 579w

Stern, Mr Michael
Questions
Business statement 1049
Community relations, Northern Ireland 451-2
Energy supply 38w
Ports, Shipping 201w, 285w
USA, Export controls 925-6

Stevens, Mr Lewis
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 159
Questions
Dept of Health & Social Security, Civil service manpower 334w
Dept of Health & Social Security, Computers in government departments 151w
National insurance contributions 407-8w

Stewart, Mr Allan
Debates etc
Sizewell B (12.03.87) 488
Questions
Agricultural land, Rates & rating 607w
Ayr road route, Public inquiries 243w
Dee Corporation, Employment opportunities 475w
Employment, Financial institutions 130w
Financial services, Scotland 289w
Forensic science, Scotland 292
Golden Wonder, Broxburn 276
Police, Scotland 653-4w
Regional aid, Strathclyde 89w
Road traffic, Barrhead 381w
Strathclyde, Local government finance 654w
Student grants 803

Stewart, Mr Andy
Debates etc
Coal mining (11.03.87) 308-10, 322, 326, 331, 335
Sizewell B (12.03.87) 489
Questions
Coal mining, Nottinghamshire 7
Green pound 608w

Stewart, Rt Hon Donald
Debates etc
Arms control (09.03.87) 34
Budget March 1987 (17.03.87) 837-8
Sizewell B (12.03.87) 481-2
Zeebrugge Ferry Disaster Inquiry (09.03.87) 26
Questions
Air force bases, Armed forces catering services 570-1w
Air force bases, Privatisation 572w
Air force bases, Scotland 571-2w
Crofting, Community charge 280-1
Nuclear power stations, Nuclear safety 8
Stornoway, Airports 377w
Stornoway, Armed forces' married quarters 377w

Stewart, Mr Ian, *Economic Secretary to the Treasury*
Questions
Clearing Banks, Wealth 536w
Debts, Brazil 445w
Developing countries, Debts 473-4w
Developing countries, Loans 125w
Discount houses, Loans 208w
Discount houses, Spot checks 208w
Exchange rates, National loans fund 320w
Floating debt, National income 140-1w
Government securities 208w
Interest rates, Bank of England 208w
National debt, Interest charges 61w

Stocks & shares
Licensing 277w

Stokes, Mr John
Debates etc
Budget March 1987 (17.03.87) 874-7
Questions
Business statement 468
Community relations, Northern Ireland 448
Food surpluses, Charities 1026
Judges, High Court 687

Stonehouse
Screening 416-7w

Stornoway
Airports 377w
Armed forces' married quarters 377w

Stornoway airport 377w

Stott, Mr Roger
Debates etc
Motor industry (11.03.87) 397
Questions
Arts, North West region 79w

Strang, Mr Gavin
Debates etc
Arms control (09.03.87) 41, 56-8
Questions
Arms control treaties, NATO 546w
Caterpillar Tractors, Factory closures 243w, 278
Coal mining, Industrial relations 39w
Dairy farming, Production quotas 633w
Public companies, Shareholders 316-8w
Student loans 804

Strategic defence initiative
ABM treaty 912
Arms control treaties 266w
Strathclyde University 33w

Strategic nuclear weapons
Arms control treaties 912

Strathclyde
Local government finance 654w
Police surgeons 243-4w
Power industry disconnections 522w
Regional aid 89w
Skillcentres 248-9w
Unemployment 245w

Strathclyde Regional Council 654w

Strathclyde University 33w
Strategic defence initiative 33w
Technology transfer 33w

Straw, Mr Jack
Debates etc
Budget March 1987, Economic situation (18.03.87) 956
Local Government Finance Bill, Allocation of Time motion (11.03.87) 412-4
Local Government Finance Bill, Lords amendments (11.03.87) 419-22, 424, 427, 432-8
Local government finance. Liverpool (18.03.87) 1017-8
Questions
Property Services Agency, York 400-1w

Streetwise
Government grants to voluntary organisations 477w
House of Commons questions 506w

Stretford
A56 14w

Structure plans
West Sussex 51w

Student grants 462w, 473w, 803-4
Expenditure 462w
National income 461-3w
Parental contributions 462w
Student loans 805
Taxation 462w
Wales 375w

Student loans 803-4
Higher education 804
Student grants 805
Student protest 805

Student numbers
Further education 456w
Universities 473-4w

Student protest
East Anglia University 805
Student loans 805

Students
Housing benefits 237-8w

Submarines
Fishing vessels 392w, 570w

Shipping accidents 116w
USA 570w

Subsidence
Coal mining (11.03.87) 300-1, 458w
Compensation (11.03.87) 300-1

Subsidence Compensation Review Committee see Coal Mining Subsidence Compensation Independent Review

Subsidiary companies
Lonrho 453-4w
National Bus Company 565w

Suckler cow premiums 1028

Sudan
Overseas aid 577-8w

Sugar
Food consumption 611w
Health Education Council 611w

Sugar refineries
Common sugar regime 265-6w

Suicide 70w
Armed forces 572w

Sumberg, Mr David
Questions
USSR, postal services 912-3

Summary trial
Scotland 17-8w

Summer Morn 392w

Sunday trading
Shops Act 1950 121w

Supplementary Benefit (Requirements) Regulations 1983
Questions
73w

Supplementary benefits
Administrative delays 166-7w
Board & lodging charges 73w, 478-9w
Chief Adjudication Officer 413w
Child benefit 663w
Children 663w
Elderly (17.03.87) 901-8
Greenock 506w
Islington 166-7w
Merseyside 494w
Port Glasgow 506w
Residential care (17.03.87) 901-8
School leaving 300w, 415-6w
Scotland 415w
Single people 669w
Social security benefits rules 169-70w
Social security reform 415-6w
Young people 415w

Supplementary questions
Speaker's rulings & statements (10.03.87) 146, 162, (16.03.87) 682, (18.03.87) 932, (19.03.87) 1030

Supply estimates (09.03.87) 124, (16.03.87) 788-9
Air force strength (16.03.87) 788
Army strength (16.03.87) 788
Navy strength (16.03.87) 788

"Supply Estimates 1985/86, Statement of excess (16.03.87) 788-9

"Supply estimates 1986/87, Ministry of Defence Votes A" (16.03.87) 788

"Supply Estimates 1986/87, Supplementary Estimates" (11.03.87) 302-42, 385, (16.03.87) 788

"Supply Estimates 1987/88, Ministry of Defence Votes A" (16.03.87) 788

Surgery
Breast cancer 383w
Cervical cancer 384w
Costs 303w
Hospital waiting lists 498-502w

Surrey
Dyslexia 308w
Family practitioner services 66-7w

Surrogacy Arrangements Act 1985
Questions
351w, 416w

Surrogate agencies 351w

Sussex
Road construction 682

Swann Committee see Education of Children from Ethnic Minority Groups Committee

Synthetic fibres
Cancer hazards 49w
Housing insulation 49w

Table Office
Speaker's rulings & statements (18.03.87) 933, 935-6

Taiwan
Import controls 584w

Takeovers
AE 640-1w
Arthur Bell & Sons 247w
Distillers Group 247w
Merchant banks 640-1w

Tamils 451w
Deportation 29-30w
India 216w
Political refugees 29-30w, 216w, 451w

Tanzania
Overseas aid 348w

Tax administration
Local income tax 246w

Tax allowances
Average earnings 463
Budget March 1987 148-9
Factories 443w
Income tax 139w, 272w
Motor industry 59w
Oil industry 9-10
Science & technology research 207-8w

Tax assessment
Departmental forms 18

Tax burden
Labour Party 1036-8

Tax collection
Performance related bonus scheme 142w
VAT 273w, 390w

Tax exemption certificates
Russell David Construction 591-2w

Tax incentives 207-8w

Tax thresholds
EC countries 139-40w
Income tax 209-10w

Tax yields
Income tax 207w, 272w
Minimum wage 321w
National insurance contributions 298w
Personal tax allowances 207w
VAT 273w, 320w

Taxation (18.03.87) 942-1014
Average earnings 141-2w
Entertainers 322w
Oils & fats 113w, 598w, 1035
Sports competitors 322w
Student grants 462w

Taxis
Competition 430w
Members' facilities 1-2w, 214-5w

Taxpayers
Personal income 61w

Taylor, Rt Hon John David
Questions
Adoption, Disclosure of information 597w
Ballyharry School, Construction 658w
Calf subsidy, Northern Ireland 658w
Cattle, Republic of Ireland 420w
Driving licences, Northern Ireland 597w
Driving licences, Photographs 285w
Intervention stocks, Northern Ireland 419-20w
Northern Ireland Housing Executive, Armagh 442w
Population, Comber 659w
Psychogeriatrics, North Downs 597w
Republic of Ireland, Armed forces deployment 311-2w

Taylor, Mr John Mark
Questions
City technology colleges, Solihull 799
Company accounts, Industrial training boards 584w
Fine defaulters, Scotland 285
Fitzgerald, Garrett 456
National Family Trust, Government grants 74w
Prime Minister official engagements 554w

Taylor, Mr Matthew
Debates etc
Members' oath & affirmation, Taylor, Matthew (17.03.87) 814

Taylor, Mr Teddy
Questions
Abortion, Wellesley Hospital 504w
Afghanistan, Refugees 543w
EC budget, Food surpluses 648w
EC budget, Own resources 266w
Butter, Export rebates 603-4w
Drownings, Death 29w
EC external relations, USA 113w
EC Finance Council 208-10w
European Investment Bank, Channel tunnel 61-2w, 274w
European Investment Bank, Loans 273w
European Investment Bank, UK contributions 61-2w, 273-4w
Iron & steel industry, Industrial production 700
Prime Minister visits abroad, European Investment Bank 553w
Radiotherapy, Southend hospital 167-8w
Smith, Ronald T, Death 29w
UK repayments from EC budget 141w

Taylor, Matthew (17.03.87) 814
Members' oath & affirmation (17.03.87) 814

Tay-Sachs
Medical research 299w

Tayside Health Board 383w

Teacher training
Microcomputers 97w
Pre-school education 244w

Teachers
Bedfordshire 367w
City technology colleges 464w
Collective bargaining 467w, 809
Conditions of employment 181w, 467w, 807-8
Deaf 564w
Examinations 182-3w
General Certificate of Secondary Education 182-3w
Industrial disputes 367w, 460, 807-9
Local education authorities 562w
Pay 181w, 183-5w, 460
Pay settlements 467w, 807-9
Professional qualifications 564w

Teachers' appraisal 367w
Trade unions 367w

Tebbit, Rt Hon Norman, Chancellor of the Duchy of Lancaster
Questions
Ethnic minorities, Duchy of Lancaster 48-9w

Technical & vocational education initiative 132-4w
Government grants 132-4w
Local education authorities 132-4w

Technical assistance
Radar 252w

Technology transfer
Strathclyde University 33w

Teignmouth Quay Company Bill 1985/86
Debates etc
2R Order read (12.03.87) 447, (19.03.87) 1023

Telecommunications
Diplomatic service 551w

Television
Cumbria 462

Television licences
Palace of Westminster 171w

Television programmes
National security 17w, 91-2w, 291, 523w

Telford Development Corporation 53w
Public sector housing 53w

Temple-Morris, Mr Peter
Questions
Agriculture, Exchange rates 609w
Mozambique, Disaster relief 348w
Strategic nuclear weapons, Arms control treaties 912

10 Downing Street 319w
Official hospitality 319w

Ten minute rule bills
Speaker's rulings & statements (11.03.87) 290

Tenants
Thamesmead Town 440w

Tenders 640w

Terlezki, Mr Stefan
Questions
Agricultural land, Land use 599w
Further education, Wales 456w
Local government expenditure, Wales 515w

Terrorism
Diplomatic service 548w
Drug crimes 379w
IRA 453-4
Merseyside 361-4w
Northern Ireland 145w, 274-5w
Paramilitary forces 145w
Republic of Ireland 449-50, 456
Sinn Fein 455

Tertiary colleges
Educational qualifications 800

Tertiary education 800

Test tube babies 351w
AIDS 410w
Law reform 418w
NHS 416w

Testing
Anti-fouling paints 270w
Ear disorders 498w
Pressurised water reactors 582-3w
Vaccination 417-8w

Textile industry
European Regional Development Fund 439w
Factories 439w

Textile machinery
Educational institutions 585-6w
Government grants 585-6w

Thames Water Authority 269w

Thamesmead Town 109w, 439-40w, 557-8w
Land values 561w
Owner occupied housing 440w
Property transfer 109w, 439-40w, 557-8w
Public sector housing sales 440w
Tenants 440w

Thatcher, Rt Hon Margaret, Prime Minister, First Lord of the Treasury and Minister for the Civil Service
Questions
Arms control treaties, Strategic defense initiative 266w
Arms control treaties, USSR 145, 147-8
Balance of payments, Industrial production 146-7
Budget March 1987, Tax allowances 148-9
EC budget, Own resources 266w
Caterpillar Tractors, Prime Minister's correspondence 532w
Chemical weapons, USSR 461-2
Common sugar regime, Sugar refineries 265-6w
Councillors, Liverpool City Council 461, 463
Crime 809-11, 1037, 1039
Crime, Public morals 813
Crime, Unemployment 811-2
Cruise missiles, Arms control treaties 554w
Cruise missiles, Nuclear weapons deployment 1038-9
Data networks, Post Office 347w
Defence policy 148
Diplomatic immunity, Vienna Convention on Diplomatic Relations 1038
EC external relations, USA 113w
Economic policy, South East region 26w
Ethnic minorities, Civil Service recruitment 553w
Falkland Islands, Fishery protection 553w
Ferries, Shipping accidents 145-6
Freedom 464
Government achievements 218-25w
Government grants to voluntary organisations, Portsmouth 26w
Hooliganism, Crime 457w
Immigration appeals, Departmental responsibility 266-7w
Inner city areas 1037
Inner London Education Authority 811
Labour Party, Defence 462-3
Law enforcement, Labour Party 811
Libyan Arab Republic, Bombings 113w
Meningitis, Medical research 347w
MI5, Labour Party 811-3, 1038
Mitchell, Graham, National security 319-20w
9 Signal Regiment, Security 553-4w
Nuclear disarmament, Arms control treaties 461
Nuclear disarmament, Labour Party 146
Nuclear test ban, Seismic monitoring 319w
Official hospitality, Chequers 113w
Official hospitality, 10 Downing Street 319w
Official Secrets Act 1911, Search warrants 553w
Pensioners 113w
Police, Manpower 1036-7
Prime Minister domestic visits, Bedfordshire 113-4w
Prime Minister domestic visits, Perth 174
Prime Minister official engagements 114w, 266w, 458w, 554w
Prime Minister official engagements, Afghanistan 225w
Prime Minister official engagements, House of Commons questions 26w
Prime Minister visits abroad, Costs 457w
Prime Minister visits abroad, European Investment Bank 553w
Prime Minister visits abroad, USSR 225w, 265w
Prime Minister's Office, Computers in government departments 457w
Prosecutions, Official Secrets Act 1911 457w
Research finance, Science & technology research 1035-6
Sentencing 812
Tax allowances, Average earnings 463
Tax burden, Labour party 1036-8
Teachers, Pay 460
Television, Cumbria 462
Theatre nuclear weapons, Arms control treaties 26w
Townsend Thoresen, Shares 148
Unemployment 150
Westland Helicopters, Shares 460-1
West, Nigel, National security 347-8w

Thatcher, Mark 31w
Marriage 31w
Police patrolling 31w

Theatre nuclear weapons 575w
Arms control treaties 26w, (09.03.87) 28-81, 147-8, 461, 911-2, 918-9
USSR 322-30

Theatres
Glasgow 13

Thomas, Mr D E
Questions
Energy Research 319w
Energy research, Expenditure 460w
Nuclear test ban, Seismic monitoring 319w
Planning appeals, Wales 516w
Pre-school education 154-5w
Student loans, Higher education 804

Thompson, Mr Donald, Parliamentary Secretary for Agriculture
Questions
Advisory Committee on Pesticides, Tributyl tin 423-4w
Agricultural land, Rates & rating 607w
Agricultural products, Radioactivity 605-6w
Agriculture, Civil defence 610w
Agriculture, Departmental publications 486-8w
Agriculture, Government grants 608w
Agriculture, Tributyl tin 486w
Alcoholic drinks, Composition labelling 483w
Animal diseases, Agricultural research 305w
Animal diseases, Disease control 604w
Broadleaved woodlands, Agricultural production 602w
Cereals, Agricultural Development & Advisory Service 341w
Dairy farming, Hormone treatments 485w
Environmentally sensitive areas, Government grants 421w
Environmentally sensitive areas, Management 421-2w
Environmentally sensitive areas, Management agreements 421w, 486w
Environmentally sensitive areas, Norfolk Broads 612w
Environmentally sensitive areas, Orders & regulations 421w
Environmentally sensitive areas, Water levels 606-7w
Farming & rural enterprise 423w
Farms, Debts 608w
Food contamination, Cumbria 227w, 306w
Food labelling, Convenience foods 1031
Food labelling, Nutrition & health 1031
Food prices 341w
Food prices, Price increases 598-600w
Food surpluses, Waltham Forest 422w
Frozen food, EC action 612w
Horses, Markets 1034
Horticulture 1032
Horticulture, Vegetables 610w
Land drainage, Nature conservation 612w
Livestock, Dogs 88w
Oils & fats, Taxation 1035
Rhizomania disease, Disease control 341w, 604-5w
Sugar, Health Education Council 607w
Vegetables, Agricultural land 1032

Thompson, Mr Jack
Questions
Nuclear power stations 3

Thompson, Mr Patrick
Debates etc
Arts (12.03.87) 526, 537-40
Sizewell B (12.03.87) 484
Questions
AIDS, Health education 140-1
Chemical weapons, Arms control 549w
Exceptional needs payments, Housing insulation 236w
Food surpluses, Charities 600w
Gold, Coinage 210w
School buildings, Building repairs 806
Teachers, Pay settlements 467w

Thorne, Mr Neil

Questions
Oman, Diplomatic relations 543w

Thorne, Mr Stan
Debates etc
Motor industry (11.03.87) 375-8

Thornton, Mr Malcolm
Questions
Merseyside Maritime Museum, Government grants 558w

Thurnham, Mr Peter
Debates etc
Budget March 1987 (17.03.87) 892-4
Industrial Training Board Levy (Engineering Board) Order 1987 (12.03.87) 585-6
Questions
Abortion 505w
Abortion, Death 504-5w
Abortion, Scotland 519-22w
Bolton General Hospital, Construction 151w
Cereals, Production quotas 604w
EC Foreign Affairs Council 212w
Educational standards 801
Electrical control equipment, Domestic appliances 34w
London & Metropolitan Government Staff Commission 405w

Thurrock
Burglary 362w

Tibet 212w
China 212w
Human rights 212w

Tidal power
Electricity generation 459w

Time sharing 638w, 641-2w
Consumer protection 638w, 641-2w
Sales methods 638w, 641-2w

Tobacco advertising
Smoking 136-7

Todd, Stuart 94-6w
Civil servants 94-6w
Dismissal 94-6w

Tooting
Childbirth 234w
Maternity benefits 293w, 478w
Welfare milk 478w
Womens employment 343-4w

Tornado aircraft 378w
Foxhunter radar 378w

Torness Power Station 202w, 336-7w
Radioactive waste disposal 336-7w

Torney, Mr Thomas
Questions
Saudi Arabia, British residents abroad 546w

Tourism
Arts 79w, 82w
Employment opportunities 535w
Government grants 535w
Leicester 163

Tourist attractions 579-80w
Government grants 579-80w

Tourist industry
Low pay 163
Women's employment 163

Tower Hamlets
Housing completions 403w

Town & country planning
Nature conservation 180w, 406w

Town halls
Wakefield (12.03.87) 595-600

Townend, Mr John
Questions
AIDS, health education 139-40
Salmon 88w
Salmon, Fish conservation 424w

Townend, Mr Cyril D
Debates etc
Arms control (09.03.87) 61-3

Townsend Thoresen 148
Shares 148

Tracey, Mr Richard, Parliamentary Under-Secretary of State for the Environment (Sport)
Debates etc
Gypsies, Caravan sites (13.03.87) 663-4
Questions
Compulsory purchase, Compensation 650w
Council house rents, Hammersmith & Fulham 104-6w
Council house rents, Local authorities 434w
Council house sales, Crawley 104w
Council house sales, Flats 106w
Council house sales, Leeds 106-7w
Council housing, Portsmouth City Council 436w
Factories, Textile industry 439w
Homelessness, Bed & breakfast accommodation 649w
Homelessness, Government grants & voluntary organisations 105-6w
Homelessness, Local authorities 437w
House renovation grants, Manchester 269w
Housing & elderly, Poole 435w
Housing, Children 52w
Housing completions, Tower Hamlets 403w
Housing construction, Direct labour departments 650w
Housing construction, Local government expenditure 650w
Housing Corporation, Portsmouth 436w
Housing insulation, Synthetic fibres 49w
Housing investment programmes 177w
Housing investment programmes, Expenditure 54-8w
Housing investment programmes, Southwark 434w
Housing investment programmes, Waltham Forest 178-9w
Housing subsidies, Housing benefits 179-80w
Inner city areas, Inner Urban Areas Act 1978 650-1w
Local government expenditure, Play facilities 649w
Mortgages, Repossession orders 404w
Owner occupied housing 180-1w
Planning permission, Property development 403w
Play Board, Sports Council 271w, 439w
Smith T F, Council house sales 557w
Sports Council, Government grants 406w
Sports Council, Yorkshire & Humberside 441w
Structure plans, West Sussex 51w
Truscon low rise houses, Liverpool 439w, 561w
Youth clubs, Bradford 271w

Trade agreements
USA (13.03.87) 561-78

Trade & Industry Select Committee (19.03.87) 1135

Trade competitiveness
Airlines 674

Trade Descriptions Act 1972 34w
Questions
34w

Trade documentation
MV Silver Sea 273w

Trade unions
Teachers' appraisal 367w

Trafalgar House 377w
Royal Ordnance 377w

Trafford
House renovation grants 269w

Training 466w
Blind 385w
Building industry 49-50w
Civil service 49w
Job training scheme 129w
Skillcentres 642-6w

Training allowances 129w
Food 129w
Job training scheme 21w, 129w

Training grants 214w, 345w
Administrative delays 214w
Road Transport Industry Training Board 214w

Transport surgery
Heart diseases 236w
Wythenshawe Hospital 236w

Transport 565-6w
Concessionary coal 640w
Greater London 116w
Information 116w
Nuclear weapons 252w

Transport of animals
Military vehicles 323w

Transport of hazardous materials
Lorries 344w

Transport supplementary grants
Bradford 392w
Wales 374w

Travel 565-6w

"The Travel Needs of Road Users" 17w

Treasury
Ethnic minorities 59-60w

Treaties
Ozone layer 401-2w

Tree conservation
Northern Ireland 2w

Tree felling
Broadleaved woodlands 2-3w

Tree planting
Hedges & ditches 1024

Trent
AIDS 410w

Trent Regional Health Authority 155-6w, 297w, 326w, 624-5w
Elderly 155-6w
Health service ancillary staff 624-5w
Health services finance 155-6w
Hospital beds 297-8w
Hospital waiting lists 297w, 326w, 625w
Out-patients 625w

Trials
Appeals 449-50w
Czechoslovakia 441-2w

Tributyl tin 52-3w, 269-70w, 404-5w, 486w
Advisory Committee on Pesticides 423-4w
Agriculture 486w
Pollution control 404-5w

Trichlorotrifluoroethane
Waste disposal 519w

Tricycles
Invalid vehicles 505w

Trippier, Mr David, Parliamentary Under-Secretary of State for Employment
Debates etc
Industrial Training Board Levy (Engineering Board) Order 1987 (12.03.87) 579-80, 583-4, 591-4
Questions
Apprentices, Engineering industries 134w
East Midlands Tourist Board, Income 163
Employment, Financial institutions 130w
Employment opportunities, Tourism 535w
Engineering industries, Apprentices 19w
Enterprise allowance scheme 130w
Factory Inspectorate, Control of Industrial Major Accident Hazards Regulations 1984 344w
Health & Safety Executive, Civil service manpower 346w
Health & Safety Executive, Lorries 346w

Health & Safety Executive, Manpower 130w
Industrial health & safety, Equipment 446w
Industrial training schemes, Adult education 132w
New Community instrument, EC grants & loans 537w
Nuclear Installations Inspectorate, Manpower 119w
Redundancy, Nuclear power stations 130w
Redundancy, Pensions 645-6w
Small businesses, Factories 443w
Technical & vocational education initiative, Local education authorities 132-4w
Tourist industry, Women's employment 163
Training grants 214w, 345w
Training grants, Road Transport Industry Training Board 214w
Unemployment, Peckham 646-7w
Wages Inspectorate, Manpower 132w
Woollen industry, Industrial training 355w
Youth training scheme, Batley 354-5w
Youth training scheme, Dacorum 128w
Youth training scheme, Darlington 128w
Youth training scheme, Essex 344-5w

Tracon low rise houses 561w
Liverpool 439w, 561w

Turkey
Bulgaria 136-7w
Cyprus 542w
Political refugees 122w

Turks & Caicos Islands 918
Elections 918

Turner & Newall 640-1w

Twin towns 515w

Twinn, Dr Ian
Debates etc
Cancer (13.03.87) 617-21
Questions
Food surpluses, Charities 1033
Transport, Greater London 116w
USSR, Members' visits abroad 541w

Ulster Defence Regiment
Coleraine 452-3
Security 274w, 452-3

Ulster Unionists
Northern Ireland government 458

UN Commission on Human Rights 136-7w

UN resolutions 545-6w
South Africa 545-6w

UN Voluntary Fund for Victims of Torture 136w
UK contributions 136w

Unemployed
Adult education 465w

Unemployment 12b-7w, 150,%(19.03.87) 1055-135
Bermondsey 646-7w
Building industry 241w, 443w
Collective bargaining 257w, 345w
Coventry 444w
Crime 811-2, 1036-7
Dundee 289
Dunfermline 89-90w
Enfield 354w
Forres 289
Greenock 245w
Kirkcaldy 89-90w
Kirklees 20w
Lanarkshire 279-80
Nuclear power stations 127w
Peckham 646-7w
School leaving 444w
Scotland 245w, 287-9
Scottish Development Agency 287-8
Skillcentres 642-6w
Strathclyde 245w
Waltham Forest 126w

Unemployment benefits
Mortgage interest rates 157-8w

UNESCO 546w

Unfair trading practices
Opticians 661w

UNICEF
UK contributions 349w
Vaccination 349w, 690-1

Unification Church
Civil proceedings 577w
Immigration controls 361w

United Arab Emirates
Members' correspondence 638w

United Kingdom Atomic Energy Authority
Energy research 203w
Manpower 203w
Pressurised water reactors 582-3w

United Kingdom Immigrants' Advisory Service
Immigrants 29w

Unity flats 143-5w
Building repairs 143-5w
Council house transfers 144-5w
Demolition 144w
Empty housing 144w
Housing benefits 144w
Land use 144w
Northern Ireland Housing Executive 143-4w
Payments for Debt (Emergency Provisions) Act (Northern Ireland) 1971 144w

Universities
Capital investment 280w
Medical research 671-2w
Research finance 466w
Science & technology research 472w
Social class 804
Student numbers 473-4w

University College of Wales 636-7w

University finance
Bradford University 563w
Building repairs 260-1w
Scotland 460w

Unparliamentary expressions
Speaker's rulings & statements (09.03.87) 73, (16.03.87) 765, (17.03.87) 814, (20.03.87) 1180-1

Uplands 1024
Farm incomes 1024
Forestry 1023-4

Upper Waiting Hall
Calder Valley Artists 86w

Urban development corporations 556-7w
London Docklands 433w

Urban programme
District health authorities 107-10w
North West region 107-10w

USA
Aerospace industry 925-6
Airlines 674-5
Arms control treaties 266w
Defence equipment 635w
EC external relations 113w
Export controls 33w, 94w, 277-8w, 925-6
GATT (13.03.87) 561-78
Nicaragua 540-2w
Northern Ireland 459
Nuclear test ban 549w
South Africa 543w
Submarines 570w
Trade agreements (13.03.87) 561-78
Vaccination 665-6w

USSR
Afghanistan 225w, 543w
Arms control treaties 145, 147-8, 546w
Chemical weapons 461-2
Compensation 212-3w
Human rights 547w, 912-3, 916-8, 920-2
Jews 47-8w, 917, 920-2
Members' visits abroad 47-8w, 541w
Ministers' visits abroad 211w, 543w, 547w
Nuclear weapons tests 259w
Overseas trade 545w
Parliamentarians 582w
Political prisoners 917
Postal deliveries 549w
Postal services 912-3
Prime Minister visits abroad 225w, 265w
Religious freedom 916-7
Theatre nuclear weapons 322-3w
Visas 541w, 582w

Vaccination
Children 330w
Drug industry 665-6w
Japan 665-6w
Research 631w
Testing 417-8w
UNICEF 349w, 690-1
USA 665-6w
Whooping cough 329-30w, 417-8w, 631w, 664-7w

Vaccine Damage Payments Act 1979
Law reform 298w
Questions
298w

Vaccine damaged children
Compensation 329-31w, 666w
Computer applications 331w
Medical treatments 329-30w
Whooping cough 329-30w, 666-7w

VAT 447w
EC budget 647w
Fraud 17
Free ports 320w
Performing arts 82-3w
Small businesses 273w, 390w
Tax collection 273w, 390w
Tax yields 273w, 328w

Vegetables
Agricultural land 1032
Horticulture 610w

Venereal diseases
AIDS 626w

Victim support schemes 357w
Government grants 357w
Recruitment 357w

Victoria & Albert Museum
Building repairs 15
Fees & charges 15

Video recordings
AIDS 152w, 466w
Sign language 152w

Vienna Convention on Diplomatic Relations 547-8w, 1038
Diplomatic immunity 547-8w, 1038

Viggers, Mr Peter, Under-Secretary of State for Northern Ireland
Questions
Calf subsidy, Northern Ireland 658w
Environmentally sensitive areas, Northern Ireland 539w
Mourne Mountains, Environmentally sensitive areas 539w

Village halls 381w

Violence
Schools 102w

Violence on television
Research 361w

Visas 376w
Immigrants' dependents 48w
India 637-8w
Mahmood, Khalid 48w
Pakistan 637-8w
USSR 541w, 582w

Vitamins
Sheffield 408w

Vocational education
Educational qualifications 900-1

Vocational guidance
Secondary education 470w

Voluntary organisations
Child care 233-4w
Food surpluses 386w
Government grants 556w
Inner city partnerships 518-9w
Social fund 414-5w

Voluntary projects programme 345w
Government grants 345w

Voluntary schools
Costs 563w
Educational finance 563w

Vosper Shiprepairers 584w

Waddilove Committee see Coal Mining Subsidence Compensation Independent Review

Waddington, Rt Hon David, *Minister of State for the Home Department*
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 721, 723, 733, 779-85
Questions
British citizenship 122w
British citizenship, Commonwealth immigrants 255-6w
British citizenship, Departmental leaflets 448w
Chhumman, Begum, Deportation 447-8w
Computer privacy, Orders & regulations 528w
Deportation, Costs 309-10w
Immigrant detainees, Passenger ships 448-9w
Immigrant detainees, Political refugees 633-4w
Immigrants, United Kingdom Immigrants' Advisory Service 29w
Immigrants' dependents, Immigration rules 123w
Immigration controls, India 309w
Immigration controls, Refugees 362w
Political refugees 27w, 310w
Political refugees, Immigration applications 359-60w
Political refugees, Sierra Leone 554w
Political refugees, Tamils 216w
Political refugees, Turkey 122w
Sunday trading, Shops Act 1950 121w
Tamils, Political refugees 29-30w, 451w
Unification Church, Immigration controls 361w

Wages Inspectorate
Manpower 132w
Pay 132w

Wainwright, Mr Richard
Debates etc
Budget March 1987, Employment (19.03.87) 1079-82
Opposition Budgets Bill, 1R (18.03.87) 939-40
Regional planning & developments (09.03.87) 103-6
Questions
Aids for handicapped, Contracts for services 481w
City technology colleges, Pupils 806-7
Severe disability premium, Invalid care allowances 134-5

Wakefield
Town Halls (12.03.87) 595-600

Wakefield County Hall 179w, (12.03.87) 595-600

Wakefield Metropolitan District Council 179w

Waldegrave, Mr William, *Minister of State for the Environment (Countryside & Local Government)*
Questions
Anti-fouling paints, Pollution control 52-3w
Anti-fouling paints, Testing 270w
Anti-fouling paints, Water pollution 269-70w
Chlorofluorocarbons, Ozone layer 405w
Chlorofluorocarbons, Pollution control 405w
Dept of the Environment, European Year of the Environment 518w
European pearl mussel, Nature conservation 437w
Nature conservation, Town & country planning 180w, 406w
Ozone layer, EC action 437-8w
Ozone layer, Treaties 401-2w
Park Vista, Greenwich, Planning permission 342w
Planning appeals, Administrative delays 438-40w
Planning permission 518w
Planning permission, Sportsgrounds 53-4w
Radioactive waste disposal, Nuclear power stations 342w
Radioactive waste disposal, Parliamentary constituencies 49w
Radioactive waste disposal, Planning permission 180w
Radioactivity, Chapelcross Power Station 179w
Tributyl tin, Pollution control 404-5w
Trichlorotrifluoroethane, Waste disposal 518w

Walden, Mr George *Under-Secretary of State for Education & Science*
Questions
Adult education, Unemployed 465w
Bradford University, University finance 563w
Camborne School of Mines, Members' correspondence 22w
Degrees, Bogus qualifications 306w
Ear disorders, Medical research 25w
Engineering Council, Engineering education 24w
Further education, Local government expenditure 22w
Graduates, High technology 465w
Higher education 22w, 185w
Higher education, Wales 185w
Langford, Mrs E A, Members' correspondence 21w
Literacy, Adult education 465w
Local education authorities, Capital investment 97-100w
Mature students, Higher education 261-2w
Meningitis, Medical research 25w
Natural History Museum, Admission charges 21w
Open Universities, Continuing education 471-2w
Overseas students, Educational institutions 562w
Planning, Scotland 530w
Plant Breeding Institute, National Seed Development Organisation 470w
Polytechnics 265w
Research, Vaccination 631w
Ruskin College, Freedom of expression 368w
Science & technology research, Research finance 461w
Science & technology research, Universities 472w
Student grants 462w, 473w, 803-4
Student grants, Expenditure 462w
Student grants, National income 461-3w
Student grants, Student loans 805
Student grants, Taxation 462w
Student loans 804
Student loans, Higher education 804
Student loans, Student protest 805
Student numbers, Universities 473-4w
Universities, Capital investment 268w
Universities, Research finance 466w
University finance, Building repairs 260-1w
University finance, Scotland 468w
Workers' Educational Association, Government grants 261w

Wales
Ancient monuments 267w
Anthracite 648w
Children in care 515w
Council house waiting lists 374w
Crime 30w, 451-2w
Crime prevention 371-2w
Curriculum 375w
Dairy farming 4-5w, 216-8w
Disabled Persons (Services Consultation & Representation) Act 1986 315w
Educational institutions 636-7w
Electorate 268w
Engineering industries 5w
Fish farming 455-6w
Fisheries 514-5w
Food surpluses 7-8w, 315-6w
Further education 456w
Health service staff 4w, 313-6w
Health services 637w
Higher education 185w
Homelessness 373w
Hospital waiting lists 4w, 583w
House renovation grants 374-6w
Local government expenditure 515w
Mental health services 118w
NHS & private practice 6w
NHS finance 6w
Nurses 314w
Planning appeals 516w
Play 5w
Private patients 6w
Railway electrification 372w
Rate support grants 583w
Roads 456w
Science & technology 278w
Shareholders 647w
Sheep 216-8w
Sheep worrying 267w
Skilled workers 5-6w
Student grants 375w
Transport supplementary grants 374w
Water pollution 3w
Workers' Educational Association 375w

Walker, Mr Bill
Debates etc
Non-Public Limited Companies (Appointment of Directors) Bill, 1R (10.03.87) 163-5
Questions
Distillers Group, Takeovers 247w
Fraud, Scotland 199w

Walker, Rt Hon Peter, *Secretary of State for Energy*
Debates etc
Sizewell B, Ministerial statements (12.03.87) 475-90
Questions
British Coal Corporation 206-7w
Coal fired power stations 4, 12
Coal fired power stations, Coal mining 12
Coal fired power stations, Construction 10-2
Coal fired power stations, Nitrogen oxides 12
EC energy policy, France 38w
Electricity consumption, Energy efficiency 349-50w
Electricity generation, South East region 11
Energy efficiency 37w, 40-1w
Energy resources, Employment opportunities 205w
Energy supply 38w
Ethnic minorities, Dept of Energy 41w
Keeni Meeni Services, Dept of Energy 119w
Nuclear power stations 3-4w
Power industry disconnections 306w
Pressurised water reactors 3
Pressurised water reactors, Hinkley Point B 4
Pressurised water reactors, Nuclear power stations 39w
Sizewell B, Nuclear power stations 38w
"Sizewell B Public Inquiry Report" 38w
South of Scotland Electricity Board, Manpower 204w

Walkie talkie radios 259w, 365w
Export licensing 365w

Wallace, Mr James
Debates etc

Public Order (Northern Ireland) Order 1987 (10.03.87) 254
Zeebrugge Ferry Disaster Inquiry (09.03.87) 25
Questions
AIDS, Test tube babies 410w
Air traffic control, Manpower 680-1
Airlines, Loganair 674-5
British Rail Engineering, Redundancy 929-30
Bus services, Heathrow 431w
Crofting, Community charge 281
Crown Estate Commissioners, Scotland 247w
Cyprus, Human rights 544w
Development aid, Educational finance 46w
Energy efficiency, Industry 39-40w
Farm incomes, Uplands 1024
Fishing vessels, Licensing 422-3w, 598w
Fishing vessels, Scotland 245w
Freightliner, Procurement 396-7w
Freightliner, Railway closures 397w
Oil industry, Shetland 10
Parking offences 432w
Road safety, Cost effectiveness 396w
Road safety, Local authorities 397w
University finance, Scotland 468w

Wallasey
Maternity benefits 294-5w

Waller, Mr Gary
Questions
Railway network, West Yorkshire 676
Transport supplementary grants, Bradford 392w

Walters, Mr Dennis
Questions
Middle East, Peace negotiations 550w

Waltham Forest
Breast cancer 664w
Cervical cancer 664w
Food surpluses 422w, 601w
Housing benefits 662w
Housing investment programmes 178-9w
Job creation schemes 126w
Rate support grants 51w
Social security recipients 662w
Unemployment 126w

Walthamstow
Severe weather payments 233w

Wandsworth
Food surpluses 225w

Wapping
Police 555w
Public houses 555w

War pensions
Banfield, A D 408w

Ward, Mr John
Debates etc
Oral question time point of order (17.03.87) 814
Questions
Law enforcement, Labour Party 811
M3-M27 link 677-8

Wardell, Mr Gareth
Questions
Arts, Economic situation 80w
Sea Fish Industry Authority, Government grants 607w

Wardle, Mr Charles
Debates etc
Budget March 1987, Employment (19.03.87) 1096-9
Questions
Dairy farming, Production quotas 1032-3

Warning, Mr Robert N
Debates etc
Local government finance, Liverpool (18.03.87) 1019
Questions
Arts, Economic situation 80w
Civil service recruitment, Graduates 16
Fishing vessels, Licensing 598w
Job training scheme, Merseyside 258w, 578w
Moran, Dorothy, Attendance allowance 627w
Nicaragua, USA 542w
Rate limitation, Liverpool City Council 627-8w
Rates & rating, Liverpool City Council 591w, 672w
Supplementary benefits, Merseyside 494w
Truscon low rise houses, Liverpool 439w, 561w

Warrant sales 18w, (10.03.87) 165-205
Scotland 18w

Warren, Mr Kenneth
Questions
9 Signal Regiment, Security 553-4w
Pensioner price index 74w

Warships
Energy efficiency 323w

Warwickshire
Grammar schools (09.03.87) 125-32
Secondary education 22w

Waste disposal
Trichlorotrifluoromethane 518w

Wastes
Coal fired power stations 459w

Water authorities
Expenditure 269w
Fire prevention 268-9w
Fish conservation 381-2w
Fish farming 433-5w, 455-6w
Members' correspondence 53w
Privatisation 269w

Water cannon 529w
Riot control weapons 529w

Water charges
Price increases 398-9w

Water levels 606-7w
Environmentally sensitive areas 606-7w

Water pollution 3-4w
Anti-fouling paints 269-70w
Pollution control 269-70w
Radioactivity 226-7w
Sewage 435w
Wales 3w

Watts, Mr John
Questions
Export Credits Guarantee Department 589-90w
Greyhound racing, Monopolies 111w
Pensions, Insurance 155w
Supplementary benefits, Single people 669w
Tax allowances, Average earnings 463

Wealth
Clearing banks 536w

Weeks, Robert 123w, 147-8w

Weetch, Mr Ken
Questions
Arts, Tourism 82w
Dental charges, Appeals 664w
Educational standards, Curriculum 801
South Africa, Mozambique 549w

Welfare milk
Sheffield 63w, 408w
Social security recipients 478w
Tooting 478w

Wellesley Hospital 504w
Abortion 504w

Wells, Mr Bowen
Questions
Arts, Marketing 85-6w
British Airports Authority, Privatisation 683
Mozambique, South Africa 689

Welsh Agricultural College 636-7w

Welsh Fourth Channel
Finance 256w

Welsh language
Per capita costs 376w
Pupils 8w
School population 7-14w
Schools 8w

Welsh Office
Cash limits 455-7w
Keeni Meeni Services 117w

Wessex Regional Health Authority 68w, 237w
Hospital ancillary staff 237w
Hospital waiting lists 237w
Nurses 68w
Out-patients 237w

West, Nigel 347-8w, 685
National security 347-8w, 685
Official Secrets Act 1911 686

West Bowling Youth Centre 271w

West Cumbria 506-7w

West Midlands
Arts 85w
Derelict land grants 103w
Hospital waiting lists 161w

West Penwith 421w

West Surrey & North East Hampshire Health Authority 67-9w
Expenditure 68-9w
Health service staff 67w
Nurses 67w

West Sussex
Bypasses 390w
Road construction 390w, 682
Structure plans 51w

West Yorkshire
Local government buildings 179w
Railway electrification 677
Railway network 676

West Yorkshire County Council 651-3w
Local government finance 652-3w
Local government reform 652-3w
Occupational pensions 651-2w

West Yorkshire Passenger Transport Executive
Capital investment 676

West Yorkshire Residuary Body 179w, 652w
Public sector housing sales 652w

Western European Union 638w, 919

Western Health & Social Services Board 310-1w
Health services finance 310-1w

Westland Helicopters (11.03.87) 295, 453w, 636w
Criminal investigations 346w, 636w
Expenditure 525w
Shares 346w, 453w, 460-1, 636w
Standing Order No 20 applications (11.03.87) 295

Westminster Hall cafeteria 368-9w
Members' facilities 368-9w

Wexham Park Hospital 159-60w
Construction costs 159-60w

Wheat
Agricultural production 602w
Prices 226w, 229w, 602w

Wheelchairs 165w
Children 165w
Costs 164-5w
Muscular dystrophy 164-5w

Wheeler, Mr John
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 732-8, 775
Questions
Road construction, Earls Court 566-7w

Whitney, Mr Ray
Debates etc
Arms control (09.03.87) 33, 69-74
Questions

ABM Treaty 919

Whooping cough 329-32w, 417-8w, 631w, 664-7w
Children 331-2w
Clinical trials 329w
Committee on Safety of Medicines 664-5w
Death 330-2w, 666w
Vaccination 329-30w, 417-8w, 631w, 664-7w
Vaccine damaged children 329-30w, 666-7w
World Health Organisation 631w

Widows
Compensation 173w

Wigley, Mr Dafydd
Debates etc
Budget March 1987 (17.03.87) 850, 858-62
Questions
Ancient monuments, Wales 267w
Dairy farming, Wales 217w
Dept of Health & Social Security, Members' correspondence 407w
Fish, Llyn Vonwy 3w
Fish, Radioactivity 3-4w
Handicapped, Local government social services 157w
Medical research, Universities 671-2w
National Childminding Association, Government grants to voluntary organisations 4w
Pensioners 113w
Pollution monitoring, Radioactivity 226-7w
Rates & rating, Local government revenue 343w
Science & technology, Wales 278w
Sheep, Compensation 227w
Welsh Fourth Channel, Finance 256w
Welsh language, School population 7-14w

Wildlife & Countryside Act (Protection of Birds) (Amendment) Bill 1986/87
Debates etc
1R (12.03.87) 491

Wilkinson, Mr John
Debates etc
Arms control (09.03.87) 31, 39, 49, 64-6, 75
Questions
Anglo-Irish Agreement 456
Business statement 470
Radar, Technical assistance 252w
Sudan, Overseas aid 577-8w

Williams, Rt Hon Alan
Debates etc
Intelligence services (18.03.87) 933-5
Prime Minister's Questions, Supplementary Questions (10.03.87) 162
Wright, Peter, Ministerial statements (13.03.87) 614-41
Questions
Air travel, Compensation 287w
Balance of payments 272w, 278w
Food surpluses, Disadvantaged 341w, 426-7w
Food surpluses, Wales 315-6w
Singleton Hospital, Swansea, Accident & emergency departments 118w
United Arab Emirates, Members' correspondence 638w

Wilson, Mr Gordon
Debates etc
Debtors (Scotland) Bill (HL), 2R (10.03.87) 166, 170-1, 183-4
Questions
Cereals, Animal feed 423w
Defence procurement 174-5w
Defence procurement, Defence expenditure 93w
Dundee, Industrial investment 289
Golden Wonder, Broxburn 276
Iron & steel industry, EC countries 454w
Ravenscraig Steelworks, Industrial production 588w

Wiltshire
Road construction 114-5w

Winchester
Building industry 443w

Wind power
Employment opportunities 282w
Energy research 39w
Land use 460w

Wines
Excise duties 592w

Winnick, Mr David
Debates etc
Immigration (Carriers' Liability) Bill, 2R (16.03.87) 707, 737, 747-51
Questions
Anglo-Irish Agreement, Republic of Ireland 453-4
Business statement 1048-9
Currie, Edwina, Ministerial duties 136
Lebanon, British residents abroad 48w
MI5, Labour Party 813
Mortgages, Repossession orders 404w
Severe weather payments, Pensioners 142-3
Wright, Peter, National security 693

Winterton, Mrs Ann
Debates etc
Motor industry (11.03.87) 346, 394-6
Questions
Abortion, Clinics 334w
Cattle, Agricultural subsidies 146w
Dairy farming, Agricultural subsidies 611w
Dairy farming, Food inspection 146w, 424-5w
Diabetes, Medical treatments 138
Health & Safety Executive, Manpower 130w
Prescription charges exemptions 71w
Prescription charges exemptions, Costs 71w
Prescriptions, NHS 70-1w
Wages Inspectorate, Manpower 132w

Winterton, Mr Nicholas
Debates etc
Artificial Limb & Appliance Centres Review (10.03.87) 161
Questions
Abortion, Private health services 238w
Agricultural advisory services 1030
Business statement 1048
Defence policy 148
Office of Telecommunications, public appointments 587w

Women
AIDS 299w
Development aid 690
Employment schemes 352-3w
Industrial training schemes 352-3w
London Underground 680
Police surgeons 292
Primary health care 241w
Prisoners on remand 357-8w
Retirement age 482w
Sheriffs 248w

Women's employment
Greenock 522w
Port Glasgow 522w
Tooting 343-4w
Tourist industry 163

Women's Royal Voluntary Service 386w

Wood, Mr Timothy
Questions
Agricultural products, Radioactivity 605-6w
Maternity benefits, Social security reform 669w
Pensioners, Personal income 153w

Woodall, Mr Alec
Questions
USSR, Postal deliveries 549w

Woodcock, Mr Mike
Questions
Anthracite, Exports 648w
Anthracite, Wales 648w
Coal, Consumption 648-9w
Coal, Retail trade 648w
Concessionary coal, Transport 648w

Wool
Exports 590-2w
Imports 590-2w

Woollen industry
Exports 366w
Imports 366w
Industrial production 366w
Industrial training 355w
Manpower 355-6w
Productivity 355w

Woolwich
Severe weather payments 332w

Workers' Educational Association 261w, 375w
Government grants 261w, 375w
Wales 375w

Working hours
Air traffic control 682

World Health Organisation
Whooping cough 631w

Wrigglesworth, Mr Ian
Debates etc
Motor industry (11.03.87) 364-8
Questions
City technology colleges, Educational finance 260w
Coal fired power stations, Construction 10-1
European Investment Bank, Exchange risk guarantee scheme 193-4w
Speech therapy, Northern region 159w

Wright, Peter 693, (16.03.87) 702-3
National security 693-8, (16.03.87) 702-3
Standing Order No 20 applications (16.03.87) 702-3

Written questions
Speaker's rulings & statements (19.03.87) 1054

Wythenshawe Hospital 236w
Transplant surgery 236w

Yeo, Mr Tim
Debates etc
Budget March 1987 (17.03.87) 887-91
Budget March 1987, Economic situation (18.03.87) 951, 954
Questions
Budget March 1987, Tax allowances 148-9
Sizewell B, Nuclear safety 8-9
Tanzania, Overseas aid 348w
Teachers, Pay settlements 467w

York
Property Services Agency 400-1w

York City Council Bill (HL) 1985/86
Debates etc
2R Order read (12.03.87) 447, (19.03.87) 1023

Yorkshire & Humberside
Regional development grants 525w
Sports Council 441w

Yorkshire & Humberside Development Association 112w
Government grants 36w, 112w

Yorkshire Traction 565w

Yorkshire Water Authority 269w

Young, Mr David
Questions
Medical records, Bolton General Hospital 236w
Ophthalmic services, Bolton 168w
Polytechnics 265w

Young, Sir George
Debates etc
Rates & rating, Ealing (13.03.87) 665-8
Questions
Currie, Edwina, Ministerial duties 136

Young offenders
AIDS 672-4w
Medical examinations 672-4w

Young people
Abortion 625-6w

Further education 464w
Supplementary benefits 415w

***Younger, Rt Hon George**, Secretary of State for Defence*
Debates etc
Arms control (09.03.87) 35-44, 48

Youth clubs
Bradford 271w
Planning permission 271w

Youth training scheme
Batley 354-5w
Dacorum 128w
Darlington 128w
Essex 344-5w
Take-up of employment 128w

Youth unemployment
Coventry 443-4w

Zeebrugge Ferry Disaster Inquiry (09.03.87) 21-6

PARLIAMENTARY DEBATES

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AND NORTHERN IRELAND
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OFFICIAL REPORT

IN THE FOURTH SESSION OF THE FORTY-NINTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

THIRTY-SIXTH YEAR OF THE REIGN OF HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES VOLUME 113

NINTH VOLUME OF SESSION 1986-87

House of Commons

Monday 23 March 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

WALES

Labour Statistics

2. **Mr. Roy Hughes** asked the Secretary of State for Wales what are the latest unadjusted figures for unemployment in *(a)* Newport, *(b)* Gwent and *(c)* Wales; and if he will give the equivalent figures for 1979 on the most nearly comparable basis.

The Secretary of State for Wales (Mr. Nicholas Edwards): On 12 February 1987 the total numbers of unemployed claimants in Newport district, Gwent and Wales were 9,758, 27,708 and 171,393 respectively. Unadjusted figures for 1979 are not available on a basis which enables a valid comparison to be made.

Mr. Hughes: Are these figures not critically high, despite the 19 changes in the method by which they are compiled? Is not the claim that unemployment is coming down a bit of a fantasy? Will the Secretary of State confirm that manufacturing output and investment are down on 1979 levels? Is this not a tragic legacy to leave after eight continuous years of office?

Mr. Edwards: It is not a fantasy that unemployment is coming down. The legacy is that unemployment, seasonally adjusted, is down by 15,000 from its peak in March 1986. It has fallen for nine consecutive months and for 10 out of the last 11 months. The fall over the last 12 months of 1·1 per cent. is the largest drop of all the regions of the United Kingdom, as was the fall this month. This is good news for Wales, as I hope that the hon. Member for Newport, East (Mr. Hughes) will agree.

Sir Raymond Gower: As notified vacancies are sometimes a better guide to the progress of the economy, will my right hon. Friend tell us about the changes in the number of notified vacancies for each of those months?

Mr. Edwards: Not only are the unemployment figures down, but vacancies are up 2,390 on February 1986. Indeed, all the indicators point in the same direction—the number of regional selective assistance applications in the first two months of 1987, and the sharp reduction in redundancies over the last 12 months. Almost any set of indicators shows a strong recovery of economic activity in Wales and a great improvement in unemployment.

Mr. Foot: Everyone welcomes any fall in the unemployment figures, but will the right hon. Gentleman tell us how long, at this pace of reduction, it would be before the unemployment total was back to the still serious level of 1979?

Mr. Edwards: If we go on at this pace of reduction, on the policies that we are pursuing, we will meet the Labour party's stated objective of reducing unemployment over the next two years. We have a policy that is working. The results show that it works. The Labour party does not have a policy, except to increase inflation and increase costs on employment generally, and almost certainly, therefore, to destroy the prospects that it seeks to create.

Mr. Raffan: Will my right hon. Friend join me in welcoming the collaboration agreement that was signed this morning between British Coal and Ruhrkohle Oil and Gas which brings Ruhrkohle into the Point of Ayr coal-to-oil liquefaction project? Will he also welcome the simultaneous announcement by the Department of Energy that the £2·5 million worth of support for the project, which was conditional on acceptable private sector participation, will now be made available?

Mr. Edwards: That project is relevant and will create jobs in north Wales. I can confirm that my right hon. Friend has made £2·5 million worth of support available, and that will cover the period of construction, commissioning and operation of the plant.

Mr. Geraint Howells: Does the Secretary of State have any further plans to reduce unemployment in mid-Wales, and in Teifi valley in particular?

Mr. Edwards: There has been an improvement in the unemployment figures over the last 12 months in all Welsh travel-to-work areas. We recently announced a package of measures for the rural areas, including a series of special encouragements and incentives for the creation of new firms. I am sure that that will make a strong contribution to job creation in areas such as the hon. Gentleman represents.

Primary Schools (Expenditure)

3. **Mr. Knox** asked the Secretary of State for Wales how much was spent per pupil in primary schools in Wales in the most recent year for which figures are available; and what was the comparable figure for 1978-79, at constant prices.

The Parliamentary Under-Secretary of State for Wales (Mr. Wyn Roberts): In 1985-86 the amount spent per pupil in primary schools in Wales was £825. The equivalent figure for 1978-79 was £724.

Mr. Knox: Do those figures not make nonsense of allegations that primary schools in Wales are short of cash?

Mr. Roberts: My hon. Friend is right, in that total expenditure has remained broadly constant in real terms. At the same time, pupil numbers have been falling. We now have the best pupil-teacher ratio, but I must admit that there are about 56,000 surplus places in primary schools. If we were able to eliminate the surplus places we would have more resources for primary schools.

Mr. Coleman: Is the Minister aware of the lobby of Parliament tomorrow by parent-teacher associations to complain about education in Wales, and in particular about primary education? In view of the experience of parents and teachers, who are much closer to what is going on in our schools than we here are, how can the Minister justify the answer that he has just given?

Mr. Roberts: I am aware of the intended lobby, but I understand that the parents are more than likely to complain about the disgraceful disruption in our schools. I hope that they will condemn Mr. Smithies, the general secretary of the NAS/UWT who says that the half-day strikes will continue until the election. That is a clear sign that he is trying to turn our schools into political battle grounds.

Mr. Wigley: Will the Minister confirm that since the hon. Member for Staffordshire, Moorlands (Mr. Knox) last asked this question — which is becoming a little tedious — the position in our schools has worsened considerably in terms of the reality for pupils, in terms of the text books and materials that they need and in terms of the maintenance of the buildings that they attend? Is it not high time that adequate resources were allocated to ensure that the schools are worthy of the pupils?

Mr. Roberts: It is clear from my answer that we are spending more per pupil in Wales. On materials we have made additional funds available, particularly for secondary school pupils involved in the general certificate of secondary education. However, it is up to the local education authorities to concentrate resources into capitation fees.

Mr. Barry Jones: That was an evasive reply. Why is it that many schools in Wales, in spite of careful spending of capitation cash, have to apply it to basic items such as text books and stationery? Does the Minister agree that parents want smaller classes, more teachers, more nurseries and more books and equipment? Is it not shameful that our schools go begging while the Budget can assist, say, the Duke of Westminster's estate by about £600 million in inheritence tax?

Mr. Roberts: Not only are there 56,000 surplus places in primary schools, but, taken overall, there are about 150,000 of them in primary and secondary schools in Wales. That means wasted expenditure of about £18 million per annum. That money could be spent on more worthy causes within education. In addition, my right hon. Friend the Secretary of State has made available extra money for education in the coming year.

Fluoridation

4. **Mr. Gareth Wardell** asked the Secretary of State for Wales which health authorities in Wales permit fluoridation of water supplies.

The Parliamentary Under-Secretary of State for Wales (Mr. Mark Robinson): The powers to permit fluoridation of water supplies rest with water authorities acting on requests from district health authorities. Certain areas within the Gwynedd and Powys district health authorities' areas currently receive fluoridated water supplies.

Mr. Wardell: Can the Minister confirm, first, that when some foods are cooked in water that has been fluoridated — especially acidic foods — and possibly cooked in aluminium utensils, there is a large ingestion of aluminium into the human body? Secondly, will he confirm that there is some research to show that Alzheimer's disease is linked to the ingestion of large quantities of aluminium? If those two statements are confirmed, will the hon. Gentleman ban the use of fluoride in water in Wales?

Mr. Robinson: The hypothesis that aluminium may be relevant to the cause of Alzheimer's disease is one of many under investigation. I am aware that the Medical Research Council is researching such a hypothesis, and I can assure the hon. Gentleman that the Government will give full consideration to any recommendations that may emerge.

Mr. Grist: Is my right hon. Friend aware that the incidence of dental caries has been falling considerably in recent years and that therefore there is no excuse to force fluoridation on to those many people who do not want it?

Mr. Robinson: I am aware of improvements in dental care, but, at the same time, my hon. Friend should be aware that many parents are in favour of fluoridation.

Dr. Roger Thomas: Does the Minister agree that the reduction in dental caries on the island of Anglesey by over 50 per cent. over a period of 40 years is a glowing example of interventionist medicine?

Mr. Robinson: I certainly agree with the hon. Gentleman. Those findings have been borne out by recently conducted opinion research.

Mr. Best: Is my hon. Friend aware that the majority of people in Anglesey are against the artificial fluoridation of water supplies? Is my hon. Friend further aware that a recent survey conducted by the Ynys Môn and Isle of Anglesey borough council showed conclusively that the vast majority were against such fluoridation? Is he also aware that Gwynedd health authority continues artificially to fluoridate the water of Anglesey against the wishes of the people? Is it not about time that a non-elected health authority took some cognisance of the democratic wishes of the people?

Mr. Robinson: My hon. Friend is aware that fluoridation of the water in Anglesey has been a continuing policy for some time, certainly before the Bill that the Government recently piloted through the House of Commons.

Beef Production

5. **Mr. Livsey** asked the Secretary of State for Wales what representations he has received from farmers organisations on the future of beef production in Wales.

Mr. Edwards: I have received representations about the future of the beef industry in Wales both from farmers' organisations and from individuals. These representations covered a very wide range of issues concerning the beef regime and the impact of measures taken by the European Commission in the dairy sector.

Mr. Livsey: Will the Secretary of State urge his colleagues, who are involved in the Brussels price negotiations, to have a major devaluation of the green pound, of at least 12 per cent.? It is practically impossible at the present time—I am sure the right hon. Gentleman will agree—for Welsh beef producers to make a profit out of that enterprise. We shall have little beef enterprise left if the present position is allowed to drift.

Mr. Edwards: I am sure the hon. Gentleman will agree that the December reforms represented a considerable step forward in improving the beef regime in general and reducing the dependence on intervention. I certainly agree that the relative green pound discrepancies and valuations will be a matter that will be in the forefront of the negotiations that will take place in the coming weeks in Brussels.

Sir Raymond Gower: Will my right hon. Friend take account of the fact that, while many of our farmers are alive to the problems of over-production in many types of farming, they are deeply concerned at the possibility that, having been driven out of milk production, and having moved into beef production, they may now be driven out of beef production? This seems to be a never-ending tendency and the farmers are extremely worried. I hope that my right hon. Friend will consider this problem extremely carefully.

Mr. Edwards: I understand the concern of farmers about this matter and their anxiety about knock-on consequences of the various changes in the CAP support system. I believe that we made remarkable progress in December, especially with the protection of the beef premium scheme, for which we have fought so hard and consistently over recent years. Having said that, I also understand that there is a great deal of anxiety about the green pound discrepancies and, clearly, that matter will be a part of the negotiations that are now under way.

Mr. Roy Hughes: Is it not a fact that farmers are now a thoroughly dissatisfied body, as witness their recent vote of no confidence in a Conservative Minister of Agriculture, Fisheries and Food? Farmers are asking why they should cut their production when Britain is far from self-sufficient in its production of food.

Mr. Edwards: The hon. Gentleman should not try to give the impression that the Labour party would avoid substantial changes in the CAP and a reduction of the huge European surpluses. The Opposition spokesman on agriculture is much too straightforward and honest to pretend anything of the sort. It does not help if the hon. Member for Newport (Mr. Hughes) pretends at the Opposition Dispatch Box that the Labour party supports policies that would not involve a substantial reduction in the heavy overspending that is going on in Europe to produce surpluses.

House Building

6. **Mr. Wigley** asked the Secretary of State for Wales how many housing starts were made in *(a)* the public sector and *(b)* the private sector in Wales during 1986.

Mr. Mark Robinson: In 1986, 1,276 dwellings were started in the public sector and 7,136 in the private sector.

Mr. Wigley: Is the Minister aware that that figure represents a total build in the public sector in the past seven years in Wales of only 14,000 houses, when there would have been 36,000 had the level that prevailed in 1978 continued? That means a loss of 22,000 houses in the public sector. At the same time, the Government have arranged the selling off of 50,000 council houses. Therefore, there has been a loss of council housing for rent in Wales of over 70,000 units. Is it any wonder that people in Wales are having difficulty in finding houses in which to live, because of the public sector sales policy and the lack of building that has taken place under the Government?

Mr. Robinson: I am not entirely sure to which figures the hon. Gentleman is referring. I have given figures for one year, and it is worth stating that during that year the number of private sector completions rose to over 7,000 houses. That is the first time that that has been achieved for a number of years. There has been a rise in the number of houses completed in the private sector in every year for the past five years.

Mr. Gwilym Jones: Does my hon. Friend accept that Cardiff is being especially innovative with the announcement last week of a partnership of the city council, two housing associations and two building societies to build 600 new homes for rent in St. Mellons? Does my hon. Friend agree that there is the opportunity for many other developers to follow Cardiff's lead?

Mr. Robinson: I agree entirely with my hon. Friend. There is scope for an increase in the number of housing units that are available in the private rented sector. I predict with considerable confidence that 1987-88 will mark the start of a significantly rising trend in the provision of homes to rent in Wales.

Mr. Barry Jones: Is the Minister aware that there is a lack of conviction in his answers? May I remind the Minister that the Library research figure reveals plummeting investment in housing between 1983 and 1987 of some £61 million? As our housing problems have reached a crisis, why did the Budget neglect Wales? The contrast between the sleek south and Wales is painful. Is it not true that the Welsh economy is at the crossroads and that we needed from the Budget a cash boost for houses and cash for the Health Service? The Budget betrayed Wales.

Mr. Robinson: I remind the hon. Gentleman that in the current financial year there has been a substantial boost for housing in Wales——

Mr. Barry Jones: Downwards?

Mr. Robinson: No, upwards. It has been the Government's policy to encourage renovation in both the private and public sectors, and I shall remind the hon. Gentleman of the figures. The Conservative Government have spend £333 million repairing private stock, compared with the Labour Government's spending of £57 million. We have spent £259 million repairing public sector housing stock, compared with the Labour Government's £86 million. What sort of record is that?

Fire and Public Health Regulations

7. **Sir Anthony Meyer** asked the Secretary of State for Wales what discussions he has had with local authorities about enforcement of the fire and public health regulations in houses in multi-occupation in Wales.

Mr. Mark Robinson: I have asked my officials to undertake consultations with all local authorities and other relevant bodies in Wales with a view to bringing about improved safety and other standards in houses in multiple occupation. Those consultations are now under way.

Sir Anthony Meyer: I am grateful for that answer and somewhat reassured by it. Is my hon. Friend aware that the fall in standards accompanied by the increase in the number of houses in multiple occupation suggest that it is not just the resources that are made available to local authorities that are important, but that powers of entry are important, as landlords, are not always willing to allow inspections to take place to determine whether safety precautions are adequate.

Mr. Robinson: I am very much aware of my hon. Friend's point. There is indeed a far wider range of considerations, and that is why my officials are today discussing some of these problems with the Rhuddlan borough council.

Mr. Anderson: Does the Minister agree that it is not belated consultations that are needed, but action? The facts are well known to those who want to hear them, and were addressed in my HMO Bill. Does the Minister realise that more than £25 million is now spent by the DHSS in Wales on supplementary benefit claimants in bed-and-breakfast accommodation? Does he realise that that expenditure and the failure to monitor the quality of the accommodation for those claimants, have come about because the Government do not wish their woefully inadequate programme for young single people to be exposed?

Mr. Robinson: I am aware of the hon. Gentleman's interest in the matter. However, it is for local authorities and fire authorities to decide how they will use their existing powers. It is disappointing that only Swansea and Cardiff have so far taken advantage of the registration schemes available to them.

Mr. Rowlands: Is the Minister aware of the serious fire in Merthyr Tydfil only yesterday, in a property owned by a Mr. Elwyn Morgan? Eleven people were taken to hospital and four are still being detained. Is he further aware that the property had no valid planning permission and that Merthyr borough council, supported by the Welsh Office, had been trying to enforce orders for the best part of 15 months? Will the Minister investigate the particular circumstances of the fire? Does it not prove the need for better regulations and their more effective enforcement?

Mr. Robinson: I join the hon. Gentleman in expressing sympathy for those injured in the fire. The Welsh Office has supported the local authority in refusing planning permission for this house to be used for multiple occupation. The local authority had issued a statutory enforcement notice giving the landlord two months to stop using the house for that purpose. It is unfortunate that the accident occurred during that two-month period.

Swndwr Farm, Northop

8. **Mr. Raffan** asked the Secretary of State for Wales if he will make it his policy not to sell Swndwr farm, Northop, to British Coal for opencast mining; and if he will make a statement.

Mr. Wyn Roberts: No. My right hon. Friend's general policy is to dispose of land surplus to highway requirements on the open market, subject to the advice of the district valuer. No land at Swndwr farm is yet available for disposal.

Mr. Raffan: Does my hon. Friend agree that the sale of any part of Swndwr land to British Coal would prejudice my right hon. Friend's position in relation to British Coal's forthcoming planning application for opencast coal extraction at Pont Einion? Will he assure the House that when it has been established what part of Swndwr farm is surplus to highway requirements, that surplus land will not be sold to British Coal?

Mr. Roberts: I cannot give my hon. Friend that assurance. The Department is not negotiating the sale of any part of Swndwr farm to British Coal, so his request is superfluous.

Mr. Roy Hughes: Does the Minister recall that, some time ago, we accused the Secretary of State of allowing opencast mining to take place anywhere other than in Pembroke? In view of the question asked by the hon. Member for Delyn (Mr. Raffan), I wonder whether Delyn is also to be in the exclusion zone, and whether the hon. Gentleman is seeking another election bribe.

Mr. Roberts: I do not think that that question is worthy of answer. My hon. Friend's question related specifically to Swndwr farm near Northop.

Anglesey (Public Funds)

9. **Mr. Best** asked the Secretary of State for Wales if he has any plans to increase the amount of public funds provided through his Department or its agencies to Anglesey; and if he will make a statement.

Mr. Nicholas Edwards: The provision of total expenditure within my responsibility in 1987-88 represents an increase of 10 per cent. comparable provision for 1986-87. Anglesey will benefit from this along with the rest of Wales.

Mr. Best: I welcome my right hon. Friend's statement. Is he aware that there are a number of projects on Anglesey which are helping its regeneration and which are pump-primed by Welsh Office cash, such as the scheme at Llanfairpwll station and the generation of a fishing industry in Holyhead? How does this massive injection of Welsh Office cash into my constituency compare with the amounts available under the last Labour Administration?

Mr. Edwards: In general terms, the last Labour Administration cut capital expenditure hard, having got into a considerable mess, and having been directed to do so by the IMF. Since then there has been strong growth in the economy. We are increasing public expenditure at the same time as reducing taxation and borrowing. My hon. Friend is right. Holyhead has benefited particularly. There has also been a significant increase in spending on tourism on the island. My hon. Friend has rightly drawn attention to the rural package which has helped Pringle to produce its very exciting scheme at Llanfair PG.

Mr. Barry Jones: I remind the right hon. Gentleman that every fourth man in Holyhead is jobless, that nearly 5,000 people on the island are out of work and that the county has the worst unemployment record in Wales—all those statistics being a consequence of his policies. Why did the right hon. Gentleman accept in Cabinet a Budget that denies Wales a strategy for jobs? The Budget did nothing for Wales. Wales is forgotten by the right hon. Gentleman in this instance. We need a stronger regional policy, including discriminatory measures favouring Wales and the regions. Why did the Budget not help Wales?

Mr. Edwards: The hon. Gentleman is asking a question about the Budget and Wales, and particularly Anglesey. I cannot help noticing that unemployment in Holyhead fell by 3 per cent. in the 12 months until February, which is a larger fall than in almost any travel-to-work area in the whole of the United Kingdom.

Mr. Wigley: Why is the Secretary of State so coy about giving figures? Will he now come clean and admit that his Department's expenditure in the last financial year was, in real terms, 34 per cent. lower than it was 10 years before? Does that not reflect what the Government have done to Anglesey?

Mr. Edwards: I notice that the hon. Gentleman is now changing direction and using a point of expenditure before the IMF cuts. In recent years, as a result of economic growth, we have increased public expenditure substantially. There has been a 10 per cent. increase in public expenditure in Wales, while inflation has been about 4·5 per cent. That is the result of the economic policies which are producing extra expenditure, reduced taxes, lower unemployment and lower interest rates.

Job Training Schemes

10. **Mr. Ron Davies** asked the Secretary of State for Wales what information he has about the progress to date of the job training scheme in the Welsh pilot area; and if he will make a statement.

Mr. Wyn Roberts: Progress with the pilot in Neath and Port Talbot, which has provided places for over 300 entrants, has shown that the job training scheme offers unemployed people valuable training and work experience and the opportunity of a worthwhile vocational qualification.

Mr. Davies: I hope the Minister is not suggesting that the scheme is a success. If he is, can he explain why only 50 per cent. of the available places have been taken up and 50 per cent. of the people who have accepted a vacancy are over 25, when the scheme is intended for those under 25? Can he explain why only 18 per cent. of the vacancies have been taken up by women, when 40 per cent. of those who are unemployed and are eligible to be entrants are women?

Mr. Roberts: The hon. Gentleman has got his facts wrong. It is intended to extend the scheme nationwide as from the end of this month. There will be some 6,020 places available in Wales for this scheme by the autumn of 1987. Therefore, all the hon. Gentleman's comments on the scheme are limited to the pilot in Neath and Port Talbot. My overall impression of the pilot is that it has been successful. Because of that success, it is being extended nationwide.

Mr. Coleman: While I appreciate the value of the training carried out in the Port Talbot centre, may I ask the Minister to say where — these people having completed their training — are the jobs in Neath and Port Talbot for them to go to?

Mr. Roberts: Obviously the 18 to 25-year-olds at whom this scheme is particularly directed will be considerably better equipped for jobs. The evidence is that people are going into jobs after training.

Outgoers Scheme

11. **Dr. Roger Thomas** asked the Secretary of State for Wales what has been the response within the Principality to the most recently announced outgoers scheme for the dairy farming industry; and if he will make a statement.

Mr. Nicholas Edwards: The first phase of the milk community outgoers scheme, which sought to buy up 2 per cent. of our national reference quantity to offset the 2 per cent. reduction in quotas, which is due to take effect on 1 April 1987, closed in 15 February 1987. Twenty-eight applications were received from producers in Wales, 12 of which were subsequently withdrawn, giving a total litreage offered under the scheme of 1·7 million litres.

Dr. Thomas: Does the Minister agree that, with an outgoers scheme, which is really a redundancy payment scheme, it would be much better to pay three or four years' payments immediately an outgoer leaves dairy farming? He would then have much more cash to develop some alternative diversification.

Mr. Edwards: The hon. Gentleman will be aware that we shall now have to introduce across-the-board compulsory reductions in quotas to producers in England and Wales under the scheme that has been agreed by the

European Community. He will also be aware that compensation from EC funds has been increased from 18·3 to 27·5 per litre for seven years under the outgoers scheme, which is designed to effect permanent cuts. We must now wait to see how such new arrangements, which have been agreed by the Commission, operate.

Mr. Best: Is my right hon. Friend aware that many dairy producers in my constituency are trying to eke out a living on a net income of £3,000 or less? Does he not consider that there needs to be positive discrimination in favour of the smaller farmer to ensure that the rural life of Wales and Cefn Gwlad is not inhibited? Does he accept that the £90 dairy inspection charge was just about the last straw that broke the dairy cow's back for many of my constituents?

Mr. Edwards: I happen to believe that the campaign against the charge has been rather exaggerated. I do not believe that the impact of about 50p a cow will break any backs. I agree that the smaller producer is important. That is one of the reasons why we made special arrangements, when we introduced the quota scheme, to bring smaller producers up to a minimum level. I am sure that the increased compensation arrangements under the outgoers scheme will also be welcomed by such producers.

Mr. Geraint Howells: Will the Secretary of State inform the House why the many dairy farmers who have left the industry have turned their backs on the outgoers scheme during the past two years?

Mr. Edwards: Clearly, those who did not take up the outgoers schemes did not believe that it would be good value for money and made a judgment on the available alternatives. Of course, sale and leasing arrangements have also been taken into account. We are now moving into a new situation with a compulsory reduction in quotas, and the compensation arrangements will therefore be quite different in the period ahead.

Severn Barrage

12. **Mr. Colvin** asked the Secretary of State for Wales if he has carried out a study of the economic impact on South Wales if the Severn barrage were constructed.

Mr. Nicholas Edwards: A study of the potential regional effects of a Severn barrage is being undertaken as part of the £4·2 million programme of advanced investigations and site studies announced last July by my right hon. Friend the Secretary of State for Energy.

Mr. Colvin: I am sure that all hon. Members are pleased to hear that news. I believe that the House will agree with me that the sooner the studies are completed and the barrage is built, the better. Is my right hon. Friend aware that there is a threat to an economic and social asset in Wales if the barrage and the seven other smaller barrages on estuaries and rivers are built? That threat relates to fishing. What provision has my right hon. Friend made for migratory fish stocks to be catered for if the Severn barrage and the other smaller barrages for electricity generation are constructed?

Mr. Edwards: It is quite a good idea to carry out the studies before we decide whether the the barrage should be built. Certainly, the studies will address important conservation matters, including fish stocks. In much smaller schemes elsewhere in Wales we have made provision for salmon passes. They can sometimes be a matter of controversy, as we discovered in north Wales, where such a scheme has been criticised on environmental grounds. Therefore, the proper way to proceed is through the inquiries that my right hon. Friend has launched.

Mr. Terlezki: Is my right hon. Friend able to tell me what the financial impact on the barrage would be if a road were to be built over it?

Mr. Edwards: Clearly that is one of the possibilities, but the consideration of this proposition is at a very preliminary stage, and we had better decide whether to go ahead with the barrage before we decide whether there is to be a road on it. As my hon. Friend is fully aware, we are committed to proceeding with the work on a second Severn crossing, irrespective of any decision about a barrage.

Mr. Ron Davies: Does the Secretary of State acknowledge that not only fish stocks but other wild life are likely to be threatened by the proposed barrage? Will he confirm that his Department is aware that the Severn estuary is a site of international importance for nature conservation, and will he give a guarantee that any proposed development of the barrage will at least ensure that environmental considerations are given full weight?

Mr. Edwards: I am aware of the facts to which the hon. Gentleman refers, and I have no doubt that the studies that I have mentioned will take those facts very fully into account.

CHURCH COMMISSIONERS

Historic Buildings

18. **Mr. Greenway** asked the hon. Member for Wokingham, as representing the Church Commissioners, how much was spent in the past year by the commissioners on historic buildings under their control; what were the comparable figures 10 years ago; if he will give details of this expenditure; and if he will make a statement.

Sir Patrick Mayhew (A Church Commissioner): I have been asked to reply.

The commissioners have a large number of listed historic buildings under their control but do not keep a separate record of expenditure for this category. I regret that to calculate the information which my hon. Friend requires would cause disproportionate expense.

Mr. Greenway: May I say how splendid it is to see my right hon. and learned Friend acting in this important capacity? May I ask him whether the Church Commissioners have any plans to charge for entry to cathedrals—as recommended by the Select Committee on the Environment—during certain periods of the day, provided that parts of the cathedrals are always left for prayer? If so, will there be a standard charge for all cathedrals, or will some be more expensive than others?

Sir Patrick Mayhew: I am grateful to my hon. Friend for his kind remarks. I am always grateful for anything that is passed my way.

The Church Commissioners have no responsibility for the upkeep of cathedrals or, indeed, for the upkeep of churches.

VAT (Buildings)

19. **Mr. Chapman** asked the hon. Member for Wokingham, as representing the Church Commissioners, if he will make a statement on the effect of value added tax on repairs on those buildings for whose upkeep the commissioners have responsibility.

Sir Patrick Mayhew: I have been asked to reply.

In 1986 the commissioners paid over £500,000 in respect of VAT arising from the repair of buildings.

Mr. Chapman: As the Church of England is a major owner of listed buildings, as instanced by the fact that nearly half the grade I listed buildings are Church of England churches, and as it is generally accepted that the zero rating of VAT on building repairs to such buildings would provide the greatest boost to conservation, would my right hon. and learned Friend, as a commissioner, be prepared to encourage the other commissioners to lead a campaign in Europe to get the European Community rules changed so that the other major owners of buildings, the Government, bring forward proposals to this House to zero rate for VAT purposes the repairs to listed buildings?

Sir Patrick Mayhew: All hon. Members will have sympathy with my hon. Friend's objective. Versatile though I am, I do not think that I will undertake to encourage the commissioners, but I will undertake to see to it that they take careful note of my hon. Friend's point.

Mr. Cormack: Is my right hon. and learned Friend aware that the commissioners and others, particularly the Historic Churches Preservation Trust, have repeatedly lobbied the Chancellor to reduce or eliminate VAT on such buildings? Will he talk to his colleagues in the Government — and how glad we are to see that he is answering this particular question today — and urge them to make this change?

Sir Patrick Mayhew: I am grateful for what my hon. Friend has said. I certainly undertake to draw the attention of my right hon. Friend the Chancellor of the Exchequer to my hon. Friend's point.

Mr. Gow: Does my right hon. and learned Friend agree that, though many evils flow from Brussels, there is no responsibility on Brussels for the imposition of VAT on repairs to buildings of this kind? Will my right hon. and learned Friend confirm that it would be open to my right hon. Friend the Chancellor of the Exchequer to include in this year's Finance Bill a measure giving relief from VAT for repairs on this kind?

Sir Patrick Mayhew: I understand that there are difficulties in introducing a new zero rate. That is a matter to which the Select Committee gave its attention in its admirable report. I shall draw the attention of my right hon. Friend the Chancellor of the Exchequer to all points of this nature.

Compensation Payments

20. **Mr. Peter Bruinvels** asked the hon. Member for Wokingham, as representing the Church Commissioners, what measures the Church Commissioners propose to take to enable the payment of compensation to those clergymen who have announced their intention to leave the Church of England once the legislation admitting women to the ordained Ministry has been passed.

Sir Patrick Mayhew: I have been asked to reply.

The commissioners have no jurisdiction to make proposals in a matter of this kind. It would be for the General Synod to decide, in the first instance, the form of any financial provision.

Mr. Bruinvels: I thank my right hon. and learned Friend for his answer, realising that you, Mr. Speaker, could have answered it as well. My right hon. and learned Friend, who is a Church Commissioner, will know that 2,000 Anglican clergy might leave the Church of England if women are ordained. The report by the House of Bishops on the ordination of women to the priesthood makes it clear that it wants unity rather division. The assessment so far undertaken in the study shows that a number of clergy would lose office and promotion. There would certainly be a starvation of promotion for those opposed to the ordination of women——

Mr. Speaker: Order. This is not a debate.

Mr. Bruinvels: Will my right hon. and learned Friend prepare the costings for that move, recognising that 1991 is not far away?

Sir Patrick Mayhew: I know — indeed the whole House knows — that my hon. Friend takes a close interest in this matter, as in so many others.

Whereas I recognise the importance of financial provision in the event that women were able to be ordained as priests, that is perhaps not fundamental to what is an extremely difficult issue. It is not a matter upon which the commissioners have jurisdiction to initiate proposals.

Mr. Frank Field: Is the right hon. and learned Gentleman aware that many of the 2,000 priests who are threatening to leave the Church are doing so under the assumption that, should they leave, they would take a substantial part of the historic resources of the Church of England with them? Will the right hon. and learned Gentleman advise us that if such a division were contemplated, legislation would have to be passed by the House to approve it. Will he offer his own opinion on the chances of getting such legislation through the House?

Sir Patrick Mayhew: I am sure that the hon. Gentleman is right about legislation. To go any further into this issue on what is necessarily an ephemeral outing on my part would be unwise.

Mr. Stokes: Is my right hon. and learned Friend aware that we are glad to see him on that outing today? I hope that he makes the best of it. Is he aware that, as has been pointed out already, the Synod does not have the power to ordain women as priests? That will have to be done by this House, and that step must never be taken for granted.

Sir Patrick Mayhew: No one speaks with greater personal knowledge of these matters than my hon. Friend, who is, of course, a member for the General Synod. He will recall that in February the General Synod passed a resolution requiring the standing committee to bring forward two Measures for consideration.

What my hon. Friend says about the outcome is constitutionally correct. It has to be passed by the necessary majorities in all three Houses of the Synod and then come to this House.

Mr. Winnick: I also congratulate the right hon. and learned Gentleman on his promotion, which, no doubt, is

a welcome relief from his various other duties. Will he give a guarantee that any letter that he writes on this sensitive subject will not be leaked, wholly or partly?

Sir Patrick Mayhew: The first of the hon. Gentleman's observations was more welcome than the second.

Mr. Cormack: Will my right hon. and learned Friend give a firm indication that any legislation along the lines that he has discussed will have to be discussed pretty carefully with the Law Officers?

Sir Patrick Mayhew: Voluminous though our jurisdiction is, I am not sure whether it extends to that. Naturally, as we are both commissioners, we shall take a careful interest in this matter.

WALES

Teachers (Shortage Subjects)

13. **Mr. Gwilym Jones** asked the Secretay of State for Wales what action he has taken to overcome the lack of teachers in shortage subjects; and if he will make a statement.

Mr. Wyn Roberts: The Government have introduced various measures to increase the supply of teachers in the shortage subjects. These include a new bursary scheme to attract graduates to teacher training courses, increased expenditure on course development, increased grant-aid for in-service training, tax concessions for firms willing to second employees to schools and colleges and the establishment of the teaching as a career unit.

Mr. Jones: I am pleased to hear my hon. Friend's answer. However, are there any signs yet that the measures he describes are proving successful?

Mr. Roberts: I am pleased to tell my hon. Friend that recruitment to postgraduate teacher training courses in Wales in the shortage subjects—mathematics, physics, craft design and technology — in 1986 showed a significant increase as compared with the previous year. I am sure that he will agree that that is encouraging and is due largely, I am sure, to the new bursary scheme of £1,200 per annum which the Government have introduced to attract graduates to teacher training courses in those subjects.

HOUSE OF COMMONS

Opposition Parties (Finance)

21. **Mr. Peter Bruinvels** asked the Lord Privy Seal what recent representations he has received concerning the requirement that financial assistance provided to Opposition parties should be expended solely in support of the parliamentary business of those parties; and if he will make a statement.

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): As I told my hon. Friend in answer to his question on 2 March, each Opposition party qualifying for financial assistance has to certify that any reimbursement claimed is in respect of expenses incurred exclusively in relation to that party's parliamentary business.

Mr. Bruinvels: Is my right hon. Friend able to tell the House when the next review will be undertaken? When that review is undertaken, will the assessment be made of how the £630,000 which was allocated in 1986 is spent? Will it be an undertaking that the assistance is given to a particular party for carrying out its "parliamentary work here at Westminster," as Lord Glenamara said on 20 March 1975, or for "activities at Westminster," as my right hon. Friend the Leader of the House said on 23 January 1985?

Mr. Biffen: As I have already said to the House, I thought that we were now sufficiently close to a general election to ensure that the next review would be in the next Parliament. The point raised by my hon. Friend about the whole question of monitoring spending is one that could be considered at the time of the review and, of course, it would be done in respect of all political parties.

Mr. Beith: Does the right hon. Gentleman not recall that when his party was in opposition those sums were disbursed largely to the Conservative research department? Could it be the temporary absence of those funds that has led that organisation to become so slipshod and inaccurate in its work; such as, for example not knowing that during the Lib-Lab pact inflation went down from 20 to 7 per cent. and that Labour's nationalisation measures were stopped? Is he looking forward to the return of those funds to his party?

Mr. Biffen: The hon. Gentleman has raised a facile point. I assure him that if we are to quarry for the ineptitudes of research activities on behalf of the respective parties, the Liberal aspect of the Liberal-Social Democratic alliance would come out top of the league.

I shall now turn to the more serious point, which is what I am sure the hon. Gentleman intended. I thank him for pointing out the great importance of research in sustaining a party in opposition. That was never more evident than now.

Palace of Westminster

22. **Mr. Greenway** asked the Lord Privy Seal what representations he has received about progress with the cleaning and restoring of the external stonework of the Palace of Westminster; and if he will make a statement.

23. **Mr. Chapman** asked the Lord Privy Seal what representations he has received about progress with the cleaning and restoring of the external stonework of the Palace of Westminster; and if he will make a statement.

Mr. Biffen: I have not received any recent representations on this topic, but I am aware of a general wish among hon. Members that the stone restoration work should be completed as soon as possible.

Mr. Greenway: Will my right hon. Friend accept the wide admiration of the House and the country for the beauty of the parliamentary building as it is revealed by the restoration, and will he accept from me and many people that it would be extremely sad if the Victoria Tower was not fully restored, as it has been rumoured it may not be? Would it not be tragic if it stuck out like an elegant sore thumb?

Mr. Biffen: I agree with my hon. Friend. The restoration work that has been undertaken for the Palace of Westminster has had admirable consequences and I hope that in due course the Victoria Tower can be similarly restored. My hon. Friend will understand that I am in no position to say when that work will be undertaken.

Mr. Chapman: While commending the work that has been done, which is surely an example of how Parliament and the Government should lead the country in the proper care of architectural conservation, may I ask my right hon. Friend whether there are any plans to try to improve some of the internal courtyards of the Palace, which are very untidy and a disgrace to the splendid architectural heritage that has been passed on to us?

Mr. Biffen: I cannot answer that specific point without notice. However, if my hon. Friend would like to get in touch with me, I will ensure that he receives an answer.

Mr. Marlow: I wonder whether my right hon. Friend would see to it that a gargoyle is constructed of the Boy David, which apparently is the new title of the leader of the Liberal party, as described by the leader of the Social Democratic party.

Mr. Biffen: I thought that that description was so striking that it could stand on its own.

Mr. Cormack: Would my right hon. Friend pass on the thanks of the House to all those responsible for what is, by any standards, superb work?

Mr. Biffen: I am most happy to undertake that request.

Catering (Curried Cornish Pasties)

24. **Mr. Harris** asked the Lord Privy Seal if he will take steps to secure the withdrawal of curried Cornish pasties from the cafeterias of the House; and if he will make a statement.

Mr. Charles Irving (The Chairman of the Catering Sub-Committee): I have been asked to reply.

I unreservedly apologise to my hon. Friend for the human error that occurred when his delectable cornish pasty, whose name and fame is worldwide, was attributed to another of lesser renown; and the Catering Sub-Committee, through the General Manager, has taken immediate corrective action.

Mr. Harris: Does my hon. Friend realise that I am completely disarmed by that helpful reply? Does he also appreciate that if such action had not been taken his own very fine reputation as the best Chairman of the Catering Sub-Committee that the House has ever seen might well have been in jeopardy? While on the subject of pasties, may I go a little further? Does he realise that this insult against the culinary traditions of Cornwall has been further intensified by the fact that a more conventional type of pasty, sold as a Cornish pasty in the House, has a giveaway tag on its cellophane wrapper which reads "Made in Kent"? Will he, therefore, after these exchanges, taste a real genuine Cornish pasty that has been kindly made for him by a constituent of mine?

Mr. Irving: I am very grateful to my hon. Friend, who is a great defender of Cornish traditions. I think that he may be able to help me by sending me a note to tell me the sort of name that he would give to this Cornish patsie—I am sorry, pasty.

Miss Fookes: May I invite my hon Friend the Member for St. Ives (Mr. Harris) to send my hon. Friend the Chairman of the Catering Sub-Committee an authentic Cornish recipe, if he could do so without engendering further controversy?

Mr. Irving: That is a most admirable suggestion.

Mr. Key: In order to make amends to the people of Cornwall, and in recognition of the fact that they have just elected another Liberal hon. Member to this honourable House, will my hon. Friend consider the introduction to the menus of this House of that very fishy dish Stargazy Pie?

Mr. Irving: I should be very happy to give that matter careful consideration. However, I am afraid that pasties or patsies are non-political.

WALES

Schools (Peace Studies)

14. **Mr. Terlezki** asked the Secretary of State for Wales what information he has as to the extent of the teaching of peace studies in Wales and as to the local education authorities involved; and if he will make a statement.

Mr. Wyn Roberts: I am not aware of any Welsh local education authority promoting peace studies as a distinct item in the curriculum.

Mr. Terlezki: I am most grateful to my hon. Friend for that answer. However, should peace studies be introduced in our schools, would he provide the finances for that subject?

Mr. Roberts: The financing of education is a matter for local education authorities. However, I would feel obliged to stress that any attempt to smuggle in politically biased teaching would breach the requirements of the Education (No. 2) Act 1986. Local education authorities, governing bodies and head teachers are required by that Act to forbid the promotion of partisan political views in the teaching of any subject in the school.

Mr. Wigley: Does the Minister accept that implicit in this question is the suggestion that there should be greater centralisation of curricula — something that is causing considerable concern in Wales — and will he give an undertaking that if the responsibility for financing these or any other studies in schools is a matter for local authorities, curricula should remain a matter for local decision?

Mr. Roberts: I do not agree with the hon. Gentleman. There has been considerable discussion of the curriculum, and the general opinion among teachers, parents and all concerned with the education of children is that there should be more central direction of the curriculum than there is now.

Job Clubs

15. **Mr. Grist** asked the Secretary of State for Wales how many jobs have been gained in Wales by those attending job clubs since the scheme began.

Mr. Wyn Roberts: Since August 1985, 1,355 people in Wales have attended a job club, and 828—or 62 per cent.—have obtained employment as a result.

Mr. Grist: In view of that success, what plans does my hon. Friend have to extend job clubs throughout Wales?

Mr. Roberts: My hon. Friend knows that there are 24 job clubs in Wales, and we hope to extend the total to 60 by the end of this month. My right hon. Friend the Secretary of State has visited a job club in Haverfordwest and I have visited one on Deeside, and there is no doubt that they do an

Hospital Services (Ealing)

3.31 pm

Mr. Harry Greenway (Ealing, North): I beg to ask leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the deterioration of hospital services in Ealing as a result of the industrial dispute involving Ealing council employees."

The dispute has arisen because, before the elections last May, the Labour party promised council employees a review of the non-payment of the London weighting allowance, but, gaining control, the new Labour council has refused to pay London weighting.

Hospital services have been seriously affected. Ealing hospital cannot send people out into the community because no back-up services are available for them. The hospital is slowly coming to a standstill because there can be no discharges into the community and admissions cannot be accepted because hospital beds are full. People cannot have urgent operations and treatment. One side effect of the damage caused to Ealing hospital is that welfare officers are not operating in schools. About 32 schools in Ealing are closed today, including special schools for disabled children, some of whom are severely handicapped.

The matter is serious and urgent. It is also specific and important. Ealing hospital is central to the welfare of the people of Ealing and must be kept going. The dispute between Ealing council and its employees must be ended urgently.

Mr. Speaker: The hon. Member asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he believes should have urgent consideration. namely,

"the deterioration of hospital services in Ealing as a result of the industrial dispute involving Ealing council employees."

I have listened with care to what the hon. Gentleman has said, but I regret that I do not consider the matter that he has raised as appropriate for discussion under Standing Order No. 20 and I cannot, therefore, submit his application to the House.

Ministerial Answers

3.33 pm

Mr. A. J. Beith (Berwick-upon-Tweed): On a point of order, Mr. Speaker. Although it is clearly not for you to become involved in the answers which Ministers give to the House—you would have a very difficulty task if you were—nevertheless, is it not right that from time to time we should draw it to your attention when hon. Members feel that Ministers have persistently misled the House or persistently failed to give the House the information for which hon. Members were asking——

Mr. Speaker: Order. Ministers do not persistently mislead. They may give information with which the hon. Gentleman disagrees.

Mr. Beith: In the hope that we might dispel any impression that they could have done, and with the Leader of the House present and perhaps in a position to use his good offices, may I draw to your attention the fact that, on many occasions, hon. Members on both sides of the House, including several of my hon. Friends, have raised with Ministers the question whether battlefield nuclear weapons in the British Army of the Rhine were or were not being updated, and on every occasion——

Mr. Speaker: Order. I think that this would adequately come into Defence Questions tomorrow. It is not a matter of order or a matter for me.

Mr. Beith *rose*——

Mr. Speaker: Order. I cannot help the hon. Gentleman. I am genuinely sorry, but I think that we can deal with this tomorrow.

Mr. Beith: Further to that point of order, Mr. Speaker.

Mr. Speaker: Order. It is not a point of order for me.

Personal Statement

3.34 pm

Mr. Willie W. Hamilton (Fife, Central): In last Friday's debate on law and order I made remarks which reflected upon the personal conduct of certain hon. Members and which must have caused them offence. I wish now to apologise to the House and to those Members and to withdraw unreservedly the comments that I made.

BILL PRESENTED

Optical Appliances (Blind and Partially Sighted Persons)

Mr. Alfred Morris, supported by Mr. Jack Ashley, Sir John Farr, Mr. Lewis Carter-Jones, Mr. Dafydd Wigley, Mr. Robert N. Wareing, Mr. Laurie Pavitt, Mr. David Alton, Mr. Tom Clarke, Mr. Donald Stewart and Mr. Norman Atkinson, presented a Bill to amend Schedule 12 to the National Health Service Act 1977 and section 70 of the National Health Service (Scotland) Act 1978 to enable registered blind or partially sighted persons to obtain optical devices provided under the National Health Service free of charge: And the same was read the First time; and ordered to be read a Second time upon Friday 1 May and to be printed. [Bill 121.]

STATUTORY INSTRUMENTS, &c.

Ordered,

That the draft Statistics of Trade Act 1947 (Amendment of Schedule) Order 1987 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Durant.]*

Orders of the Day

WAYS AND MEANS

Order read for resuming adjourned debate on Question [17 March].

Amendment of the Law

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the national debt and public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting any supply;

(b) for refunding any amount of tax;

(c) for varying the rate of that tax otherwise than in relation to all supplies and importations; or

(d) for any relief other than relief applying to goods of whatever description or services of whatever description.—*[Mr. Lawson.]*

Question again proposed.

Budget Resolutions and Economic Situation

[Relevant documents: European Community Document No. 10155/86, Annual Economic Report 1986-87 and the unnumbered document, Annual Economic Report 1986-87 (final version as adopted by the Council).]

3.36 pm

The Secretary of State for Trade and Industry and President of the Board of Trade (Mr. Paul Channon): We shall be concentrating today, as frequently is the case, on the implications for industry and commerce of the Budget of my right hon. Friend the Chancellor of the Exchequer. On the last day of the debate on the Budget it is clear that it is a difficult one to criticise, because there are only 10 Labour Back-Bench Members present to hear the debate. They are right to think that there is nothing to criticise, because I am glad to be able to report to the House that the outlook for industry today is extremely promising.

Mr. Frank Haynes (Ashfield): Is the Secretary of State aware that there is a lobby of this place from the construction industry and that that is where our colleagues are? The right hon. Gentleman should follow them there.

Mr. Channon: That may be deemed to be more important than the Budget to the future of the country. It is for hon. Members to decide their priorities.

It is hard to remember a time when the economic climate for business was as favourable as it is now. The economy as a whole grew by 2·5 per cent. in 1986, and in 1987 it is expected to grow by a further 3 per cent. Manufacturing output, in which the whole House is interested, has grown by 14 per cent. over the past six years and will grow by a further 4 per cent. in 1987. This is a remarkable reversal of the downward drift in manufacturing output from its peak in 1973 and is a striking testimony to industry's revival.

The level of investment in the economy is also buoyant. Total fixed investment is expected to increase by 4 per cent. in 1987.

Mr. John Smith (Monklands, East): If the Secretary of State is correct and manufacturing output increases by 4

[Mr. John Smith]

per cent. in the coming year, is it not the case that even after that it will still be below the level of 1979? On that basis, why should the Government be entitled to any credit?

Mr. Channon: I do not think that the right hon. and learned Gentleman is right in that assumption. If my forecast is correct, we shall be at about the level of 1979. Whether or not it is, I must point out, as there seems to be a great deal of debate about the 1979 figures, that they were lower than the 1973 figures because of five years of Labour Government, during which they consistently went down. The idea that there is some miracle Labour party potion that cures everything is sheer nonsense. What is important when we look at the future is to see what will happen, and output will grow by a further 4 per cent. in 1987, and the outlook for output is extremely good. That is why Labour Members are so distressed to hear the news.

The figures that I am quoting are from my right hon. Friend's Budget, but outside forecasters, including a number by no means sympathetic to the Government—I can quote them if the House wants me to—make similar predictions. The figures announced last week confirm that unemployment is firmly set on a downward trend. It is particularly encouraging that some of the sharpest falls were recorded in areas of highest unemployment. The House spent last Thursday debating employment and my right hon. and learned Friend the Paymaster General convincingly showed that that trend will continue.

The prospects for our exporters are also excellent. In 1986 our non-oil exports were 3 per cent. higher than in 1985, and they are forecast to be 5 per cent. higher again in 1987 than in 1986. The volume of our manufactured exports is at an all-time record, after six years of steady growth. A further healthy increase in growth from that all-time record is expected in 1987. In recent months the growth in the volume of our manufactured exports has been running ahead of that of our manufactured imports. The combination of a competitive exchange rate and a world economy that is responding to lower oil prices means that, as the *Financial Times* pointed out a week ago, "the opportunities to rebuild the UK's share of export markets have rarely been better."

The Labour party tries hard to conjure up the spectre of a sterling crisis. Perhaps the loss of £5 billion in oil exports would have produced a sterling crisis if that party had been in office. However, after a cumulative balance of payments surplus of £20 billion over the seven years to 1985 we face the prospect of a deficit this year equivalent to one half of 1 per cent. of GDP. That this figure is so small is a tribute to the resilience of the economy in the face of a massive adjustment that was imposed so quickly by the falling oil price. It also illustrates the contribution to the balance of payments of our earnings from overseas assets, now running at £4 billion a year.

A relatively rapid rise in import volume is to be expected while the economy expands. About three quarters of manufactured imports are bought by business and commerce as essential inputs to their production. The full benefits of improved competitiveness have yet to come through. However, I expect the growth in imports to slow by the end of the year.

British industry is well placed to make the most of its opportunities. Productivity in British manufacturing, which was the despair of our friends in the 1970s, has improved by no less than 40 per cent. in the last six years. This puts us right at the top of the international league for productivity growth, ahead of Japan, Germany, the United States, Italy and France. Productivity has grown more than three times faster than when the Labour party was in power. During that time our productivity growth was lower than that of all our major competitors, yet Opposition Members have the cheek to argue about the prospects for British industry.

In recent months, unit costs in British industry have risen no faster than those in Germany and Japan, although I still see scope for improvement. The latest figures of the profitability of the non-North seas sector are the highest since 1973, and I am confident that this improvement is continuing. For the benefit of Opposition Members, I should emphasise the vital importance of profits, which are the source of three quarters of the funds needed by industry for capital investment.

It is not only in those aspects that can be quantified that British industry has now recovered. Our reputation for quality is being gradually and painstakingly restored. The industrial relations climate has been transformed. The number of industrial disputes last year was down to the level of 1935. Multinational companies are not only saying that the United Kingdom is once more a logical location for manufacturing operations; they are acting on the belief.

In today's *Financial Times*, the American chairman of British Oxygen stated:

> "In the last half dozen years Britain has done a pretty good job. If I was a company having to set up in Europe, it is Britain I would choose".

It must be said that 1986 was another excellent year for foreign direct investment in Britain.

Sir Peter Emery (Honiton): While one in no way wishes to carp at an excellent speech and superlative Budget, may I ask my right hon. Friend whether he accepts that hon. Members on both sides of the House are worried about the level of research and development in manufacturing industry? If we are to stay in the position that we have attained, research and development in the new technologies to keep us ahead of the world are of the greatest importance. If there is any way in which my right hon. Friend can help companies to further research and development, it would be worth undertaking.

Mr. Channon: There is a great deal in what my hon. Friend says. In my Department's budget there has been a massive switch of resources to research and development during the Conservative Government's period of office. We are considering a range of matters and in due course we will have to reply to the Select Committee in another place on this important aspect.

On foreign direct investment, I should tell the House that more than 300 foreign companies have shown their confidence in the strength, stability and future of the British economy by deciding to invest here.

Mr. Roger Stott (Wigan): Will the Secretary of State give way?

Mr. Channon: I must continue; I have given way three times already.

New investment projects in manufacturing included those announced by Compaq Computers from the United States at Erskine; NEC at Telford; and Orion Electric at

Port Talbot. Substantial expansion projects included those announced by Ford at Dagenham and Halewood; Peugeot Talbot at Ryton; Sharp at Wrexham; and Sony at Bridgend. These decisions confirm the positive experience of those companies already operating here. Since 1980 foreign direct investment in the United Kingdom has created or safeguarded over 200,000 jobs.

The list of our industrial successes is lengthening all the time. Jaguar, with the stimulus of a return to the private sector, has re-established a reputation for quality and turned a £30 million loss in 1981 into a profit of more than £120 million in 1986, creating 1,500 new jobs in the process. In 1978-79 it took British Steel nearly 14·3 man hours to produce a tonne of liquid steel. By 1985-86 it took 6·3 man hours and BSC's productivity had caught up with the best in Europe. J. C. Bamford, a family business, has taken on the American giants of the construction equipment world. It has remained profitable, while its competitors have been in retreat. It has quadrupled its turnover to £220 million in 10 years, and half of it is exported. Vickers, a company rooted in traditional heavy industry, has diversified, so that in addition to its long-standing activities it now has 40 per cent. of the world market in controllable pitch propellers, and it has diversified into several other areas.

In recent weeks and months there has been a general resurgence of business confidence. The CBI's monthly survey of industrial trends for February was the most encouraging of its kind for at least 18 months. The majority of firms expecting their output to increase was greater than it has been for three years. A majority of companies now say that their total order book is above normal—one of the highest figures ever recorded. On export order books, the response was more favourable than any since the middle of 1985, which was the most optimistic in the history of the survey. The most recent survey by the Association of British Chambers of Commerce recorded a high level of business confidence among its membership in all regions of the United Kingdom.

Mr. Richard Hickmet (Glanford and Scunthorpe): My right hon. Friend mentioned the BSC, and it was a great pleasure to have him visit the most efficient steelworks in Europe last Monday. Certain proposals have been aired by Eurofer and the Steel Council. Will he confirm that the BSC is among the most efficient and profitable steel corporations in the world, that any future cut in capacity must depend on the profitability of the industry concerned, and that as the BSC is the most profitable steel works in Europe we would expect no steel cuts in its operations?

Mr. Channon: My hon. Friend makes an important point, and exactly the same point was made by my hon. Friend the Minister of State at the Steel Council on Wednesday last week. I agree with him and am happy to confirm how impressed I am by the efficiency at the Scunthorpe works, which are probably the most productive steelworks in western Europe. If they are not the most productive, they are certainly right up with the leaders. That is a remarkable turnround, especially when one considers that when we came to office British Steel was losing well over £1 billion a year. This year its half yearly profit is albut about £68 million. In the past few years there has been a complete turnround.

I was dealing with the Association of British Chambers of Commerce. Its latest survey recorded a high level of business confidence among members in all regions and showed how confidence was picking up in the areas of high unemployment. The Government are determined to continue the fiscal and economic policies that have brought about these hopeful trends and my right hon. Friend's Budget is ideally suited to this purpose. Above all, industry needs a stable economic and financial framework. The runaway inflation of the 1970s must not be allowed to reappear. With the annual increase in the retail prices index now at about 4 per cent., and expected to remain in that region for the rest of this year, industry no longer faces the constant worry about prices shooting up as they did not very long ago.

Nor does industry need to fear that Government borrowing will enjoy priority over wealth creation in Government policies. The PSBR this year and next will be at lower levels than we have seen since the beginning of the 1970s as percentages of GDP. Industry, of course, has made a major contribution to this development, through increased payments of corporation tax. I point out to Opposition hon. Members that that is a classic demonstration that lower taxes and prosperous taxpayers mean more, not less, revenue for the Exchequer. It is a matter of great satisfaction that the prudent economic and fiscal policies pursued consistently by my right hon. Friend and his predecessor have made it possible for this year's Budget to include a range of measures, direct and indirect, that are greatly to industry's advantage.

My right hon. Friend's decision to devote more than half the scope for fiscal adjustment to a £3 billion reduction in public borrowing was not only financially prudent but will be of great benefit to industry and commerce, and thereby to jobs. The CBI welcomed the Budget as just what it wanted. *[Interruption.]* Opposition Members laugh at the CBI figures. They are not interested in the voice of the views of industry.

One immediate benefit of the decision to reduce the planned PSBR has been a further reduction in interest rates. All of us are aware of industry's long-standing concern that real interest rates have been higher in this country than in most of our competitor countries. It has been the Government's policy throughout that interest rates should be maintained no higher than is necessary to maintain downward pressure on inflation. The whole House will welcome the fact that the strength of the economy and the Government's prudent policies have permitted a cut in interest rates. Not only does each percentage point off interest rates represent a cut of £250 million in industrial costs, but, even more important, the prospect of a sustained cut in interest rates which can be taken into account when industrialists calculate the return on new investment will make it easier for them to plan for expansion.

The reductions in tax will help industrial performance. If Opposition Members believe that the money will be spent on imports alone, they have little confidence in British industry. Have they stopped shopping at Marks and Spencer which, like many companies, has British sourcing? My right hon. and learned Friend the Paymaster General has said that the same argument would apply equally to increased wages, but the Opposition do not argue that wages should be cut. The reductions in personal

[Mr. Channon]

taxation will encourage everyone not only to work harder but to acquire new skills and qualifications and to seek additional responsibilities.

I commend particularly to the House and to industry the proposed new tax relief for profit-related pay. For a married man on average earnings who accepts 5 per cent. of his pay in the form of profit-related pay this offers the prospect of an extra £1·50 a week, which is equivalent to 1p off the basic rate of income tax. With 20 per cent. of his pay in the form of profit-related pay the tax relief is worth £6 a week, or 4p off the basic rate. If this new relief is widely taken up, as I hope it will be, it will help to create a sense of common purpose among all those who work for companies. It will bring much needed flexibility in pay structures, without which firms are understandably reluctant to take on more employees when things go well, and may see no alternative in a downturn to reducing employment.

Industry's most important resource is its people. The Budget will help to ensure that the energies and potential of countless individuals are put to good use.

It is an excellent Budget for the individual entrepreneur and the small business. The large increase in the threshold for inheritance tax and the improved business reliefs will make it easier to pass on a flourishing family business to the next generation. The increased retirement relief from capital gains tax will also improve the incentive to build up a small business.

My right hon. Friend's package of VAT measures for small businesses responds to a number of legitimate concerns. The proposal to allow firms with an annual turnover of up to £250,000 to account for VAT on a cash basis will be particularly welcome. It will mean that small firms are no longer required to pay VAT on transactions for which they have not been paid, and it will thus allow automatic relief from VAT on bad debts. The option to account for VAT annually, with a system of monthly instalments, will be found useful by many firms.

The changes in the business expansion scheme will increase the value of this useful measure. It will no longer be necessary for all the funds subscribed to be invested within the same financial year if tax relief is to be obtained. This has led to a bunching of BES investments in March of each year, with the risk that the quality of the investment suffered. The change will increase the confidence of potential investors in the scheme, as well as its potential for helping to launch small and innovative companies.

A further specific change is designed to enable the business expansion scheme to be used more easily for financing film production in the United Kingdom. This is something that the film industry has been urging on the Government for some time, and my right hon. Friend's proposal will be very welcome to them.

This Budget represents the continuation of an economic strategy that is plainly succeeding. It maintains the prudent fiscal and monetary policies that have resulted in inflation finally being curbed. It takes a further step towards increasing incentive and enterprise by allowing people to keep more of what they earn, and it continues to reduce the level of public sector borrowing, so releasing more funds for private sector investment at a lower price.

These policies have led to the successes that I have already outlined and have contributed to achieving the biggest monthly fall in unemployment on record. Yet the Opposition — with their heads still buried in the discredited economic tomes of the 1960s, rather than observing the reality of economic success all around them —continue to advocate the reverse. In a welter of high spending, high borrowing and high taxation, they would throw away all that has been achieved. They have a prescription that would send us sliding back to the bottom of the league once again. On every front their policies would be crippling to industry and business.

The climate of understanding and co-operation in industrial relations, which the Government's trade union legislation has helped bring about, would be lost as power was handed back once more to the militants and extremists in the trade unions. Industry would be hamstrung by a plethora of bureaucratic committees and controls. Management would be prevented from taking any decisions until it had been cleared by innumerable committees, local authorities, the trade unions and any other pressures that the Labour party wants to put on it.

Some companies would fare even worse. For them it would not just be management which the state took over, but ownership as well. Despite the overwhelming evidence of its manifest failure, nationalisation is still on Labour's agenda, although it calls it by a different name nowadays.

In case industrialists are tempted to believe that their particular commanding height of the economy is not on the list for seizure, I remind them of the words of the right hon. and learned Member for Monklands, East (Mr. Smith), who last year said:

"I don't see why we should just go round taking over clapped-out companies. It would be nice to get into the new profitable areas. Stuff that makes money."

The right hon. and learned Gentleman nods. That is the Labour party's policy. I am glad to have that confirmation. The House welcomes that clarification. One thing is certain. Once the right hon. and learned Gentleman and his colleagues got their hands on those companies they would not be profitable for long.

Labour has also promised to impose selective import tariffs and subsidies. This would lead to swift retaliation against British exporters, just at a time when our export prospects are better than they have been for years. In addition, to my astonishment, the Opposition have said that they propose to abolish the aid and trade provision, which, since its inception, has helped to win exports worth £1·7 billion. I cannot fathom what on earth the policy reason for that can be. Perhaps the right hon. and learned Member for Monklands, East will tell us a little about that proposal, because it seems utterly astonishing.

Hon. Members will remember that during the Knowsley, North by-election, when I much enjoyed the presence of the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), the hon. Member for Kingston upon Hull, East (Mr. Prescott) let the cat out of the bag by announcing that Labour would impose a levy of at least 1 per cent. on companies' turnover to finance industrial training.

Mr. Eric Heffer (Liverpool, Walton): That is right.

Mr. Channon: I am glad the hon. Member for Kingston upon Hull, East has the support of the hon. Member for Liverpool, Walton (Mr. Heffer). Others are not too sure. His colleague, the right hon. Member for Sparkbrook, hurriedly tried to put the cat back in the bag again by

saying in the same place the next day that that was not Labour party policy and that he could not imagine that it would be.

A week later the hon. Member for Kingston upon Hull, East added to the confusion by telling me during the industry and employment debate that compulsory training levies were certainly Labour party policy and that 1 per cent. was the minimum under consideration. It seemed that the two were split by irreconcilable differences and that buns might start flying in the Tea Room.

Last week the Labour party introduced its new training document describing a new adult skill plan financed by Government and industry, but no mention is made of levies. All that we are told is that there is to be a new name —a new national training fund, which would require a fair financial contribution from all employers.

I should be grateful if the right hon. and learned Member for Monklands, East would tell us exactly what is proposed. What is the size of the burden which the Opposition intend to put on industry? Is it to be a 1 per cent., 2 per cent., or 3 per cent. levy? Is it to be on turnover, on profits or on sales?

As recently as last Thursday the hon. Member for Kingston upon Hull, East, who is rapidly becoming to the Labour party what the albatross was to the ancient mariner, forgot his brief and admitted that there would be a levy. But then, in a remarkable attack of amnesia, he denied that he had ever said that the levy would be 1 per cent. on turnover. Surely the House and industry in general are entitled to know exactly what the proposals are, what they will cost and whether small companies are to be exempt. We must be told, or industry will have no idea what financial burden the Labour party proposes to impose. That is a disgrace.

Mr. Heffer: If we are not to have a levy of 1 per cent. or a fair contribution to training, how will we train the people whom we need?

Mr. Channon: I am strongly in favour of more training expenditure, but I am not in favour of a compulsory 1 per cent. training levy on the turnover of companies whether they be big or small. That is what is promised. Either that is Labour party policy, or it is not.

Mr. John Smith: Will the right hon. Gentleman give way?

Mr. Channon: Not now. The right hon. and learned Gentleman will have a chance in a minute.

Mr. Smith: I should like to answer.

Mr. Channon: Very well, we shall hear the answer.

Mr. Smith: The right hon. Gentleman's reluctance to give way might arise from the fact that my hon. Friend the Member for Liverpool, Walton (Mr. Heffer) asked a pertinent question. If the right hon. Gentleman is in favour of extra expenditure on industrial training, how is it to be financed?

Mr. Channon: I believe that training should be financed by the companies themselves. The House will have noticed that even though I gave way the right hon. Gentleman chose not to answer the question. He did not answer the question, either because the Labour party has not decided, or because the answer is too embarrassing. Perhaps we shall be told a little later, although I suspect that we might not be.

Mr. Sydney Bidwell (Ealing, Southall): Will the right hon. Gentleman give way?

Mr. Channon: I must press on. Many hon. Members wish to speak.

The Budget is prudent. It is a Budget for industry, with sound money, lower interest rates and improved incentives. Industry's performance over the last six years has been a success story that is perhaps only now being fully recognised. The Budget will allow industry to build on that success. I hope that it will be the signal for many firms to move from successful consolidation to renewed expansion. The criticism from the Opposition Benches is a time-honoured part of our ritual. What matters is the response to the Budget by industry and the country. I am confident that the response will be positive. The outlook for industry has seldom looked brighter.

4.6 pm

Mr. John Smith (Monklands, East): Having listened to the Secretary of State's speech, one can hardly believe that we live in a country with over 3 million unemployed. Those people rated hardly a mention from the beginning to the end of the right hon. Gentleman's speech, yet unemployment is one of the three great problems in this country. The first is mass unemployment which is at a disgracefully high level by any civilised standard. The second is a manufacturing industrial base which has been dangerously reduced and urgently needs to be expanded. The third is the deepening entrenchment of the north-south divide.

It is clear that the Budget was not intended to help a sustained effort to reduce unemployment. In speech after speech during the Budget debates Government apologists have sought to claim that tax cuts, particularly the reduction in the standard rate, will create jobs. They might, but if the extra money available for consumption is spent on imports—as the evidence shows is likely—new jobs will be created, but they will be in Frankfurt and Tokyo, not here.

If the Government had any intention of creating new jobs in the United Kingdom, which one might have thought to be a reasonable aspiration of any sane Government, the best value in jobs and in the improvement of services is to be achieved in a carefully targeted programme of public expenditure.

The Labour party has produced such a programme in "New Jobs for Britain". The intention is to reduce unemployment by 1 million in a two-year programme. It involves four main elements. The first is encouraging economic enterprise by stimulating investment in manufacturing, promoting industrial and regional policy and reducing industry's costs by cuts in national insurance contributions on a regional basis. That will provide 250,000 jobs.

The second element is stimulating capital investment in the nation's infrastructure, with particular reference to the housing programme and transport systems. That will produce another 250,000 jobs in the public and private sectors.

The third element involves a major skill training programme, converting the current piecemeal schemes into a national training programme providing 360,000 jobs and training places.

The fourth element is improving health, education and personal social services to provide another 300,000 jobs. The cost will be £6 billion each year.

Mr. John Maples (Lewisham, West): We understand that the Labour party's programme is to be financed by increased borrowing. Last Wednesday the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) said that he would be happy with a PSBR at 4 per cent. of GDP, at about £15 billion or £16 billion, which represents an increase of £12 billion. What effect will that have on interest rates?

Mr. Smith: My right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) said nothing of the kind. Certainly at no time did he say that the programme would be financed entirely by borrowing. The hon. Gentleman should reread *Hansard*.

Mr. Maples: On a point of order, Mr. Speaker. Is it in order for the right hon. and learned Member for Monklands, East to misrepresent what his right hon. Friend the Member for Sparkbrook said on Wednesday?

Mr. Speaker: The hon. Gentleman can seek to raise that matter later if he is called.

Mr. Smith: My right hon. Friend the Member for Sparkbrook was talking about the public sector deficit, not public sector borrowing. When the hon. Gentleman rereads *Hansard* he will be under an obligation to withdraw the allegation and not to repeat it.

We have repeatedly made it clear that the cost of the programme will be £6 billion in each year. We know from this Budget that that could be afforded—let it not be said that there is no alternative. The Chancellor had at his disposal £6 billion and that could have been used to finance the programme. Each time a sensible policy has been advocated to the Government we are told that there is no alternative to their current policies, as if it was beyond the wit of man to devise any alternative. They cannot use that excuse in this case. The Labour party's programme spells out what can be done and the Budget showed that that it could be afforded. It is a matter of choice.

The Chancellor of the Exchequer (Mr. Nigel Lawson): Oh!

Mr. John Smith: The Chancellor laughs. We are used to his lack of concern for the unemployed. In Budget after Budget he has refused to lift a finger to help the unemployed. In this Budget he has made the cynical choice to disregard them entirely. The Chancellor's ambitions are not as high as ours, but if he had even spent £2·6 billion —the amount of money he used to cut the standard rate —it would have made a significant impact on reducing unemployment.

What type of Government do we have? What kind of society do we live in that does not put the reduction of unemployment by 1 million in two years at the top of its list of priorities?

Mr. Lawson: The level of unemployment is coming down, you silly man.

Mr. Smith: I shall avoid replying directly to the Chancellor's vindictive personal abuse — it is no substitute for argument. When I develop my argument I shall have a word to say about some of the things he has said in the past, but I hope that he can contain himself for a moment or two.

The Chancellor does not seem to understand that the figures for unemployment in this society are higher than they were in the 1930s—and we thought that was the most dismal decade of our century. He does not seem to understand that unemployment is lasting longer than it did in the 1930s. It is not just the loss of economic opportunities that is so disheartening; it is the blighting of individual opportunities and the stunting of personal development, especially that of our young people, which is the tragedy of our times.

The Chancellor and his colleagues talk about getting unemployment below 3 million, as if to get unemployment below that figure would be an occasion for national rejoicing, when we would all break out into cheers at the Government's success.

Mr. Hickmet: Surely the right hon. and learned Gentleman will be pleased if that occurs?

Mr. Smith: I will be pleased when unemployment finally gets below 3 million, but I will not regard that as an opportunity to congratulate a Government who should never have allowed that figure to get near 3 million in the first place. This is the first post-war Government to put us into such a position. If the Government do get to the stage where unemployment is below 3 million, with all the associated flags and buntings, I hope that they will not be surprised to discover that the public do not consider that much of an achievement. The Government will be reminded that they inherited an unemployment level of 1·25 million. The public are also aware that, in modern Britain, 1·25 million under-25s alone are out of work at the moment.

The Government have a determined policy towards the unemployment figures and that is why they have made 19 changes to them. I wish they had an equally determined policy towards the true problem of unemployment.

This Budget is irrelevant to the millions of unemployed and their families. The Chancellor — we need not be surprised that he did this—walked by on the other side of the street.

In the presentation of the Budget an attempt was made —it was repeated today by the Secretary of State for Trade and Industry — to claim that industry was prospering under the Government. It is a difficult task to claim that industry is prospering under the Government and we must consider the facts. How can industry be prospering when investment in manufacturing industry —the key to our future success—is 20 per cent. lower than it was in 1979? How can industry be prospering when manufacturing output is 5 per cent. lower than it was in 1979—in fact it is lower than it was in 1972—and when 20 per cent. of our manufacturing capacity has disappeared? I challenge right hon. and hon. Members on the Conservative Benches to question any one of those figures. They cannot. They know that they are precisely the current facts about British industry. Those are the results of eight years of Conservative Government.

How can the Government have been succesful if investment is one fifth below what it was when the Conservatives came to office? Output has still not reached the level that the Conservatives inherited. At the end of next year, output, based upon the Secretary of State's prediction and the prediction in the Red Book, will still not have reached the 1979 level. The fact is that one fifth of our industry has disappeared. How can that be a record of success?

The Secretary of State for Trade and Industry and other apologists seize upon one statistic — that of

productivity — and say that everything is reassuring because manufacturing productivity has increased. Today the Secretary of State for Trade and Industry introduced a new phrase, "comparisons of rates of productivity growth". Almost certainly that will be something different from productivity, but the sleight of hand that goes on in the presentation of statistics is such that we must consider the productivity statistics with care.

Mr. Tony Marlow (Northampton, North): Will the right hon. and learned Gentleman give way?

Mr. Smith: I am developing an argument at this stage and I will not give way.

The Government argue that manufacturing productivity has increased, but I hope that they know that productivity figures have only comparatively improved because employment has fallen faster than output. In effect, workers have been thrown on the dole faster than production has declined. Productivity growth on its own is not the objective that we should seek, rather productivity against the background of increased production. That should be the true objective. In that way we generate higher output through improved utilisation of all our resources. I have reminded the House that manufacturing output is some 5 per cent. lower than it was in 1979. Productivity has increased only because employment has fallen by 28 per cent. The Government should take no credit for that figure.

In Government speeches copious references are made to an increase in exports. We heard it again today from the Secretary of State for Trade and Industry. It is true that, since 1979, manufacturing exports have risen by 15 per cent., but why is it that, in all the speeches from Ministers, in the Red Book and in answers to questions, there is only ever reference to exports? There is never any reference to imports. Surely the Government comprehend that it is the relationship between exports and imports that is the crucial matter.

Mr. Lawson *indicated dissent.*

Mr. Smith: If the Chancellor does not understand that, it is no wonder that we are in our present economic difficulties. Perhaps the Chancellor believes that it is all right to talk about exports and totally to ignore imports. I thought it was bad enough that the Secretary of State did not know the difference, but now we have a Chancellor of the Exchequer who does not know the difference either.

Mr. Marlow *rose*——

Mr. Smith: No, I will not give way.

The Government refer to exports rather than imports only because if they refer to imports it gives the game away. Manufacturing exports have risen by 15 per cent. since 1979, but if the Government referred to imports they would have to admit that, since 1979, they have gone up by 48 per cent.

In all the Government propaganda a cloud of silence has descended on the trade figures, especially the figures for manufactured goods. The reason for that is that we had a deficit of almost £6 billion in 1986 and, as the Red Book tells us, we are heading for a £8 billion deficit in 1987. Not only are we in deficit, but we are, in fact, facing a deficit that is accelerating on a downward curve.

Mr. Lawson: That is neither here nor there.

Mr. Smith: According to the Chancellor, it does not matter that we have moved from a £5 billion surplus in 1979 to a £8 billion deficit in 1987. It does not matter that there has been a £13 billion deterioration in the balance of trade in manufactured goods. The Chancellor sits there smugly and says that it does not matter. That reveals the mentality and competence of the people who are temporarily in charge of our affairs.

Mr. Marlow *rose*——

Mr. Smith: I will give way to the Chancellor if he would like to explain why a £13 billion change in our balance of trade does not matter. It would be an interesting explanation. We know, however, that these are facts that cannot be denied. The alarm bells should be ringing both in the Department of Trade and Industry and in the Exchequer to signal the deterioration in our balance of trade in manufactured goods. That would be happening within any sensible and competent Government. Worst of all, this is the first time since the industrial revolution that Britain has had a deficit in its balance of trade in manufactured goods. It is the unique achievement of the Government to put us into deficit to the extent of £8 billion.

Despite the depressing statistics for British manufacturing industry, is there any notion of help in the Budget? The answer is no. To all intents and purposes, the Government have turned their backs on manufacturing industry. It was the Chancellor of the Exchequer who reminded us some years ago that he did not understand the special importance that the Opposition, and some Tories, attach to manufacturing industry. I shall explain the special importance that we and, I suppose, some Tories still give to it. The manufacturing sector is the nation's indispensible wealth creator. Secondly, without a vigorous and expanding manufacturing sector, we shall not be able to pay our way in the world.

There are those who speak of the important contribution that is made by the service sector. I accept, of course, that it has an important contribution to make, but it will not have a future unless it has the market that the manufacturing sector provides for it. It is the interlinking of the two sectors that the Government fail to understand whenever they address these problems.

Mr. Ian Wrigglesworth (Stockton, South): Will the right hon. and learned Gentleman advance the argument that only one third of services are tradable whereas virtually 100 per cent. of manufactured goods are?

Mr. Smith: I would make that point if it were precisely correct. The argument is slightly better than the hon. Gentleman suggests. Only one fifth of services are internationally tradable as opposed to all manufactured goods. I am grateful to the hon. Gentleman for his help, but perhaps he will help me a little more when he next intervenes by getting the facts right.

Tomorrow the Labour party will launch its industrial policy, entitled "New Industrial Strength for Britain". The document will show how a constructive policy can help to transform the prospects for British industry. We wish to set in motion three engines of growth: first, new policies for investment; secondly, a new approach to research and development; thirdly, an entirely new approach to education and training.

We know already of the Government's appalling investment record. That is why we need the British investment bank that the Labour party proposes, which

[Mr. Smith]

will bring forward new investment in manufacturing industry. I need hardly dwell on the case for research and development. An intervention in the speech of the Secretary of State for Trade and Industry made the point. It is so obvious that more research and development is needed. Britain will fail if it does not encourage new products and processes. In that context, it was chilling to note a few days ago a report from the Science and Engineering Research Council that it would have to stop financing all further projects this year because of an acute shortage of funds provided by the Government.

The scandal of Britain's neglect of industrial training has been revealed in report after report. In "New Jobs for Britain" the Labour party has shown what could be done. What do the Government say? The Secretary of State has told us that he is in favour of industrial training, but he added that it would have to be financed by companies and he did not have a clue how that was to be done. Next time the right hon. Gentleman thinks that he has a stick with which to beat the Opposition, I advise him to ensure that the stick does not hit him over the head. He should formulate his own policy before he attacks the policies of others.

Sir William Clark (Croydon, South): Is the right hon. and learned Gentleman aware that a 1 per cent. levy on the turnover of our most successful companies would turn their profits into loss?

Mr. Smith: I am aware that in many unsuccessful companies there is no provision for proper education and training. The Chancellor of the Exchequer told us last year that the responsibility for research and development and for industrial training could be left to industry, which he claimed was profitable. He argued that it could afford to pay for it, and would do so. The fact is that industry has not responded. British employers for the most part—there are some honourable exceptions—cannot be relied upon to provide industrial training. Their neglect of industrial training is a measure of their failure to calculate their own long-term self-interest. This is a serious matter for the nation and for all those who are affected by the failure to provide training opportunities.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Is my right hon. and learned Friend aware of the effect of the changes in the way in which British Rail is to be organised in my constituency, which mean that, for the first time, this year 88 apprentices will complete their training and will not be given jobs? Is he aware also that no new apprentices will be taken on? That is one of the effects of the Government's policies.

Mr. Smith: I am grateful to my hon. Friend for drawing atttention to a serious situation that has arisen in her constituency, and in many others, as a result of the terrible decisions that have been taken by the management of British Rail.

The most sickening feature of all is the de-skilling of the nation. In most areas of Britain if an engineering company advertises for a small number of apprentices, the management is embarrassed by the hundreds of youngsters who apply. Only recently a manager in my constituency told me that he would never advertise again for apprentices. He explained that he did not know how to handle the queue of hundreds of youngsters who came looking for work. In future he will let it be known more locally that apprentices are required, and it is probable that they will be supplied by relatives of the existing work force. He told me that he had not understood the depth of the problem until he experienced it for himself. Unfortunately, that is the position throughout the country.

Instead, we should have a policy that is designed to create the best educated and most trained work force in western Europe. That is well within Britain's capacity. That could be achieved if it were set as one of our objectives, but that will not happen by accident. It will need the commitment of employers, employees, trade unions, trainers and educators at all levels. Above, all, the Government must give a lead.

Anyone who reads the Budget statement and listens to our debates will not guess that we are talking about issues that are vital for Britain. No one who studies the measures that are set out in the Budget statement will guess that we live in a nation that is more deeply divided now between north and south than ever before. Outside the south-east, the south-west and East Anglia—that is Britain to the north and west of the line between the Severn and the Wash—there has been sustained 94 per cent. of all the jobs lost since 1979. We know that the north-south divide is not the only relevant statistic. In pockets of the south-east, in some of the industrial towns, and especially inner city areas, there have been serious and worrying job losses. The most striking division, however, is between north and south.

For many hon. Members it is not necessary to deploy statistics on this issue. They know only too well from their constituency experience what is happening. A journey around Britain, especially by train, will draw attention to empty factory sites and deserted premises where there was once the hum of productive activity, where people and communities earned a good living for themselves and contributed to Britain's industrial and training strength. Too many areas are either derelict sites or factories with broken windows.

Mr. Marlow: Labour local authority areas.

Mr. Smith: The hon. Gentleman makes the cheap remark, "Labour local authority areas". I do not think that they are uniquely Labour areas. If they are Labour areas, thank goodness that there are some Labour Members who understand what it means.

Mr. Marlow *rose*——

Mr. Smith: I shall not give way to the hon. Gentleman merely because he shouts from a sedentary position. That does not give him the right to intervene in the debate.

My hon. Friends—I wish that this were the position on the Government Benches—know of the tragic new phenomenon that is caused by the north-south division. Workers are driven south to look for work. They travel down from the north to find a job in relatively prosperous parts of the south. Many of them find a job but they cannot settle because there are no local authority houses, and house prices are tens of thousands of pounds above any ceiling to which they could aspire. We see these workers during the weekends on long-distance buses. They are the new industrial gipsies of Britain. These are men who travelled south to find work and they return home for

the weekends. They are driven to make impossible choices. They are unable to settle with their families in the area in which they can find work. This means that they have to travel on long-distance buses during weekends.

Some of these men decide that family life is more important than a job and retreat, disillusioned and despairing, to where they came from. That is understandable. Others struggle on, having added to their problems the difficulties of a divided family. This tragic division of our country cannot be right, but it has not happened by accident. It is not something that has visited Britain like the black death of the middle ages, about which nothing could be done. It is the direct result of Government neglect. Regional industrial assistance has been halved since 1979, and the Government are planning to halve it yet again in spite of these appalling problems. The Government have abandoned regional industrial policy, which they described in their 1984 review as "a social policy".

That is the essential difference between the two sides of the House. We do not argue that regional policy is a social palliative to deal with the problems of run-down industries; we make an economic case for it. We say that we must use all the resources and skills of the people in the relatively disadvantaged areas so that they can create a new future for themselves, and so that we can lessen the division between north and south and the dependency which is so demeaning to both sides.

That is why the Labour party is committed to new development agencies, which will spearhead an industrial recovery in the regions. It is why we will place special emphasis on high-class new technology as part of our regional industrial policy, and will review the classification of assisted areas to breathe new life into a commitment that is now dwindling by the day.

We do not and cannot accept that the accentuation of unemployment and the deprivation of personal opportunity can be justified. It is bad for the north, but it is equally bad for the south. If economic expansion is to be confined by unfettered market forces to the overcrowded segment of our country, there will soon be overheating, skill shortages and pressures on the environment — all of which could be avoided by sensible planning to distribute industry not only more fairly, but more rationally. Bringing jobs to the people instead of driving the people around the country in pursuit of them seems a much more intelligent approach.

To listen to the Government speak about the Budget, one would think that the problems did not exist. There is certainly no hint of a policy to deal with them. That is the crucial difference between us. The Labour party wants a better, more productive future for our country, and we know that that can be achieved only by an expanding and competitive industry that taps the skills of our people and gives them an opportunity to take on the world. We know that we must create the wealth, as well as advocating that it should be spent on improving the quality of our society and the opportunities for our people. That is why we wanted to see a Budget that mounted an assault on unemployment, made its principal purpose the revival of our industries and sought to counter the deepening divisions in our country and among its people.

We oppose this Budget not merely because the Government have proposed no policies to deal with the problems, but because they do not even share our objectives.

4.32 pm

Mr. Julian Amery (Brighton, Pavilion): I listened to the right hon. and learned Member for Monklands, East (Mr. Smith) with, as always, great respect. He ended his speech by emphasising the division between north and south. I recently had the opportunity to campaign for my party on Tyneside and in Durham, and I must say that I was surprised to find that the position, at least superficially, was not so very different from that in Brighton and the south-east.

Of course, big changes take place, including industrial changes. When Bristol and Liverpool were deprived of the slave trade a great many problems were created for those who had been employed in it, but some industries cannot be brought back. The same kind of thing is happening in various parts of Britain where industries that were once of major importance cannot be revived today.

The right hon. and learned Gentleman said that we must have a strategy for bringing work to the people. Of course we must, but we must also think about how to bring people to the work. The debate has reminded me of a fable which I am sure you, Mr. Deputy Speaker, were taught as a boy. It concerned some hunters who were hunting a bear and arguing about how to divide its skin. Until this year our Budget debates have largely raised the question, "What is the best way to hunt the bear, and what is the best way to divide the skin when we have caught it?". This is the first time that we have caught the bear, enabling the Government—I shall discuss in a moment whether they were right or wrong — to spend nearly £5 billion on hospitals, schools and so on, to cut taxation and to pursue a policy that is bringing down interest and mortgage rates.

I am sure that the right hon. and learned Gentleman —who I think will end up on a different Bench from that on which he now sits—will be the first to recognise that that is a considerable achievement. I do not think that anyone would deny that. We have climbed a steep and stony path and, to paraphrase Sir Winston Churchill, we have emerged on to sunny uplands, where we have something to distribute. The interesting point about the debate is that it has not been about the policies; it has been about how we should divide the proceeds.

Conservative Members are entitled to ask, "Would the bear have been shot if the Labour party had been in power?". I think that the answer is no. I am sorry to see that the right hon. and learned Gentleman has momentarily left the Chamber; he may have some natural function to fulfil. Would the policies advocated by the Labour party since 1983 have produced the results that ours have produced? Labour's policies have been modified from week to week and from month to month. I understand that it is announcing some tomorrow that are different from those that it has preached before, but all that those policies have advanced is the need for more public expenditure.

There is a reasonable argument for that, but where does it lead? We have been through it before, and we know that it leads to higher inflation, to austerity and, in the end, to bringing back the International Monetary Fund. We know what it did to our industrial relations, which are now among the best in Europe. My right hon. Friend the Secretary of State mentioned that foreign companies were now investing here. They would not have done so had the National Coal Board not won the battle against Mr.

[Mr. Julian Amery]

Scargill, or had the newspapers been stopped by the Wapping dispute. On both issues, the Labour party was on the wrong side.

A new world is developing. My right hon. Friend said that 300 German companies were investing here. I have heard of 200. Asked why, they said that our industrial relations were better and that our taxation was more sensible. When I was on Tyneside I was interested to note that the Nissan company was taking up work in Sunderland in a big way. All that is the result of policies that have worked. More growth, more employment, lower interest rates, lower inflation and a stable currency cannot be called bad results. I question whether those results would have been achieved if we had pursued the policies advocated by the right hon. and learned Gentleman.

I come to the policies advocated by the alliance. They are rather like the old Austrian eagle. They have two heads. One says to the country that whatever the alliance thinks the audience wants to hear. The other, which is quite natural, coming as it does from the new chancellor of Oxford university — the right hon. Member for Glasgow, Hillhead (Mr. Jenkins) — is the Socialism of the Gaitskell era. I understand and respect that view, but where does it lead? To call it "cloth cap Socialism" is out of date, but I would say that the SDP comprises well-dressed Socialists with a penchant for the better things in life, and why not?

Because SDP Members have learnt from their experience that that policy cannot be made to work without producing inflation, they have advocated a form of incomes policy. It is a rather complicated formula, which penalises employers. It might lead to a flight of capital unless exchange controls are introduced. It is not a sensible policy or one that might create or encourage economic growth. I understand that the right hon. Member for Hillhead and his colleagues want to show that they are not in favour of inflation, but what will they do? Will they invite Barbara Castle to join their ranks? "In Place of Strife" is what they are trying to say.

With hindsight, it could be said by Labour and alliance Front Benchers that the Government might have done better. I do not deny that. All politicians are fallible. Alfred Marshall, who was the doyen of all our economic policies when we were young, said that to achieve economic success one has to apply reason, perception and imagination. That is exactly what my right hon. Friend the Chancellor has managed to do. The former Leader of the Opposition, the right hon. Member for Blaenau Gwent (Mr. Foot), who is not here today, said:

> "More governments, including left governments, have been thrown out of power through a failure to deal with inflation than through any other single cause."

The Opposition parties, simply because of their inability to criticise the Budget, have fastened, rightly, on the unemployment issue. It would be ridiculous, particularly in an election year, for anyone to suggest that we do not care about unemployment. We want to be elected, so of course we care about unemployment. Even if we were hard-faced, hard-boiled men, we would still have to care to get the votes. It would be silly to pretend that we are not interested in that issue.

One million new jobs have been created. The right hon. and learned Member for Monklands, East said that unemployment is worse now than it was between the wars, but the position is different now. Between the wars very few working men would allow their wives, when they had children, to work because there were not the amenities that are now available today — refrigerators, washing machines and the other goods that take the burden off the housewife. There is now a much larger working population.

Of the 3 million unemployed, more than 1 million have been unemployed for more than a year, and this is the hard core of the problem. The other 2 million, apparently, to judge from the statistics, are re-employed within 12 months. That is what the statisticians would call a transfer of human resources, but what I would call people changing their jobs. If, as happens in many cases, they are given a "handshake" from the firm that they leave, it is not all that rough. I am glad to say, as a rather old-fashioned Tory, that we do not make it too difficult for those people to make the change.

The real unemployment is created by the type of industrial action that we saw during the coal strike. Tens of thousands of coal miners lost between £8,000 and £9,000 by obeying Scargill, and the Labour party did nothing to stop that nonsense.

It has been said that this is an electioneering Budget. I was amused to hear the Leader of the Opposition answer the speech by my right hon. Friend the Chancellor. It is always very awkward to speak immediately after my right hon. Friend. The right hon. Gentleman attacked my right hon. Friend's speech as the speech that he had not made. I can understand that the right hon. Gentleman's speech writers had not guessed what was in it. It was interesting to note the light that the right hon. Gentleman's speech threw on the Labour party. The Labour party thought that if it had been in our shoes an electioneering Budget would have been produced, but it has not. This throws some light on what the Labour party would have done if it had happened to be in our shoes.

Ever since, we have heard about how Labour would have spent the money if it had it, about what Labour would have done with the £5 billion or £6 billion that was available and about how Labour would have spent it differently. All right, but Labour thought that we would produce a Budget to grab votes. We have not, but Labour should not think that this is not an election-winning Budget. The caution and prudence shown are guarantees that when my right hon. Friend the Prime Minister brings forward her manifesto, and if she offers something pretty good, it will be credible in a way that nothing else would have been.

4.47 pm

Mr. Robert Sheldon (Ashton-under-Lyne): The right hon. Member for Brighton, Pavilion (Mr. Amery) said that this was an election-winning Budget because it was a prudent Budget. I shall question that later, but first, while the Chancellor is here, I think that I should do what my right hon. Friend the Leader of the Opposition does each time he responds to the Chancellor. He congratulates him on the manner of his speech. We all recognise that the right hon. Gentleman's speech was his own — I could detect no trace of any civil servant's injection into it — but that is the limit of my congratulations. *[Interruption.]* I have seen many Treasury briefs, and one gets to know their language. I did not detect it on this occasion.

The Chancellor talks repeatedly about this country's economic success. I only wish that that were true. Talk of

success is somewhat credible when one sees what is happening in the west end of London, but in my constituency what is known as the west end of Ashton-under-Lyne shows no sign of success. There is unemployment of more than 20 per cent. In Droylsden houses are decaying and their fabric is being destroyed. Window frames are rotting to such an extent that the standard practice is to get large wads of newspaper and stuff them between the brickwork and the window frames. How can one talk of success when that is happening and when the roads are in hopeless disrepair? I would welcome the opportunity to show the Chancellor around some parts of my constituency. I think that even his confidence might be shaken. He certainly could make no claim to success.

If the right hon. Gentleman has been so successful, why were retirement pensions, for example, not allowed to share in his success? If he has been so successful, why was child benefit not increased to help the least well-off couples? Why are houses rotting? The Public Accounts Committee has heard that £19 billion is required just to maintain a reasonable level of house repair. That has not been undertaken. It is false economy to allow house repairs to be neglected and windows to fall out, as is happening in my area.

I can find further examples in which sensible assistance would have been of enormous financial and economic value. It would have been value for money. That sort of expenditure is required just to maintain the level of our investment. A most important question was put by my right hon. and learned Friend the Member for Monklands, East (Mr. Smith). If the Chancellor of the Exchequer is so successful, why is our industry not being modernised in the way that is should be? Why has our balance of payments deteriorated from a surplus of £2·5 billion to a deficit of £7·5 billion? Why have education and training been so generally deplored? There are many problems. I cannot understand how one can talk of success when such crucially important matters are before us. Above all, if we are so successful, why is this still such a divided country?

Mr. John Townend (Bridlington): The hon. Gentleman spoke about education. Does he accept that we are spending more in real terms per pupil than at any time in history and that pupil-teacher ratios and expenditure are as good as they have been at any time in history?

Mr. Sheldon: I never concentrate on inputs. I am more interested in outputs. Nobody can be satisfied with the output of our universities and other education institutions. Nobody can talk about success in that regard. The Government have failed to achieve something that could reasonably be achieved.

The Chancellor of the Exchequer not only talks about success but wants to claim the prize for prudence. If he has been so successful, why is he so prudent? General elections do not normally bring a rush of caution to the heads of Chancellors of the Exchequer, despite what the right hon. Member for Pavilion said. We have to examine more carefully the Chancellor's claim for his achievements in prudence as well as in success.

Let us consider the balance of payments for 1987. It is forecast to be minus £2·5 billion, but we know from past forecasts that the average error amounted to £3 billion. We could have a balance of payments deficit of between zero and more than £5 billion. That is a bit shaky. There is not much sign of success. Nothing in the future seems to suggest that it will change readily.

If the Chancellor has been so successful, why did he fail to revalorise excise duties? We all know why—it has an effect of about 0·3 per cent. on the retail prices index. If inflation could be as high as 4·5 per cent., according to the Red Book, with an increase in the margin of error of 1·75 per cent., which could bring it over 5 per cent., but leave that out of account at the moment, the Chancellor thought the extra 0·3 per cent. that was lost from failing to revalorise was worth having.

Some years ago the Chancellor of the Exchequer used to believe in a rather interesting notion called "truth in taxation." He applied it to income tax. He said, "It is not right that, year after year, the Chancellor claims credit for raising the level of threshold. It is not fair. We want truth in taxation." He went along with the Rooker-Wise amendment, so there was the ready revalorisation year by year. If the Chancellor of the Exchequer is still wedded to truth in taxation, we need a Rooker-Wise among the Government to bring about revalorisation of excise duties. I shall be interested to know which Government Members will put themselves forward as candidates. At least on this occasion they should have the support of the Chancellor of the Exchequer, although I do not see much sign of welcome at the moment.

The important thing is that the so-called prudent Budget depended on the failure to revalorise taxation and on a high exchange rate, high interest rate policy. They are clearly now the prime determinants of British economic policy—high interest rates to maintain a high exchange rate and to maintain low import prices, even though manufacturing industry will be dealt another blow. Already we have heard Denys Henderson, the incoming chairman of ICI, say that a $1.60 pound is eroding our competitive position, but cheap imports—the policy that we are pursuing at present—and low excise duties will massage the inflation figures, as will Lord Young's many devices to manipulate the unemployment figures.

The Chancellor of the Exchequer is best known in the lifetime of two Parliaments for wanting two things in his medium-term financial strategy. One thing to which he was dedicated was monetarism in a somewhat extreme form. We were all happy to see it moderated. The Chancellor looks quizzical. He will recall the 1980-81 Red Book, with its steady downward trend. It was a brilliant intellectual exercise—I shall never deny him that—but it postulated a rather rigid procedure for determining important matters. At one time, as the right hon. Gentleman and I know, he wanted to leave it to the Governor of the Bank of England to carry out the policies. We debated these matters in the fiduciary debate of 1976 or 1977. I am not sure whether Mr. Robert Leigh-Pemberton would be happy to carry out that type of policy, in the light of the more recent pronouncements.

The Chancellor wanted monetarism and tax reform. The first was not on. For his second aim, he had experience as a financial journalist, a most unusual experience as a speaking Whip on Finance Bills, and experience as Financial Secretary to the Treasury, responsible for the medium-term financial strategy. He was superbly placed —no one has ever been better placed—to be the great reforming Chancellor in taxation matters once the nonsense of monetarism was seen to fail. That is what many expected, and the action on pensions and life assurance led one to hope, and even to expect, the beginning of the long task of eroding some of the nonsenses in our tax sytem, the predominant peak of

[Mr. Sheldon]

which, of course, was mortgage relief. Schedule A, inheritance tax, capital gains tax, and mortgage relief had a most powerful effect upon the incentive of people to invest in their own property.

The Chancellor has always had a passionate wish for a share-owning democracy, but what we have instead is a property-indulging Government. They subsidise the constant musical chairs, as householders trade up to improve their investments, particularly in the south-east. Of course, the Chancellor of the Exchequer knew and understood that, but he also knew the Prime Minister's opposition to any rationalisation. In the end, the result was a draw. There was no reduction in the relief, but no extension, either. Those of us who awaited with great interest the passage in the Chancellor's speech that we thought would deal with the level of mortgage relief found that it was a dog that did not bark. Those of us who trained our eyes on both the Prime Minister and the Chancellor of the Exchequer to see how they reacted to the change were not rewarded by even a mention of the matter.

Profit-related pay was mentioned by the Secretary of State for Trade and Industry. I do not believe that there is any direct connection between the efforts of many employees and company profitability. It is all right for those in top management. They have a responsibility for certain areas, and if they are successful they are rewarded. But what about the charge hand in the machine shop, or the designer in the drawing office, let alone the worker on the shop floor? What direct connection do they have with the profitability of the company as a whole? Salesmen receive performance-related commission on their sales. There are arguments about the effectiveness of such a system of rewards, but its effectiveness does not increase as the distance between personal effort and distant profitability goals increases. To provide tax incentives for these but not for more direct achievements does not improve incentives. It distorts them. What about the public sector? Are we to discriminate against it? Employees in the public sector are not in the profit-making business. Are they to receive no incentive for personal effort?

Mr. John Stokes (Halesowen and Stourbridge): I am listening most carefully to the right hon. Gentleman, for whom I have a great regard. However, in the many factories in my constituency, which I frequently visit, I have never found such great realism as now. The workers, the charge hands and the foremen, let alone the managers, are deeply interested in the success of their companies.

Mr. Sheldon: They have to be if they want to keep their jobs, but whether their desire to keep their jobs is related to a distant goal that does not directly affect them is another matter, with which I believe I have dealt sufficiently.

The Chancellor of the Exchequer rightly stressed the importance of fiscal neutrality in a number of these areas, but he makes a bit of a nonsense of his claim to fiscal neutrality by his proposals relating to share-purchasing, betting at racecourses, and profit-related pay. There is not much neutrality there. The late Lord Kaldor, for whom I had a great personal affection—I think that he was the greatest economist that we ever had who failed to win a Nobel prize—believed excessively in the ability of tax incentives to motivate action. The Chancellor of the Exchequer used to represent the other extreme, from which he is now shifting. The distortion of the economy that results from those policies is reflected in this Budget. It runs counter to so much of what he has advocated in the past.

I regret, as does my right hon. and learned Friend the Member for Monklands, East, the fact that the Budget is largely designed for the south-east. The Chancellor said not a single word about regional policy. That was a terrible omission, which I am sure he must regret.

Mr. John Morris is the president of the Manchester chamber of commerce and industry. In the presence of the Prime Minister, who was sitting by his side—he is a very brave man—he said:

"we do have a problem and we do believe a change in central government policy is needed to help us put it right. It is a problem which, if allowed to get worse, will not just prevent the north-west from exploiting its potential but will strangle our national growth. This problem is known in the Press as the north-south divide but it is actually much more specific than that. It is the accelerating concentration of the nation's wealth and resources in the south-east . . . Only by a commitment to the potential of the regions will the nation as a whole be able to escape the south-east vortex. The reason you and your colleagues hear so many complaints outside London, Prime Minister, is because frankly we do not see a willingness to address this problem."

That is the most important problem of all. It is more important than economic policy.

People feel that they are being disadvantaged because they live in a certain part of the country. That is the reality of their feelings, and what I regret most about the Budget is that there is no recognition of what is happening outside this favoured region in the south where we have the opportunity to debate these matters.

The Government have created two nations. The Budget deals with only one of them. Not a single word of the Chancellor of the Exchequer's speech was devoted to the problems of the other regions, and even now they do not even receive lip service. The taxation relief that has been offered by the Chancellor is not received with rapturous acclaim when prosperity is absent from entire communities.

The Government do not have a proper regional policy. For the last seven years they have claimed their devotion to small businesses. Mossley in my constituency, as well as Ashton-under-Lyne, consists entirely of small businesses, but while the Chancellor was extolling their virtues these firms were closing their doors. Nearly half those small firms ended their existence at the same time as the Chancellor was offering various kinds of relief and telling us what he was doing to help them. Once those doors are closed, they will never reopen. Those firms were doing a useful job for the community and the country. They suffered, and they will continue to suffer. Any Budget that leaves out of account such communities and people cannot claim to be a good Budget.

5.6 pm

Mr. Terence Higgins (Worthing): I begin by congratulating my right hon. Friend the Chancellor of the Exchequer on his Budget. Inevitably it has been labelled by the media an electioneering Budget. I hate to think how mean and restrictive my right hon. Friend would have had to be for it not to have been so labelled.

The Budget debate takes place against an interesting political background for the Opposition. Labour Front

Bench spokesmen have clearly stated that they will reverse whatever tax cuts my right hon. Friend might make. It is unusual for an Opposition to place such a statement on the record. None the less, on reflection it was not a very unfortunate statement for them to make. It has given the impression that if the Labour party were to come to power, all that would happen would be the restoration of the status quo as at the beginning of last week. In reality, that is not true. Given their expenditure programmes, it would mean a vast increase in taxation. Taxation would be far greater than at the beginning of last week.

In these debates I have great pleasure in speaking after the right hon. Member for Ashton-under-Lyne (Mr. Sheldon). I was interested in his suggestion that amendments ought to be moved to increase excise duties. My right hon. Friend has not increased excise duties, which brings out the crucial point that it would be a question not just of offsetting the tax changes in the Budget but of increasing taxes as well. However, the right hon. Gentleman was quite safe to make that suggestion because he knows, as I do, that it would be out of order to oppose an increase in excise duties during the debate on the Finance Bill.

It is also of interest to establish clearly the position of the alliance. We recall that last year they voted against the proposal to reduce taxation. No doubt they did so to demonstrate their fiscal rectitude. However, they did not go to great lengths to publicise what they had done—no doubt to avoid endangering their electoral prospects. If they do the same this year, I hope that there will be a great deal of publicity about precisely what is involved.

I welcome in particular one measure—the proposal to increase tax relief for those over 80. Some years ago I had the privilege of introducing a private Member's Bill that gave pensions as of right to the over-80s. It was the first measure that we introduced in 1970 when we came to power. I hope that the example that my right hon. Friend has given in this Budget will be followed on future occasions.

I am rather more worried about my right hon. Friend's proposal to treat the capital gains paid by insurance companies in the same way as corporation tax. It will put them at a disadvantage in relation to unit trusts, and it may affect the profits that eventually they are able to distribute. I hope that my right hon. Friend will look again at that proposal.

My right hon. Friend has introduced a very balanced Budget. It strikes a balance between the increases in public expenditure that were announced earlier, cuts in taxation and reductions in borrowing. The balance between those three elements was the keynote of my right hon. Friend's speech last week. The fact that we have already seen a reduction in interest rates as a result of these measures is important not only to those with mortgages but to those who are investing in industry, with the prospect of corresponding increases in employment.

My right hon. Friend the Chief Secretary to the Treasury emphasised that we must look at both sides of the equation and at the difference between them. In that context, I hope that my right hon. Friend the Chancellor of the Exchequer will look more favourably at the proposals in the report on finance of the Select Committee on Procedure to bring together the two sides of the debate. It is strange that the Budget deals only with raising taxation instead of looking also at public expenditure. I hope that my right hon. Friend will look at that proposal again, and, perhaps, at the proposal for placing a limit on Government borrowing—a system that is used in the United States.

I welcome the cut in the public sector borrowing requirement, but I have two doubts about it. The first is my right hon. Friend's proposal that, over the length of the medium-term financial strategy, it should be held at 1 per cent. of gross national product rather than continue on its downward path. I hope that he will at some stage spell out the arguments for doing that.

I have long had differences with my right hon. Friend about asset sales, the proceeds of which he continues to treat as a reduction in public expenditure, whereas I believe that they should be shown as a means of financing the PSBR. Those asset sales are now larger than the PSBR itself. If the figures were treated in the way that I have suggested, the PSBR would be more than double the size that appears in the official figures. Of course, the impact of that change would not be twice as large, because selling British Telecom or BP is not precisely the same as selling gilt-edged stock. None the less, the economic effect, while not exactly the same in quantitative terms, is the same in qualitative terms.

It is difficult to ascertain what the balance between fiscal and monetary policy now is. I hope that my right hon. Friend will not hesitate as much as he has in the past, when policy is developed, to recognise that that balance has changed. There have been considerable changes in the medium-term financial strategy. The original intention of that strategy—to reduce the PSBR so as to control the money supply without putting excessive reliance on interest rates—is closer to being achieved now than before. It is curious that despite that fact the measure of money supply that was originally proposed—M3—has now been effectively dropped.

As the balance of payments has already been discussed at considerable length in this and earlier debates I shall say only that I do not share the great concern that has been expressed about it. The fall in the exchange rate against the deutschmark in particular is bound to work through in the form of higher exports. The official forecasts on the balance of payments figures may be over-pessimistic, not least because they are based on conservative estimates of future oil prices. Therefore, I do not share the concern expressed about the matter by the Opposition.

I now turn to the somewhat strange letter that appeared in the *Financial Times* immediately before the Budget, signed by all the chief economic advisers to Governments from 1947 to 1979. They should know better than anyone that publishing a letter immediately before the Budget is not likely to have a tremendous impact on its contents.

The letter was also curious because it made a superficial and over-simplified analysis of the events of 1979-80. It grossly underestimated the impact, not only of the items mentioned in it, but of the world recession at that time. It also failed to take into account the Clegg pay settlements, whose impact in terms of our competitiveness was serious, as the Treasury and Civil Service Select Committee pointed out at the time. The effect of high oil prices on the exchange rate should also have been mentioned. The letter failed to appreciate the great number of influences at work at that time.

As a result of that conjuncture of variables, overmanning in British industry was substantially reduced, and, as a result of that, the unemployment from which we have been suffering since then took place. It was

[Mr. Terence Higgins]

neither the classical type, with a lack of co-operative factors, nor the cyclical variety. It was a once and for all change, reflecting the fact that the jobs were not there at all.

In terms of human unhappiness, that was a great tragedy for those who were affected by it, a large number of whom did not contribute to the inflationary wage settlements. It has meant that we have had to create about one third of the jobs in the economy since then. There is no simple solution to the problem and a massive increase in the level of demand would not bring about the kind of long-term solution that we need. On the contrary, it will take time. The Budget produced by my right hon. Friend is consistent with that objective.

The letter that I mentioned earlier advocates a change of course, although exactly what change is unclear, as it is not specified. The Budget's measures are likely to result in a reasonable level of economic growth which, in turn, provides a basis of lower interest rates and so on, giving hope that a decline in the level of unemployment such as we all desire will take place.

The demographic factors that have contributed considerably to the level of unemployment while employment has been increasing are likely to work gradually in our favour, and we should all welcome that. That will affect not only the south-east of England, but other parts of the country too. The overall employment picture gives cause for hope of an improvement. The balance between expenditure, taxation and borrowing is the right one, because if long-term investment is to be found, the rate of interest will play an important part in that.

This was not an electioneering Budget; rather it continued the development of policy. There have been considerable developments over the past few years, but this Budget should see us into a third term of Conservative Government and a continued improvement in our economic position.

5.18 pm

Mr. Matthew Taylor (Truro): I thank you, Mr. Deputy Speaker, for allowing me this opportunity to make my maiden speech. It is not especially easy to come into the House in such tragic circumstances and I am conscious of the remarkable precedent set by my predecessor, Mr. David Penhaligon.

It is rare on the death of an hon. Member, even in such tragic circumstances, that such a huge wave of sympathy and such a great sense of loss are sparked off. That is true not only of my constituency and of Cornwall as a whole, although perhaps the greatest sense of loss has been felt there, but of many throughout Britain who felt that they had lost an ally, a straight talker and someone on whom they could depend. Indeed, many who had never met him personally felt that they had lost a genuine friend. David had become known throughout the nation as a politician who was honest, down to earth and deeply caring—in short, a politician of warmth and humour who could be trusted and relied upon.

I was fortunate enough to work with David, so I am well aware that he never attempted to put on a public face, or a pretence, but always acted on his words—he lived his Liberalism.

I believe that I can speak on behalf of all my constituents in thanking David's colleagues and friends in the House for their generous tributes to him. Most especially, I wish to pay a tribute to the sheer bravery of his family—to Matthew, and Anna and, above all, to Annette, his wife, who has shown remarkable courage in the months since his death. I am grateful to them for the help they have given me in tackling his casework, through the campaign and now as I take his seat in the House.

Let no one say that David was simply a good natured Cornishman, marvellous attributes though they may be. He was a rare campaigner for justice for the poor, the elderly and for Cornwall, highlighting not only the problems but proposing imaginative and far-reaching solutions.

When he was first elected he had come from third place in a constituency where the Liberals had badly declined. Over many years he built up a strong voice for the Liberal party, not only there but in the House, and it is an element of tribute to him that we now see the alliance and the Liberal party challenging for Government. Indeed, I think that he would have greatly appreciated the panic shown by certain Conservatives over the weekend.

At the time of his death David was one of those putting the finishing touches to the alliance's yellow book, "The Time has Come", and to the alliance Budget proposals. Each has now been published and is part of his legacy as a great Liberal. For each he drew, in large part, on his knowledge of the problems of Cornwall.

Truro and St. Austell is an area of great contrasts. It is popularly known for its beaches and sunshine but we suffer, in fact, from all the same problems as some of the most deprived regions of the north. The Cornish health service has not been allowed the resources to keep up with the growing burdens upon it. We have waiting lists for urgent cases and four out of five people have to wait more than a month. For non-urgent cases one in three people have to wait for over a year. The primary schools, in particular, are old and dilapidated, yet the funds are not made available to restore or renew them. Cornish housing waiting lists lengthen and homes crumble while the receipts from council house sales are locked up in London. Local unemployment remains well above the national average, yet the grants available to assisted areas have been removed from Truro and St. Austell and more jobs have gone with them. Farm incomes have dipped between 60 and 70 per cent in the past five years, bankrupting many smaller family farms. In the clay areas around St. Austell we still live with a pale version of the deprivation and dereliction of the coal mining communities elsewhere. We have seen a decline and it is those issues that I have highlighted throughout the recent by-election.

Throughout, I argued that the money made available by the short-term revenues from privatisation and North sea oil should be invested in rebuilding our schools and hospitals, in our children's education and training, and in jobs. Above all, I believe that the short-term Government revenues should be used not for short-term gains for the better off but for long-term investment from which we can all share the dividends in the future. Most of all, we must fulfil our obligations to invest in our children and their future. It was with the resounding backing of the people of Truro and St. Austell for those priorities that I took my seat on Budget day last week.

I must confess that I was disheartened by the Chancellor's speech; not for what it contained but for

what it did not contain. There was a give-away of £500 million in the Budget to those who smoke and those who drink, but we are told that there was no money for the things that so clearly the people of Truro and St. Austell said that they wanted made a priority. It contained nothing for the unemployed, the old, the young, the disadvantaged or the future. Indeed, the Chancellor has failed to draw any lesson from the dismal showing of party candidates representing his priorities in by-election after by-election. Was there anything for the rich? There were perhaps a few extra pounds in the wallet, but I do not believe that even the rich still think that those are the right priorities for our Government. They can see that if their children are unemployed, their parents have to be helped out because the pension is inadequate. If when they want hospital treatment they find themselves having to wait more than a year or paying for it privately, there is no gain from the Chancellor's tax cuts.

I had hoped that the Government would respond to the clear message of the voters of Truro and Greenwich that the time has come to start investing for the future and to start rebuilding our nation. I fear that, so far as I can detect, the Chancellor has failed to do so. The people of Truro and St. Austell elected me to make that case and I have done so. They also elected me to campaign for change, and on that I am just beginning, but change is in the wind.

5.27 pm

Mr. Cranley Onslow (Woking): It falls to me, and I am glad to accept the pleasant duty on behalf of the House, to congratulate the hon. Member for Truro (Mr. Taylor) on his maiden speech. I am sure that what he said about his predecessor will have been echoed by all present on both sides, and by those inside or outside the House. David Penhaligon was a man who won enormous respect and affection from all of us, even though we did not always agree with what he said. However, if we all agreed with what everybody said we would not be here at all.

May I say to the hon. Gentleman that I congratulate him on the manner of his speech, if not necessarily on all its content. I congratulate him on the terrifically Liberal way in which he interpreted the conventions about avoiding anything controversial. Whatever forces brought the hon. Gentleman to the House, he is now here on his own and he will stay here, as long as he does, by virtue of his own achievements and his mark will be made by himself. We look forward to seeing how he goes about it.

This is only the second time that it has fallen to me to congratulate a maiden speaker. On the other occasion, the hon. Lady whom I followed had won a by-election in Lincoln from a certain Mr. Taverne. As far as I can recollect, she lost that seat at the next general election and it has been a Conservative seat ever since. The hon. Gentleman may take that in any way he wishes. We look forward to hearing him again.

As far as I can recall, this is my own maiden speech in the Budget debates. I do not recollect having ventured into this difficult territory before. I welcome the procedural change by which it has been made possible for hon. Members to continue to debate the Budget on the evening that the Chancellor makes his statement instead of going on to some opposed private business or other.

I have no doubt from the conversations I have had with colleagues in the House and with constituents that this is a good Budget and that the Chancellor is to be congratulated on it. He is also to be congratulated on the consistent management and maintenance of the objectives that have enabled him to bring forward the Budget in this form.

I spoke to a number of my constituents on Saturday morning and I asked them what they made of it. The small traders were unanimous in their welcome for it, particularly for the value of the VAT changes. I hope that there will be no difficulty with the EEC on that and I hope that my right hon. Friend the Chancellor will also accept that the EEC should be pressed to do something to raise the VAT threshold above its present figure. It is far too low and it should be raised.

The constituents to whom I spoke were unanimous in welcoming the tax reliefs and were also very pleased about the interest rate reductions that had followed the Budget and the reduction in the mortgage rate, about which they had just heard. They were also very pleased about the constant theme running through this Budget, as with its predecessors, of maintaining the fight against inflation.

There is one specific point which I want to bring to the attention of my hon. Friend the Minister of State, Treasury. I want to echo the point raised by my right hon. Friend the Member for Worthing (Mr. Higgins) about the effect on the insurance industry of the proposed changes in corporation tax rules. Unfortunately, the Chancellor's Budget statement did not spell out too precisely what effects the changes will have and nor did the Inland Revenue press release that followed. I hope that we can have some clarification on that matter because the Association of British Insurers is very concerned by a move which it believes will bear heavily upon its industry. Many of its members are worried about what has happened to the "level playing fields" approach.

The ABI states that it has received confirmation from

"the Inland Revenue that it is intended that the proposed new measures will apply to the policyholders' share of chargeable gains arising in life funds. This is to be achieved by the repeal of Section 26 of the Finance Act 1974"—

with which hon. Members will be instantly familiar. The ABI goes on to say:

"Tax on the investment gains of policyholders' funds effectively represents a levy on the savings of millions of policyholders. The new measures, which are expected to cost at least £50 million per annum, would further reduce the competitive position of life insurance companies in relation to investment trust companies and authorised unit trusts and even direct investments by individuals."

The association goes on to stress:

"In 1984 the Chancellor justified the abolition of Life Assurance Premium Relief on the grounds that it was desirable to encourage equality of investment opportunities. The Association fully supports that objective but considers that the proposed new capital gains tax measures will have the opposite effect."

I must add to those comments the view of one major unit trust company with which I have been in touch. It argues that the calculation of the product of the change at £60 million in the Budget may be a considerable underestimate because, it states:

"In 1985 capital losses on gilts could offset gains in other securities. This is no longer the case. Stock and bond markets have risen substantially since 1985 so that realised gains in 1986 will be significantly higher than in 1985. . . . The provisions for capital gains tax made by the life companies are borne by the policy holders. Those provisions reflect unrealised gains. The cost to the policy holder of the Budget proposals will therefore reflect not the impact on realised gains—the Revenue's assumption—but unrealised gains."

[Mr. Cranley Onslow]

The company makes other points which no doubt can be pursued and probably will be pursued in the Committee stage of the Finance Bill. However, with regard to the representations that I have received, I must tell Ministers that there is a point which must be cleared up speedily. I would be happy to expand on the brief summary that I have given to the House now if that would be helpful to Ministers.

The next point concerns the cuts in the science budget, which have received a lot of publicity over the weekend. The right hon. Member for Glasgow, Hillhead (Mr. Jenkins) made a great deal of that in his party political broadcast and the right hon. Member for Plymouth, Devonport (Dr. Owen) went on about it during his appearance on "Any Questions".

The facts seem to be very difficult to establish. I can tell the right hon. Member for Hillhead in his absence that if he is concerned — and I would not quarrel with his objective—to make Britain the best educated nation in western Europe, it might have been more to the point if he had said something about the effects of the completely unnecessary teachers' strike which is causing infinitely more damage to our children's prospects than anything else that is happening at the moment in the world of education.

When we try to find out precisely what the effect of the Science and Engineering Research Council budget reallocation will be, we do not have very much firm material to rely on. An article in *The Times* today refers to Dr. Peter Day and his research into superconducting material, one property of which is said to be an application to magnetically propelled trains. I recall that we have been in that country before. There was a tremendous row in 1973 about linear motors which, I think, are not totally different from magnetically propelled trains. The judgment then was that that technology was not likely to be of great value to anyone with already well-established conventional railways. I wonder how genuine is the alarm that is now being sounded.

Another item in that article in *The Times* also worries me. It states:

> "Britain is particularly well placed . . . because it has probably the world's best instrument for the job, called Isis, at the Rutherford and Appleton laboratory near Oxford."

If we already have the best equipment for this research, I am puzzled and cannot understand why we cannot find some way of combining with other nations that are working in the same area to make progress together. I cannot understand why the British effort must be carried out in isolation and apparently totally funded by the taxpayer.

Leaving that point aside, the part of the argument that I find even more depressing is the way in which it ignores what is already happening in industry to apply research to marketable products. Our industrial progress is more likely to be speeded and maintained by applied research than by some of the academic work about which we hear so much fuss. I say that with the knowledge that at least two of the companies with whom I am lucky enough to be involved have recently invested considerable sums of money in setting up applied research units. These have been extremely successful and should shortly be paying their own way and soon making substantial profits. I would much rather see scarce scientific resources used in ways that will create jobs and saleable products in the next two or three years than being used to create something which may or may not be of great benefit to us in 20 years' time.

The general health of industry also attracted some comments from Opposition Members. When I hear Opposition spokesmen on this subject, I am puzzled by how little they seem to know about the south. They claim an enormous expertise on the north, but sometimes their comments about life in the south are totally detached from reality.

Mr. Alistair Burt (Bury, North): That is because the Opposition do not have any Members of Parliament in the south.

Mr. Onslow: It may be because they have no hon. Members representing southern constituencies and I suppose that I would be out of order if I went into the reasons for that. However, Opposition Members have not tried to find out the reality.

The right hon. and learned Member for Monklands, East (Mr. Smith) suggested that if things continued as they are there would be skill shortages and environmental pressures in the south-east of England. There have been skill shortages and environmental pressures in the south-east for four or five years now. The green belt, which is immensely valued by my constituents, nevertheless acts as a barrier to some of the kinds of industrial and housing developments that some Opposition Members are so eager to see. More than one company in my constituency is 10 per cent. short of the skilled manpower it needs to maximise its business opportunities, and that against the background in which the employment position continues to change for the better. Only today I received a press release from Surrey county council that shows that there has been a 14 per cent. drop in the number of people registered as unemployed in Surrey in the past 12 months. The press release states that most young people in Surrey have a realistic opportunity of obtaining a suitable job.

Against that position, companies in my part of the world are seeking to move some, if not all, of their enterprise to other parts of the country—for example, to the north — where they can find a more congenial opening for development on property costs and employment opportunities. The biggest employer in my constituency is probably still British Aerospace, but its Weybridge plant is being run down and British Aerospace is relocating the work that used to be done there to other areas, including Manchester, Humberside and Bristol. It is no longer economically sensible to make aeroplanes at Weybridge, but design, draughtsmen's work and administration will continue there.

Just as British Aerospace is relocating to areas which the Opposition describe as deprived, so James Walker, which is the biggest direct employer located in my constituency, has long had subsidiary factories at Workington and at Wadebridge in Cornwall. They contribute to the strength and development of a healthy company. Another company whose representatives I met the other day is setting up a subsidiary in Birmingham, and another has set up part of its enterprise in north Wales.

That is how matters will go in the future. It may be true that, comparatively, the south-east is more prosperous than other areas at present, but that prosperity represents an economic flywheel whose benefits are spinning off and

will continue to spin off to other areas. I congratulate my right hon. Friend the Secretary of State on what the Government have done in the Budget to make it easier for such firms to continue to prosper, expand and diversify.

Opposition Members who criticise the Government could usefully apply several tests when they talk about the north-south divide. One is whether the immobility of labour—about which, understandably, they complain—is increasingly being compensated for by the mobility of management. I have anecdotal evidence to show that that is happening, and there is statistical evidence to the same effect. In response to a question from me this morning, the Library was kind enough to produce some figures on domestic air passenger movements. They show that between 1982 and 1985 the average annual increase in traffic between the London airports and the provincial airports of Edinburgh, Glasgow, Manchester and Newcastle was 9·2 per cent. That is not all due to tourists or to family travel. A significant part of the increase—the right hon. and learned Member for Monklands, East, as a user of the shuttle, will have noticed this—represents the movement of managers to those areas seeking and expanding economic opportunities. The figures show that that trend has continued into 1986, although the full figures for that year are not yet available.

Mrs. Dunwoody: Has it occurred to the hon. Gentleman that it is caused by something much simpler? Management in areas such as the north-west is being forced to travel to London to check with other administrators, who are no longer in touch with what is happening in their few remaining subsidiaries in the manufacturing areas.

Mr. Onslow: It is probably some fault in the management system which I have no doubt the hon. Lady knows all about and could cure if she put her mind to it. I shall not dwell on that point, but the right hon. and learned Member for Monklands, East should not be so gullible about the cause of the split between the more economically active areas and the areas where economic activity has not yet recovered to its previous level. The industries that used to provide the economic activity in those areas have died and must be replaced.

The Government's management, which can be described as prudent, includes more proposals for privatisation, with the announcement that the remainder of the Government's stake in British Petroleum will be sold. I welcome such sales, especially because I have never believed that it is the business of the Government to accumulate assets. The Opposition are fond of talking about public ownership, but the only genuine public ownership is the personal and beneficial ownership by millions of members of the public, who now have the opportunity to put their savings into enterprises that were previously closed to them.

To return to my experience in my constituency on Saturday morning, the only switcher that I found was a lady who told me freely that she had voted Liberal at the seven elections in Woking in which I have been fortunate to come top of the poll, but that she now intended to vote Conservative. I welcomed that, and asked her to tell me why. She said that her son had told her that she would be daft to vote in a way that might create a hung Parliament and thus cause immense damage to the value of her savings.

Mr. Brian Sedgemore (Hackney, South and Shoreditch): It is a very small sample.

Mr. Onslow: It is a very small sample, but I doubt whether she is the only person. What a perceptive fellow the hon. Gentleman is. What a perceptive little sample he is. I very much doubt whether that lady was the only constituent of mine who thinks that way about the opportunities that have been opened to her, under this Government, to take a personal interest in the prosperity of the country.

This is a good Budget. I agree with my right hon. Friend the Member for Worthing that it is not an election Budget. It is consistent with the long-term aims which the Conservative party has set for itself. My hon. Friends the Members for Reigate (Mr. Gardiner) and for Horsham (Sir P. Hordern) said that 25p was not a low enough target for the reduction in the basic rate of tax. I agree with them. It should be our purpose to reduce the first payment point for income tax as low as possible, consistent with prudent management. To do that, we must win another election. The Budget will help us to do that.

5.47 pm

Mr. Eric S. Heffer (Liverpool, Walton): We have heard much in the debate about income tax, and the hon. Member for Woking (Mr. Onslow) also mentioned it. I have no objection to income tax relief for those at the lower end of the incomes scale—some working people have been taxed too highly—but that is not to say that we should agree with the Government's proposal to lift the income tax burden from all sections of the community. A clear level should be set beyond which taxation should increase, not decrease, because income tax is an important way of redistributing wealth. The Government have taken the opposite line and are helping the rich, to the detriment of the poor.

A fact which emerges clearly from the Budget proposals, and which has been underlined by the debate—I have listened to much of the debate on various days—is that the unemployed gain nothing from them. As the people of Liverpool would say, there is nothing down for them. Nor does it help the low-paid. On Thursday last week my hon. Friend the Member for Bradford, West (Mr. Madden) said that since 1979 a total of £8 billion had been given in tax cuts. The poorest 6 million taxpayers have received only 8 per cent., while the richest 1 million taxpayers have shared one third of tax cuts. My hon. Friend said:

> "The taxpayer on £70,000 a year has received a tax cut of £367 a week. The low-paid have received under £2 a week and that has been offset by increases in national insurance contributions, VAT, excise duties and other indirect taxes." —[*Official Report*, 19 March 1987; Vol. 112, c. 1114.]

The Government have consistently pursued a policy of increasing indirect taxation, which hits the lowest paid hardest. Indirect taxation is the most punitive form of taxation, yet the Government have pursued a policy of increasing it from the very day on which they were elected. This is a rich man's Government. I do not mean that all of them are rich, but they support the rich against the poor. According to the Inland Revenue figures for 1984, the richest 1 per cent. of the population owned 21 per cent. of personal wealth, and the richest 10 per cent. owned 52 per cent. The poorest half of the population owned just 7 per cent. of the personal wealth. The latest figures for household income distribution, published in November

[Mr. Eric S. Heffer]

1986 in *Economic Trends*, show that the gap between the rich and the poor is widening. By 1985 the top 40 per cent. of the population accounted for 76·5 per cent. of personal incomes, whereas the poorest 40 per cent. accounted for 6·3 per cent.—a drop from 9·5 per cent. in 1979.

The fact is that Britain is made up of two nations. The gap is not just between north and south. In that respect, I partly agree with some Conservative Members. Matters are worse in the north because it has had a greater concentration of industrial workers, but some workers in the south are suffering just as much. We must understand that the divide is between the rich and the poor, although it is further aggravated by the north-south divide.

As I have said before, I shall never forget the image of the Prime Minister coming out of No. 10 on the day that she was elected and reciting the prayer of St. Francis of Assisi. It would have been better had she quoted a few words from what Benjamin Disraeli wrote about the two nations. Although we have not yet reached a state of affairs as bad as that, we are getting very close to it. In London, we are certainly getting close to the situation described by Jack London in "The People of the Abyss". He described poverty stricken, homeless people sleeping under arches in this great city of ours. He described people coming here to look for work and not being able to find it.

The problem is that the Government are a class Government, carrying out class politics. They do not argue class politics; indeed, they deny the existence of the class struggle. They simply carry out class politics against our people and our class.

The Prime Minister goes on about Victorian values. Some Victorian values were good, but not those that the right hon. Lady espouses. Her values are the values exemplified by the small shopkeeper who, unable to find somewhere for his workers to live, turned them out into the streets on a Sunday. Those employers kept their workers poverty stricken, did not think that there should be organised trade unions and fought against them. They believed that workers should be kept in service for the benefit of the rich. We do not hear the Prime Minister saying very much about the real values of those times.

The Government tell us that we are living in a popular capitalist society and that we are increasingly a property-owning democracy. They tell us that more and more people own their own houses and that there are more and more individual shareholders. Ministers should come to my constituency and to other parts of Liverpool and see how many houses are up for sale and how many of the young people who owned their homes have now been thrown out because they could not keep up the mortgage repayments.

Some time ago there was a very good article in the *Daily Telegraph* about workers coming down from Liverpool on the 4, 5 or 6 o'clock train on Sundays and going back on Fridays. Married men with families have to leave their homes to seek employment. They lead a nomad's life and live in all sorts of dreadful conditions—that is, if they can find accommodation at all. The hon. Member for Woking (Mr. Onslow) said that there was a skill shortage in the south, and I am sure that there is, but when my young nephew who is a skilled craftsman literally got on his bike and came down to the south with a tent he could not find a job as a skilled engineer. The only job that he could get was in a bar, and he did not think that that was what he required. Perhaps he could have got a job if he had had a house. But there are no houses, lodgings or other places in which to live. Those are the problems with which we are faced.

The Chancellor boasted that we now have 8·5 million individual shareholders. He knows as well as I do what happens when a company or an industry is privatised. In the first flush there appears to be a wide take-up of the shares, but they are almost immediately sold and become concentrated in the hands of financial institutions and smaller groups. If the Government think that I am talking a lot of nonsense about the share-owning democracy, they should look at the excellent booklet entitled "The Widening Gap—Rich and Poor Today" published by the Labour research department. I am talking, not about the Labour party research department, but about the research department started by people such as G. D. H. Cole a long time ago. The document lists the top 200 millionaire shareholders. They range from David Sainsbury and Robert Maxwell to J. M. K. Laing and, believe me, they own a lot of shares. They do very well out of so-called diffused shareholding democracy.

The real economic power rests not with the Government but with those top shareholders. Let us consider that in relation to unemployment in areas such as mine. In January this year Merseyside had 136,100 people out of work—20·1 per cent unemployment. The figures are also listed by local authority area. Knowsley had 19,001 unemployed and Liverpool 55,683. In St. Helens it was 14,434, and in Sefton, which includes Bootle, it was 21,039. In Wirral, which in Liverpool is regarded as a posh area to which one used to get the boat, it was 25,943.

I want the House to reflect for a few minutes on the misery that lies behind those figures and what they mean for people living in the situation that they are in today, with no jobs and no hope. This is particularly true of young people. It has been said by Conservative Members that we do not understand the south. Perhaps we do not, because we do not live here all the time, but if they came to our areas to see what it is like, with masses of young people with nothing to do and no hope and no future, they would understand us better. These people do not believe that anybody will do anything for them. Some of them have been unemployed for more than six years. They cannot change jobs because they have never had jobs. They are part of the over 1 million who have been out of work for more than a year. Hon. Members should think of the horror that that means.

Had it not been for the Liverpool city council taking on 11,500 workers for construction work, building houses, sports centres, parks and much else, the level of unemployment would have been even higher. Unfortunately, most of the Liberal party is not here, but I must tell its Members that it is a great pity to read that the Liberal party in Liverpool is talking about stopping the house building programme that had been put into effect.

The construction industry is the one industry which, if the Government were serious about creating employment, could get workers back to work quickly. It is a labour-intensive industry. All that one has to do is look through the Government Departments to see what is required and provide the money to get that building done, and get local authorities to say what housing needs there are, and get on with the housing. Public buildings, the development of the

railway system, which needs modernisation, and the sewerage system provide plenty of opportunities for job creation. My right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) referred to the chamber of commerce that had asked the Government to provide £500 million in the Budget for extra work for the construction industry. I do not see that anything has been done along those lines.

Homelessness has increased. In 1979, 56,700 households were accepted as homeless for rehousing. That is the official definition of homelessness. By 1985 that figure had grown to 93,900, and it is rising all the time. That was the accepted number of applicants, not the total number, which in 1985 was 203,000. Government statistics point to 588,000 overcrowded households in 1985 and 109,000 severely overcrowded households, and only 38 per cent. of those people are on housing waiting lists. These figures have gone up all the time. Registered households in England stood at 1,020,000 in 1979, and they stand at 1·25 million today.

Much can be done. Opportunity exists through a housing policy. The Trades Union Congress, in its Budget proposals, and even the employers in the construction industry, have pressed the Government to put investment money into building. It is the one industry that could begin the process of building up employment and getting it going. Whatever criticisms I may have of some aspects of their policies, my Front Bench spokesmen are right to argue for beginning the process of developing the construction industry and putting investment into this vital industry.

When my party comes into office, as I think it will, it must carry out these policies. I am not one of those who read the papers and think "Oh my God." That comes from the hothouse of the journalists. When I talk to people, I find that they are about as enthusiastic for this Government as a Jewish person would be about a pork chop in a synagogue. They have no enthusiasm whatsoever for this Government and they intend to get rid of them. I want them to vote for the only party that can create an alternative Government, my party.

I want to see an end to privatisation and I want to take back into public ownership those industries which have been privatised. The Government talk about shareholding, but we all had shares in such industries because they were the nation's shares. They were owned for us, by us and in our interest. If they were not run as well as we wanted them to be run, we had the right to do something about that. Once such control is out of our hands, we have no control over industry.

I want to extend public ownership. I am delighted with the idea of the investment bank, and I hope that we shall look further than that. I want to see the nation's resources planned on a proper basis. Technological development, whether or not we like it, will create unemployment, so we need alternative employment for those workers who are made redundant. This means planning the nation's resources and the nation's labour, which is part of our resources. This in turn means that we have to talk in terms of a 30-hour week and fewer working days each week and extending industry, and the service industries, in other directions. We must put profits not before people but behind the interests of the people.

We need to get rid of this selfish, greedy society that has developed since the Government came into office. They have proved that the capitalist competitive system does not work in the interests of our people. It is time that we made a move to get rid of it.

6.8 pm

Sir William Clark (Croydon, South): The House has listened with great interest to the hon. Member for Liverpool, Walton (Mr. Heffer), who made his usual anti-capitalism speech. In his view, we should go back to the good old days when we had state regulations and state control, which stifled initiative and led to overmanning in our industries. That is mainly responsible for today's high unemployment.

I welcome the Budget, which is a continuation of the Government's strategy since 1979. I cannot see that there should be any surprise that some of us who have supported this policy ever since the Government started in 1979 now see it coming to fruition. This year, my right hon. Friend the Chancellor has increased revenue from VAT, from more productivity in industry and from PAYE. This has given him the opportunity not only to increase public expenditure on education, health and so on to the extent of over £4 billion but to cut taxes by just short of £3 billion and to cut the borrowing requirement by £3 billion.

I do not know whether the hon. Member for Walton is advocating an increase in excise duty. However, I advise him that people with low incomes are benefiting from the fact that my right hon. Friend the Chancellor of the Exchequer has not increased excise duties on cigarettes, beer and so on.

To listen to Opposition Members, one would think that any reduction in taxation would immediately cause a balance of payments problem. Surely any increase in wages will cause such a balance of payments problem. Their argument is so illogical that it is untrue. The £2·8 billion reduction in personal taxation will create more demand and more jobs. That is what we want. My right hon. Friend the Chancellor's main thrust in the Budget ensures that inflation is being kept down with the non-valorisation of excise duty and the cut in the borrowing requirement.

As hon. Members will recollect, the public sector borrowing requirement was running at £7 billion, or 1·75 per cent. of GDP. It will now be reduced to £4 billion, which is only 1 per cent. of GDP. I am sure that Opposition Members will agree that it is fair to say that the Labour Government's borrowing requirement represented just over 9 per cent. of GDP. That forced them to go to the IMF. Their real problem was overspending. We were in an absolute mess—*[Interruption.]* It is no good the hon. Member for Dagenham (Mr. Gould) laughing. He knows as well as I do that when his right hon. Friend the Member for Leeds, East (Mr. Healey) was Chancellor he had to go cap in hand to the IMF to bail out the country. We were beggars to the IMF. The right hon. and learned Member for Monklands, East (Mr. Smith) said that his right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) did not say that under a Labour Government the borrowing requirement would increase to 4 per cent. of GDP. I refer Opposition Members to column 952 of the debate on 18 March which shows that the right hon. Member for Sparkbrook clearly said that the deficit would be 4 per cent. of GDP. That means that he will borrow about £16 billion. It is no good the hon. Member for Dagenham denying that. Perhaps when he speaks he will spell out——

Mr. Bryan Gould (Dagenham): I am grateful to the hon. Gentleman because I can do better than that. I should like to correct him and point out the distinction between the public sector financial deficit, which is what my right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) was discussing, and the public sector borrowing requirement, with which the hon. Gentleman is confusing it.

Sir William Clark: Not under a Labour Government, because the difference between the two is the privatisation money. I presume that there will not be any privatisation money under a Labour Government, which means that 4 per cent. of GDP is £16 billion. I remind the hon. Gentleman that before the Labour Government went to the IMF the 9 per cent. borrowing requirement would, in today's figures, mean overspending of about £36 billion. That is the size of the problem that we face. The borrowing requirement must affect interest rates which we have seen fall by one point. I believe that they will go even lower.

I advise right hon. and hon. Members who advocate an increase in the borrowing requirement to consider the present cost of the national debt. It costs us nearly £18 billion a year to service it. What could we do with that £18 billion if we were paying it in interest? In simple terms, the country is paying £30,000 a minute in national debt. There are 60 minutes in an hour and 24 hours in a day, and every minute we are paying £30,000. I hope that my right hon. Friend's target for the borrowing requirement is zero. If we raise £5 billion from the sale of BP, the current borrowing requirement of £4 billion will be reduced to nearly zero.

I know that the hon. Member for Walton does not care for the capital society. However, during the past seven years, with the sale of property to council house tenants, we have created a true property-owning democracy—*[Interruption.]* It is all very well for Opposition Members to grin about that, but they should talk to some of the 63 per cent. of people who are owner-occupiers. Former tenants are delighted that they have had the opportunity to buy their council houses. Opposition Members should talk to the 8·5 million small shareholders and savers, not to people such as Mr. Sainsbury or Mr. Robert Maxwell. The small shareholders want a stake. It is all very well for Opposition Members to say that, with nationalisation, we all had a stake and were all shareholders. I should like to know what dividends I have ever received from, for example, British Rail, in which I am supposed to be a shareholder. I have not received any dividends from that but if I invest in British Telecom I receive dividends from that investment.

We should continually remind people that overseas assets are a great boon to our economy and produce between £4 billion and £5 billion worth of invisibles for our balance of payments. They have increased from about £20 billion to £110 billion today. I am sure that economic pundits will agree that, in time, with the great build-up of overseas assets as oil revenue reduces, invisible earnings from our overseas assets will increase.

I welcome the mention of personal pensions. However, I issue a warning about occupational pension schemes. They should be increased. Nothing is better, when a person retires, than that he or she should have some income apart from the state retirement pension, because that gives them far more independence. However, if the Labour party were to form an Administration, they would force the institutions—the pension funds—to repatriate overseas assets and capital and divert that capital into what is known as a national investment bank. We have all seen the investment policies of previous Labour Governments. For example, there was not much money left after their investment in De Lorean. The same was true of the groundnut scheme and there was absolute, complete and utter disaster over Gambian eggs. If pension funds are forced to invest money in non-profitable ventures, through the national investment bank, their declining actuarial value will jeopardise the pensions of today's occupational pensioners. I remind the House that between 11 million and 12 million people have occupational pensions. If the Labour party had its way and upset actuarial valuations because of bad investment, those 11 million to 12 million people might not receive the pension that they were expecting.

I welcome the fact that another boost has been given to the age allowance in personal taxation. I also welcome the blindness allowance and the increase in the thresholds. I remind the House that they have increased by about 22 per cent. in real terms since 1979. However, I advise my right hon. Friend the Financial Secretary that the threshold is far too low. Even after the Budget a married man will start to pay tax at 27p in the pound as soon as he has earned £73 in a week. That is far too low. We should increase that threshold as soon as possible because the national average wage is now £195 a week. The target should be aimed so that a person starts to pay tax only after earning at least half of the national average wage.

As has been mentioned by some of my hon. Friends, the higher rates of tax are far too high. I welcome the fact that the top rate was reduced from 75p to 60p in the pound. However, at one time one paid 33p in the pound at the tax threshold. In the next tranche, when one's income had increased, the uplift was 40p. Then it was 45p, 50p and so on. The difference between 33p and 40p was a seven point jump. Now that tax is down to 27p in the pound, the jump from 27p to 40p is too steep and we must even it out. We cannot do so in this Budget, but in the lifetime of the next Parliament when the Conservatives will again introduce four or five Budgets our target should be for a rate of tax of 15p in the pound for those on half the average wage—£100—20p in the pound for those on the average wage—£200—and then increase the tax in tranches of five points each. That would provide a much more progressive payment for taxpayers.

I would not have a top rate of income tax higher than 50p in the pound in the long term. The United States of America acts as a magnet because of its salaries and research and development facilities, especially in the universities that liaise closely with private enterprise, which are particularly attractive to academics and scientists. In addition, the United States has a top rate of tax of 28p in the pound, so if we maintain our top rate at this high level there will be a tremendous brain drain.

I welcome the Chancellor's announcement of one VAT annual return for businesses with a turnover below £250,000. A small business is invariably a one-man business, probably with a wife or son helping. The first concern is to build up the business and the administrative burden of VAT is intolerable.

I agree with my right hon. Friend the Member for Worthing (Mr. Higgins) and my hon. Friend the Member for Woking (Mr. Onslow) that we should reconsider the question of capital gains tax on life insurance funds. If

capital gains tax is paid on life insurance funds, there will be an element of retrospective taxation, because at present many life insurance funds have an in-built capital gain on which they do not pay tax. If CGT must be paid, presumably it will also cover past gains.

A Labour Government would reimpose the 2p reduction in income tax, but I do not suppose that they would touch the age or blindness allowances. I remind Labour Members that the low paid will benefit from the reduction of 2p in income tax on average by about £3 a week. Some pensioners pay tax, so why should they not have the 2p reduction? The Budget has given mortgage payers a 2p reduction in income tax, amounting to about £3 a week, and through reduced interest rates they could save a total of £4 or £5 a week.

I do not know whether this is constitutionally right, but if the Opposition will not co-operate in passing these tax changes, may I suggest to my hon. Friend the Minister that we have two Finance Bills? One would deal with the 2p reduction in income tax and the age and blindness allowances, and the other with everything else. In that way we could quickly pass the former, so that there would be no inhibition on the date of the general election, which I hope will be in September. Something should be done to prevent the chaos that could be caused if the Opposition do not co-operate, so that after 5 April 1987 those receiving dividends know how much tax they must pay.

Sir Geoffrey Finsberg (Hampstead and Highgate): Does my hon. Friend agree that it may be helpful during the election campaign if teachers, miners and doctors realise that the Labour party would increase their tax?

Sir William Clark: I am sure that my hon. Friend is right. I am trying to find a way to avoid the chaos that could occur from 6 April if it is unclear whether tax should be paid at 27p or 29p in the pound.

I know that Labour Members are frustrated because the story is so good. It is true and fair to say that the economy has improved, is improving and is on a firm foundation. If this is thought to be a Budget of bribes, each of our Budgets has involved bribery because in each we have reduced taxation. Direct taxation has been reduced since 1979. It is clear from the reports from the Confederation of British Industry, the Association of British Chambers of Commerce, the Institute of Directors and the National Institute of Economic and Social Research that there is confidence. Even the NIESR, which is not normally optimistic, agrees with that. The trade union movement has been made more responsible and we have made massive strides towards prosperity.

All I say to my right hon. and hon. Friends on the Front Bench is, "For goodness sake, don't let anyone talk us out of continuing in the same way. The one reason why we have been successful is that we have had the determination not to be sidetracked to immediate panaceas." We have followed our strategy of keeping inflation down. I emphasise to the hon. Member for Walton that the best step any Government can take for the low paid is to keep inflation to a minimum. If inflation runs riot, it does not matter what one's savings are because they will be dissipated. The Government have controlled inflation and they must continue to do so.

6.26 pm

Mr. A. E. P. Duffy (Sheffield, Attercliffe): The hon. Member for Croydon, South (Sir W. Clark) defends the Government's economic record since 1979 and justifies the Budget on the grounds that the Government's policies are now coming to fruition. He appeals to his Front Bench not to be sidetracked and to continue on this particular road. However, he cannot deny that the great black spot in their economic record is their failure to get to grips with high unemployment—not perhaps in his constituency or part of England, but certainly in the north. That failure has accentuated the large regional inequalities and the disparities in income and opportunity. A Budget motivated by economic and social justice rather than by maximum voter appeal would attack the problem of long-term unemployment with the vigour previously reserved for tackling the problem of inflation.

During the past six months of falling unemployment figures the proportion of people in work appears to have altered little. Perhaps the greatest danger now facing us is that people will say, "Thank God, unemployment is now falling. We can forget about that problem." The recent unemployment figures have revealed how wide the gap has become between prosperous and disadvantaged regions. Between June 1979 and June 1986 the north saw a decline in total employment of nearly 14 per cent. while the south saw a decline of only 1 per cent. In the same period Yorkshire and Humberside suffered twice the national loss of jobs in manufacturing—a fall of 21 per cent. as opposed to 10 per cent.—and a much higher loss rate in energy production—a fall of 31 per cent. as opposed to only 24 per cent.

Yorkshire and Humberside together with other northern regions have been falling behind in job creation and predictions of future national industrial trends by independent organisations suggest that that is likely to continue. In 1984-85, of eleven United Kingdom regions, Yorkshire and Humberside had the third lowest average weekly incomes. The latest figures on wage differentials show that the gap there is still widening and in some respects it is now as high as £60 a week. The widening gap in house prices between Yorkshire and Humberside and the south-east reflect the relative prosperity of the two regions.

Stansted, the M11 and M25, the Channel tunnel and the increasing concentration of growth activities such as information technology in the south will widen the gap in future. This growing divide is reflected in northern cities. In Sheffield, the gap between the haves and have-nots has widened during the 1980s. More schoolchildren now receive free school meals, up from 17 per cent. in 1980-81 to 37 per cent. in 1985-86. The number of supplementary benefit claimants has nearly doubled since 1979. I know that the hon. Member for Croydon, South is kind and compassionate and I have a high regard for him. I wonder how he can reconcile what is happening in a northern city such as Sheffield, which is not untypical in the north, with the picture that he presented to the House and to which he enjoined his hon. Friends on the Front Bench to cling.

Employment is the key. Nothing brings about such a sharp drop in income as losing one's job, or retirement. That is borne out by income surveys. Unemployment in Sheffield has gone up to nearly four times what it was in 1979 and unemployed people now make up the biggest group claiming supplementary benefit. With the greatest good will, I say to the hon. Member for Croydon, South that the biggest paymaster in Sheffield is the DHSS. It supplies the income for 50,000 people in Sheffield, most of whom were wage earners not many years ago.

[Mr. A. E. P. Duffy]

The key question about this Budget must be whether it is a Budget for jobs. A new poll has reported that 60 per cent. of people would be willing not only to forgo tax cuts, but even to pay more if it meant that more jobs would be created. All hon. Members were aware of that a week ago and it is interesting to note how that view has been reinforced by further polls since the Budget that were reported in the weekend press. There was no comfort for the Chancellor in the weekend press. The Budget is not going over as well as the Chancellor and, presumably, the Prime Minister expected. It may not win the election for the Conservatives. There was no comfort for the Government in the opinion polls published this weekend. There may be some for my hon. Friends but none at all for the Government. The best rating for the Government of 39 per cent. support will not give them a majority, but will result in a hung Parliament.

The Budget does nothing for the poor, the homeless, the old or the sick. Most of all, it will do nothing to create jobs. There is no cut in national insurance charges to reduce the cost of employment, no rationalisation in the scale of employee's contributions to reduce one more poverty trap and no increase in family allowances. I repeat that the Budget is no comfort to the Prime Minister who will not be encouraged to go to the polls on the basis of this Budget. Presumably, that was in the mind of the hon. Member for Croydon, South who in his speech asked for an election not in June but in September. A nation now divided will be more divided. The rich will get richer and the poor will be lucky if they only stay as poor as they are.

The Chancellor insists that the indirect route is the best approach to solve Britain's chronic social problems. I understand that view very well. He and the Prime Minister share an unshakeable belief that only an efficient, profitable and expanding economy can put Britain back to work. At one time, I think I was disposed to that view, but in recent years there has been much evidence to persuade many hon. Members to the contrary view. If the Chancellor's measures are intended to help create an environment in which the economy can expand, why is industry producing less and investing less now than it was in 1979? My right hon. and learned Friend the Member for Monklands, East (Mr. Smith) asked that question in his opening speech.

Why has the Chancellor not responded positively to the anxieties about the long-term health of Britain stemming from the lack of research and development and innovation in private industry expressed by *The Times*, the Confederation of British Industry and the electronics industry as well as by the hon. Member for Honiton (Sir. P. Emery)? The British Institute of Management is also critical of the Chancellor's failure to encourage the technology sector as well as of the lack of moves to step up public spending in infrastructure development.

On grounds of economic management, quite apart from social justice, there is no case whatever for a reduction now in income tax. First, most people in employment do not need a boost in their living standards. They are all doing very nicely. According to calculations by the Central Statistical Office, those in work need an increase of only 2·4 per cent. to compensate for inflation and tax changes. Secondly, a tax cut now will merely accelerate a consumer spending boom. Consumer spending rose by 5 per cent. last year in real terms—or at about twice the rate of growth of the whole economy. Retail sales are running 7 per cent. ahead of last year, while manufacturing production is only 2 per cent. higher than a year ago. Most of the increase in sales has been met from imports, hence the balance of payments deficit, notwithstanding the oil revenues.

As my right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) warned the House on Wednesday, the dangers of an unbridled spending boom are first, higher inflation; secondly, a further deterioration in the balance of payments as foreign goods are sucked in; and, thirdly, a fluctuating exchange rate when manufacturers are pleading with the Government for a stable one. Last year's big devaluation of the pound has left British goods 25 per cent. cheaper than those of our continental competitors. This competitive advantage means a real prospect of sustained industrial revival — if the Chancellor does not spoil it.

Furthermore, the revival of depressed areas in the north, such as south Yorkshire, is very much dependent upon a general upturn in the United Kingdom and overseas. There is a further onus on the Chancellor to provide for that general upturn. He warned the House that there are still serious imbalances in the economies of the United States, West Germany and Japan which could lead to further turbulence on the exchange markets. I am well aware, as he undoubtedly is, of the difficulties of a co-ordinated economic expansion. Nevertheless — and I concede this to the Government—if there is one country whose economy is perhaps well placed to foster such an economic initiative on behalf of international expansion, it is the United Kingdom.

Such a British initiative would benefit not only the depressed north, but would be a positive response to last month's appeal by the United States Treasury Secretary, Mr. James Baker, when he looked to the group of five —but was obviously looking principally to the member nations of the European Community—for such a co-ordinated economic expansion.

In the ealy 1980s the United States spent its way out of unemployment in the traditional way without an increase in inflation because it managed to combine expansionary policies with a strong exchange rate. Any European country expanding alone would find it difficult to follow that act, but it demonstrates that a modern industrial economy can expand out of unemployment without unleashing a wave of inflation, provided the exchange rate does not fall. For the members of the European Community, trading so closely with each other, the most effective way to do this—if the political problems could be overcome — would be to expand together. The additional imports which would be sucked into any one country as growth picked up would be matched by exports to its trading partners with little change in the pattern of exchange rates.

How far did the Chancellor pursue, at the recent meeting of the group of seven, this pressing need for a co-ordinated economic expansion? He had been urged to do so the month before by the United States Treasury.

There is a danger, as the Chancellor warned last week, that the world economy will move back into recession later this year. He and the Prime Minister will have a further opportunity to foster co-ordinated international economic expansion on the 8, 9 and 10 June at the Venice summit of the seven leading industrialised countries. On the other

hand, at that time we all may be caught up in a general election, in which case that will conclusively demonstrate what the Budget has been about.

6.40 pm

Mr. Kenneth Warren (Hastings and Rye): In the Red Book my right hon. Friend the Chancellor says that he aims to maintain a vigorous and enterprising economy. Since 1979 the Government have reduced inflation, the public sector borrowing requirement and taxation. That is exactly what is required for us to build a base on which industry can expand. I declare an interest as an engineer and would like to concentrate on the needs of the future. We can rebuild the industrial enterprise of this country and conquer some of the problems about which the hon. Member for Sheffield, Attercliffe (Mr. Duffy) has just spoken so eloquently in terms of his own city of Sheffield.

I do not believe that we can ever get the service sectors of our economy to compensate for the loss of industrial jobs. I am not at all happy at the way deindustrialisation has been taking place, not just in recent years but certainly over the last 50 years. In 1978 Sir Alec Cairncross gave four good indicators, which are symptoms of which we are aware nowadays. He said:

"You can recognise deindustrialisation by a decline in employment both in absolute and relative terms in the industrial sector of the economy. Secondly, there is a decline in the share of national output contributed by the industrial sector of the economy. Thirdly, a decline in one's share of the world industrial output and, lastly, a failure due to poor export performance to finance a full employment level of imports."

Looking at those four points, and having done some research on the problem, I think that we have suffered from some or all of those symptoms over the last 50 years. Deindustrialisation is a dangerous disease which is now to be contrasted, I am happy to say, with a considerable wave of industrial enthusiasm that I have come across when travelling the country recently.

Although the Government at last have room for financial manoeuvre, for about the first time since the second world war, I am concerned that we should not use that manoeuvre without looking at ways in which we can make substantial progress. The Government are determined not to dominate industries, but are rightly determined to help industry where they can. There are three sectors where the Government have a task — in skills for jobs which are available, training for jobs which are available and matching people's keenness for employment with the tasks that have to be done. There is a need for a Government industrial strategy that recognises constraints on industrial progress and recognises the duties that the Government must fulfil to train people for jobs in a timely fashion and at the rate at which they are required.

There is an enormous skill shortage in this country. The Manpower Services Commission is doing a useful job in retraining, but I wonder whether the Government understand the scale of the problem in international terms and the very high levels of skills that are required to remain competitive. A couple of weeks ago I was talking to a major motor components manufacturer in the midlands. He said:

"I could open the doors to 300 qualified engineers tomorrow if I could only get them. If I got those 300 qualified engineers I could recruit 300 semi-skilled workers and after that probably another 300 unskilled workers."

The key to re-employment, whether it be in Sheffield or the midlands, is getting the lead workers — the qualified scientists and engineers — out of colleges and through factory gates at a faster rate than has been attempted by the Government.

In my constituency there is a company which is working on a defence contract which is so short of engineers that it has had to subcontract the work to the United States. Another company in my constituency cannot find any engineers of the kind that it needs coming out of any college or university in the south-east and it has now had to recruit the first of several people which it expects to have to recruit from the far east. Unless we can meet the growing high skill shortages, which are easily and quickly identified, the process of deindustrialisation will go on. It has been known for several years that there are at least 30,000 vacancies for qualified scientists and engineers in the computer industry. Let us compare the numbers of engineers in industry here with those in Japan, West Germany and the United States. Of course, we have a smaller population than Japan or the United States so it is not surprising that we have fewer engineers. However, West Germany, where the population is equivalent to our own, somehow manages to pay its workers twice as much as we do and to produce 30 per cent. more engineers than us. In Japan there are three times as many engineers as there are in this country and in the United States there are seven times as many.

It is not the number alone that matters. The question is how they are interleaved into the industrial economy and how they are utilised. Otherwise the Swiss and the Swedes, who have small populations, would never have been able to survive in world industrial markets. If we look at our major competitors, with whom we must compete to survive—West Germany, Japan and the United States—and the way in which they deploy their resources in the training of engineers, we see a very worrying picture. In this country, for every 10,000 people on the industrial labour force there are 36 qualified engineers. In West Germany there are 48 qualified engineers, in Japan there are 58 and in the United States there are 62. My statistics come from a report which was produced late last year by the Advisory Board for the Research Councils supported by the science policy unit of Sussex university, on whose court I have the honour to serve.

That ratio shows that we do not have a high enough mix of qualified engineers in our industrial society to be able to compete in a way that the investment in education, which is being put forward in the Budget, should deliver to our community. United Kingdom statistics, unfortunately—I hope that the Treasury and Department of Trade and Industry Ministers will pick this point up—are dreadfully slow to be published. The figures that I am quoting are the latest available and they are from 1981. Statistics from West Germany are available from 1982; Japan and the United States seem to be able to produce their statistics when they are only three years out of date. Even that may be a long time out of date, but one has to work on the information which is available. I ask the Treasury and the Department of Trade and Industry to see what they can do to speed up data which are produced only every three years, if at all.

My second point is about the effect of the shortage of engineers on the competitiveness of pricing of our goods for domestic supply and export. The Financial Statement

[Mr. Kenneth Warren]

and Budget Report 1987-88—the Red Book—on which our debate is based, shows some substantial improvements in chart 3.9

"Unit labour costs in manufacturing".

It looks as though 1987 will be a particularly good year. However, the backlog from 1979 is extremely worrying and exemplifies the problem of the shortage of engineers in our industrial society.

United Kingdom unit labour costs rose over the period from 1979 to date by 84 per cent. For our other principal competitors unit labour costs rose by only one third of that rate over the same period. That is an example of how the shortage of engineers affects our competitiveness and why deindustrialisation continues. Holding down pay rises is a last resort which I do not applaud because there is a good litmus test as to whether a company's management is on top of the job. It demonstrates how skill shortages are biting into a company.

I draw attention to a parallel problem, which is in desperate need of a solution and to which some hon. Members on both sides of the House have referred—the question of research. The House of Lords report on civil research and development published late last year commented:

"Morale is low in the scientific community."

Morale is low. It is at such a low level that the Government must recognise that the seedcorn is no longer being sown.

The Prime Minister said in February this year that Government spending on research and development, as a proportion of national output, was more than in the United States, West Germany and Japan. I do not want to clash with my right hon. Friend, particularly in her absence as that would be cowardly, but I wish that it were possible to know the exact military component of that research and development. It is clear from the House of Lords report that civil research and development has been declining over at least the last 20 years and is still in desperate trouble.

Only today in *The Times* there was a good example concerning the problem of the discovery of superconducting materials. Apparently research cannot be continued because the Science and Engineering Research Council has frozen funds for all new projects. That principle was discovered 70 years ago and many principles take a long time to reach the market place. For example, the ballpoint pen took 58 years to reach the market place in 1946. Detergent took 42 years and magnetic tape recording 39 years. We regard those products as commonplace today. Some other ideas have reached the market place more quickly. It might reassure the hon. Member for Attercliffe to know that stainless steel took only eight years from the principle being discovered to the time that it was on sale. Even better, synthetic penicillin took only a couple of years.

Science usually has to wait for marketing-led technology to come into public hands. Investment in civil research and development in the United Kingdom is not equivalent to our needs.

Last December John Fairclough, the Government's chief scientific adviser, attacked industrialists for failing to invest in research and development, but he said that he was "concerned" that the Government were likely to cut spending on non-military research. When he made that statement he was introducing the Cabinet Office review of Government-funded R and D. That gave us a little clue as to how much is spent on military research and development. The total spent is to go up from 51 per cent. to 54 per cent. over the next couple of years while the total spent on research is likely to come down by £4 billion.

Those fundamental figures are of desperate importance in relation to new projects on which the Government must make decisions and where decisions are long and dramatically overdue, such as on the funding of the A330/A340 Airbus projects and on whether we have a space programme. We cannot continue to put off decisions on high technology projects. The Government have a responsibility built into the structure of the agreements on Airbus. We cannot ignore the fact that we are gradually being manoeuvred out of our negotiating position on Airbus by the French and the Germans who fully understand that the market place which has been developing for the last decade has now arrived. Customers are queuing up before the design is off the drawing board.

If we cannot see what is happening to market opportunities on our doorstep, what chance or sense is there in people coming forward to qualify as engineers? The jobs may not be there when they get there. The jobs will have gone elsewhere. I am told by Airbus that planeloads of keen would-be participants in Airbus are arriving from Italy and Japan and other countries believing that the British are on the way out because we have spent so long trying to make up our minds about a blatantly obvious business opportunity. The Government cannot shirk their responsibility any longer.

With the Prime Minister's visit to Mr. Gorbachev imminent and the rumour that an announcement that a British astronaut will be propelled into space will be made in the departure communiqué, I hope that we achieve the understanding, which is believed to be abroad in Government, about the need to develop a space programme in line with that of our competitors. Mr. Fairclough said:

"The brunt of cuts will have to fall on the advancement of science and the improvement of technology."

I cannot believe that the Chancellor and the Secretary of State for Trade and Industry will agree that that should result from our Budget.

It is true that the wallies in the Science and Engineering Research Council are not the best managers in the world. They are in the process of spending £6 million, which they believe they can recover, to move the telescopes out of east Sussex to Cambridge. I should have thought that they had something more inventive to do with that money than play around with that far-out piece of science.

Maurice Shock, chairman of the Committee of Vice-Chancellors and Principals, has clearly identified the problem in science in relation to Government. He says that although the science vote has gone up by 6·3 per cent., the whole lot will be wiped out by salary increases and as a result of the pound going down in value. That means that the sterling value involved in our collaboration with organisations such as CERN in Geneva has become more expensive.

The Science and Research Council has 1,500 research proposals with which to deal. About 500 could be expected to get through, but SERC finds that it can do nothing at all. That is not good enough. Will the Government please listen, not just to the hon. Member for Hastings and Rye,

who is their friend, but to scientists who are desperately trying not to drain their brains away from our universities, colleges and industries?

There is a good lady at Imperial college, probably in a basement, where all the best research is done at university, —"with little natural light" is the usual formula—who is working on a system which she believes could produce power from sea water. I wish her success. I think that that is chemically possible. However, she cannot carry on her work, so she will have to go to the United States. That is not the kind of incentive that the Government wish to result from the Budget.

When Sir John Kingman, vice-chancellor of Bristol university, answered a question before the House of Lords Select Committee on civil research and development he said:

"The defence of this country will collapse, not necessarily for military reasons, but for economic and political reasons. If we spend too much of our research money on defence we will simply not be able to afford to maintain this country as a viable economic and political entity."

Perhaps he was over-stating the case but Sir John Kingman is no fool. He was sounding a strong warning and, given his scientific background, strength and ability, we have good cause to listen carefully.

The funds that the five research councils have received from the Government have been wiped out, according to the programme before us, by the 24 per cent. pay award for university lecturers. Presumably, that award is justified, otherwise my right hon. Friend the Secretary of State for Education and Science would not have agreed to it. However, for that reason, there is no money to continue research work. One must ask exactly what the people who will receive this extra pay intend to do. My fear is that, as a consequence of the current relationship between Government and science, the brain drain will speed up and nothing will stop that for a long time.

It is difficult to measure the value of science. Science does not set out to create wealth but wealth is certainly created by science. If one studies the way in which foreign companies log patents in the United States it appears, from the latest data available, that of the top 33 companies registering patents in the United States, 20 are American, eight are Japanese, four are West German and one is a partly-owned British company. It is difficult to measure the output of science in the world, but patents and citations are a good measure of scientific output. The registration of citations follows strictly in line with the pattern I have described with regard to patent applications in America.

The science budget is the seedcorn for the nation's future industrial prosperity. However, in the past 15 years, the real-term value of the science budget has declined dramatically. A written answer given on 12 November 1985 stated that in 1971-72 the science budget was £607 million. However, in 1986-87 that budget was £535 million, in 1987-88, £529 million and in 1988-89 it is expected to be £527 million. That is not the type of investment that the Government would wish to see in industry. It represents declining investment and the Government should see where their duty lies and do those things which only Government can do.

We appear to be able to find money to encourage foreign companies to come to this country to compete with our own companies that are already fighting for their survival. I experienced that all of 20 years ago and I had hoped that any Government would have changed their mind about that policy. Some 20 years ago, we entered into a tripartite agreement on the Tornado aircraft and that led to British companies being in competition with new companies from West Germany and Italy. It appears that we still have not learnt and there are Japanese companies in Scotland that are due to receive some £150,000 in Government grants per job created. When compared with the projects that have been frozen by the Science and Engineering Research Council, such nonsense starkly brings out the problem we face.

There is a great problem regarding the cost of money. In real terms, Japan and West Germany pay only half the amount that our companies must pay to find their investment. I do not understand. I am sure that elegant Treasury Ministers will be able to baffle me by spelling out the reasons why money must be so expensive in this country, but there appears to be no basic reason.

As I stated earlier, industrialists have said that they can sell at $1·50 but that they cannot sell at over $1·60. If the price of money is reduced, presumably the value of the pound will come down. That is not a very satisfactory solution. It is rather like putting an elastoplast on the problem, but it is certainly better than the present situation where industry is castigated for not putting in enough money, but must pay twice as much as competitors for the money that it does put in.

A subject that is dear to the heart of my hon. Friend the Member for Honiton (Sir P. Emery)—I share his feelings — is whether there are constructive ways to encourage industry to invest more of its own money in research and development. Surely there must be incentives that the Treasury can devise.

In conclusion, there are three key obstacles which confront the Government — skill shortage, research money shortage and the cost of money. They are obstacles that the Government must remove, but, first, they must understand that such obstacles exist. I believe that the science policy followed by Government should be focused more clearly—I believe that the Government can do that. Indeed, I do not believe that any other Government who can come before this House has the same chance of success as that presently in power, and who will continue to be in power after the next election.

7.5 pm

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): When the Chancellor of the Exchequer got to his feet last week to introduce the Budget, I was not here. I had been bidden to the offices of the chairman of British Rail to meet him and the chairman of British Rail Engineering Ltd. That occasion proved far more indicative of the problems that face the country than the rather extraordinarily ambivalent Budget that was presented in the Chamber.

I had asked to go to see the chairmen of British Rail and of British Rail Engineering to put to them the position that exists in my constituency. We have just lost some 400 jobs in British Rail Engineering Ltd. because it has been decided that there should be a change in work patterns and that the repair work—the basic manufacturing work—of the Crewe BREL workshops should go elsewhere to regional depots.

When I arrived for that meeting, the chairmen, far from talking about the 400 redundancies, which had largely been dealt with by natural wastage, had another piece of

[Mrs. Gwyneth Dunwoody]

information to give me. They said with some brutality, but with great directness, that another 600 jobs would be lost from the BREL workshops. Only those hon. Members who have gone through the trauma of watching efficient, viable, manufacturing industries destroyed before their eyes will know what effect that has on a constituency where there has always been a high degree of expertise and a strong commitment to manufacturing.

Let me tell the House what that means. It means that, in my constituency, there has been a continuing tradition of apprenticeships, which involve the training in the engineering industry, which the hon. Member for Hastings and Rye (Mr. Warren) discussed. A number of apprentices are taken in every year and go through a highly skilled and useful training programme. On completion of the programme the apprentices sometimes go to work in other factories in the constituency, but mostly they go into the business of constructing new or repairing existing locomotive and rolling stock. Are those skills no longer needed? In August, we shall be confronted with the situation that has not existed in my constituency since I was elected, but I am told existed in the 1920s, when young apprentices, when they come to the end of their time, will be told that there is no work for them. If the union cannot persuade large numbers of older workers to go, not only will no apprentices be taken on this year, but there will be no way of absorbing those people still going through their training. That is the reality of Britain under a Conservative Government.

The Government do not seem to understand that it is the economics of the madhouse to allow a railway system, which is a subsidised railway system, to run down its manufacturing units. These units have a high level of expertise and a great deal of skill. This action will force the British Railways Board to put work out to tender, not just in this country, but anywhere in the world. Those tenders will be for the very rolling stock that can be built by British Rail Engineering. Indeed, those tenders will be based on the detailed work carried out by BREL.

We have here the ultimate in cynicism. The Government believe that it is more important to hold to the political idea that we must force a degree of privatisation on to the run-down railway system than to consider ways of getting the best value for money. Swindon and Shildon have shut, and the men at Horwich have been moved around. In large part, the Horwich men have been absorbed in my constituency. Many of us are aware of the cost of these closures and moves to the men and their families. We are aware also of the expertise that they bring to their jobs. How can we expect a viable manufacturing industry to operate when we have kicked the guts out of the people who do the work and they no longer believe that they are needed, that they will still have a job in a year's time, or that they will still be in employment when their sons complete their apprenticeships?

In my constituency there was an agreement—it was one that the work force went along with—that there would be 400 redundancies over three years. That was the original position. Suddenly, the three years became six months, and now there are to be about 1,000 redundancies instead of 400. Where in the Budget is there anything for these men? Where in this anodyne mixture of tiny bribes and little gestures are there answers to their problems? Where are the answers to the problems that I shall face in my constituency if the one core manufacturing industry is allowed to run down and to die?

Why is this happening? Is the work force incompetent? Of course it is not. Is it capable of competing? Of course it is, if it is given a fair chance. It will be unable to compete, however, if every advantage is given to its competitors and the political view prevails that British Rail Engineering Ltd. should be run down. Unfortunately, the management, at chairmen level, will follow that view. The result is that the men know that their jobs are not safe.

On the Friday following the conversation that I had had with both chairmen, the chairman of British Rail Engineering Ltd. resigned. I understand, Mr. Deputy Speaker—perhaps you will believe this—that I can be quite sharp on occasion, but even I do not take sole credit for persuading a man between Tuesday and Friday to change his view to such an extent that he decides suddenly to depart, taking with him his deputy. British Rail Engineering Ltd. says that this happened as a result of an agreement. It is the sort of agreement that was faced by one of the workers in my constituency. He talked about redundancy on the Thursday because he had multiple sclerosis, and he was told on Friday, "Collect your goods and be out of this factory by teatime." That is the sort of agreement that is being offered to the work force in my constituency, and there is nothing that can be done about it.

There is no clear sign that the Government understand what manufacturing industry is about. Unfortunately, there is a clear political plan that follows the Serpell report. We were told when the report was produced that there could be no likelihood of a Conservative Government supporting it, but how is it that what happened to the royal ordnance factories is now being repeated at British Rail Engineering Ltd?

First, the work force is run down. At the same time, large sums of taxpayers' money are spent on renewing useful assets and high-quality machinery. Before that process is completed there is direct privatisation, either by coming to an agreement of the sort that was reached with the royal ordnance factories or, even worse, with the sort of agreement that was reached with Vickers. Vickers had only one competitor in the creation of tanks and when the status of the ROFs was changed it was made darned sure that Vickers took control of the only commercial alternative. The position is the same with British Rail. Someone from Vickers has appeared from the sidelines to become a non-executive director. I do not have the advantages of many Conservative Members. For example, I do not know intimately members of the most important commercial organisations at managing director level. That is a deprivation that I shall manage to live with without too much difficulty. It may be that the gentleman from Vickers who has become a non-executive director has a great many skills, but it is certain that he has a strong commitment to a commercial policy that states, in effect, that it is fundamentally wrong to have a unit such as British Rail Engineering Ltd. that is capable of operating within the state sector. That is not because it is incompetent or because there is a lack of investment. It is not because it cannot compete. The reason is that the Prime Minister has a strong, bigoted and unequivocal hatred of a state transport system.

Conservative Members who come from points in the south are not concerned. Why should they be? Indeed,

they think that it is quite amusing to talk about those who are coming south from Liverpool and Crewe, for example, looking for employment, perhaps finding it and then travelling backwards and forwards every weekend. Conservative Members do not think that these men are especially important. We know, however, of the cost in terms of social deprivation, and it is one that will be paid in generations to come. There will be children who do not have united families and young people who do not have training.

In the centre of my constituency there are young men and women who have not worked for four years. They have not worked since leaving school and they have no hope of receiving proper training. Of course, they can participate in the odd YTS scheme here and there and provide cheap labour by occasional spells of shelf filling. Let it be understood that they have had no training and that they will have no opportunity for training. Many of them know that they will never obtain a proper job. These young people have parents who are demoralised, destabilised and frightened. They are deeply angered also.

The Chancellor of the Exchequer may think that he has prepared a Budget that will be extraordinarily popular with those whom he wants to vote Conservative, but in effect he has wiped out a section of the population. This certainly applies to those who have been involved until recently in manufacturing industry. It is something that will come back to haunt the House for many generations to come.

I shall not stand by and see the workshops close in my constituency. I shall not stand by and see men and women put out on to the stones, when they are needed. I shall be here to remind the Chancellor of the Exchequer and other Conservative Ministers, day after day if necessary, that Britain cannot afford the criminal waste of destroying manufacturing industries that are fundamental to the nation. Until the Government learn that, there is no hope of anything other than a divided and destabilised society. That is a cost that none of us should be prepared to pay.

7.17 pm

Mr. Richard Ottaway (Nottingham, North): I shall not comment on the remarks of the hon. Member for Crewe and Nantwich (Mrs. Dunwoody), other than to say that at the royal ordnance factory at Nottingham—the hon. Lady referred to royal ordnance factories generally—the work force has remained unchanged since privatisation and there is now a much enhanced order book. We are not suffering from social deprivation in the Nottingham ordnance factory.

When my right hon. Friend the Chancellor of the Exchequer can come to the Dispatch Box and confirm that the increase in expenditure that was announced in the autumn statement still stands, announce a cut in income tax and reduce the public sector borrowing requirement to 1 per cent. of gross domestic product, resulting in a cut in the interest rate and a reduction in the mortgage rate, coinciding with a reduction in the jobless by 71,000, I believe that he deserves our congratulations. As someone who represents a centre of the tobacco industry, he receives my thanks. The Players factory is at Nottingham and many of my constituents work in it. On many occasions we have said to my right hon. Friend that he must not kill the goose that lays the golden egg. This year we have been rewarded by his decision not to increase the excise duty.

The tobacco industry has been in difficulty. It has suffered a number of takeovers in recent years and it has undergone a massive reorganisation. It asked the Treasury for at least one year's relief, and I am pleased to say that it has been given that. That is something for which we are all grateful.

I should like to place a marker for the future. I am not impressed by the health argument that has been advanced during the debate, but I know that my right hon. Friend the Chancellor of the Exchequer has been influenced in the past by it. Smoking is dangerous to health, and I believe that it is the Government's role to persuade smokers to kick the habit, not to dictate by imposing taxation and forcing people to stop smoking. I cannot subscribe to the nanny state, which I consider to be unacceptable. If the Treasury feels that it must try to prevent the spread of smoking by means of taxation, I ask it to try to quantify the cost to the nation of smoking and of looking for cures for smoking. When that is done, I ask for the result to be included as a specific item in the Budget, rather than impose a general increase in taxation in years to come.

My only real concern about the Budget is the absence of any mention of the ailing shipping industry. It is inevitable that the Government will have to face the decline in the country's fleet, which is now in a perilous state. There are daily reports of further flagging-out from the British flag to flags of convenience. In 1985, the General Council of British Shipping said that by 1995 the number of ships flying the Red Duster would be between 300 and 400. That was a wildly optimistic forecast. It is now predicted that by 1995 only 100 ships will be flying the Red Ensign.

The Government have a duty to ensure that the number of ships is adequate to supply the nation's needs. There is no shortage of ships in the world, and I suppose that the colour of the flag that a ship flies as it comes up Southampton Water does not make much difference as long as the goods are getting into the country. It is the Government's duty, however, to ensue that those ships keep on coming.

The second role of the Government is to ensure that a strategic reserve is maintained. This is not in itself a justification for intervening in a shipping area but, with a fleet of just 100 forecast by the year 1995, it should not be lost on the Government.

The lack of any policy on shipping is now hitting the shipping service sector. London is the centre of world shipping and has produced a good income for the nation over the years, but it is now in decline. There is a substantial shipping business in the City, with the resolution of disputes at the forefront. A leading arbitrator was saying the other day that he is now seriously underemployed. On the Baltic exchange, there is nothing but doom and gloom. The brokers are pessimistic. This sector depends on the shipping industry, and it needs a shot in the arm.

I welcome the changes to the business expansion scheme announced by my right hon. Friend the Financial Secretary the other day. However, as the Government know, what we need to resolve the nation's shipping problems is a fiscal remedy. The revenues from today's shipping are minimal. All the shipowners are now moving to offshore havens where they make no contribution to the British Treasury—"If you cannot beat them, join them." We should be positive about our two offshore havens, the Isle of Man and the Channel Islands, and encourage

[Mr. Richard Ottaway]

shipping to go there rather than to Panama or Liberia. We should liaise closely with the shipping industries, and consider reliefs for managing companies. After all, what have they to lose if no income is coming into the Treasury? They have everything to gain from the restoration of the country as a leading maritime nation, with the added benefit to industry.

To me, the most important parts of the Budget were the welcome announcements about small businesses. There are many small businesses in Nottingham. They are major job creators, and they are at the heart of the engine room of the nation's recovery. However, they are not without their problems. When a survey of east midlands firms asked which four factors most limited business prospects, 56 per cent. cited interest rates, while 46 per cent. blamed cash-flow problems. This is a good Budget for the business men who expressed those concerns. Interest rates have dropped in its wake, and we know that small businesses have welcomed that.

Hon. Members may recall reading a few weeks ago in the newspapers that the Nottinghamshire chairman of the National Federation of Self Employed and Small Businesses, Mr. Jim Conduit, had urged his members not to support the Conservative party in the next election because it had done nothing for them. However, I am pleased to report that Mr. Conduit has now changed his tune. After the Budget, he said:

"It will all make a big difference. Bank rates are particularly important to small business men. This Budget is a step in the right direction."

So we now have the blessing of even Mr. Conduit.

The reduction in corporation tax for small businesses is also very welcome.

Cash flow was the second item that caused business men concern, and the Budget is particularly important for them. My right hon. Friend the Chancellor recognised that late payment of debts was a serious problem. He said in his Budget speech:

"Perhaps the biggest problem faced by the small business man today is the trade customer who is late in paying his bills: so late sometimes that VAT becomes due before the bill has been paid. I can do nothing about late payment; but I can, I hope, do something about the VAT problem."—[*Official Report*, 17 March 1987; Vol. 112, c. 821.]

My right hon. Friend went on to announce the important concession of the optional cash accounting for VAT for businesses with a turnover of up to £250,000, and this concession is very welcome, but my right hon. Friend could do something about debt, as his Department is well aware.

The problem of creditors being kept out of their money while the debtors have the use of it was recognised by the Law Commission as long ago as 1978. In its report No. 88, it came up with the following remedy:

"The introduction of Statutory Interest is appropriate and necessary."

Ten years later, however, the problem of late payment is growing. The complaints sound the same. I have received some letters from business men, one of whom said:

"We have never had a better year for turnover but we are still in danger of going broke."

Another said:

"If all our bills were paid we'd be millionaires, but we can't recover the sums due."

The excuses are moving with the times. One excuse that I have heard is, "We cannot get at the invoice until the end of the month; it is in the computer." In the old days, they could get it out of the filing cabinet in minutes.

In 1986 the CBI carried out an important survey, which found that late payment was common throughout industry. Of those asked, 57 per cent. said that most, or more than half, of their bills were paid late. The figure rose in a number of interesting industries. In the engineering industry it rose to 69 per cent.; in the construction industry to 64 per cent.; and, rather surprisingly, in the professional services to 64 per cent.

The City's leading debt underwriters, Trade Indemnity, said that the longest credit period that it had known was in the industrial and commercial services sector, which includes advertising agencies, computer services, contract cleaners, direct marketing, employment agencies, insurance brokers, security services and shopfitters. They all take a disgraceful average of 206 days' credit.

Mr. Hickmet: What about the delay by solicitors in paying counsel?

Mr. Ottaway: They fall into the professional services sector. They take up to 206 days to pay.

Unbelievably, no remedy has yet been put forward as suggested by the Law Commission. It may come as a surprise to hon. Members, but it is not possible to sue for the interest on a debt after the principal has been paid. That makes us the odd man out in Europe. The only way that a creditor can be sure of being compensated for being out of his money is by issuing a writ with the invoice, and that will hardly make the wheels of industry go round.

The Government have adopted a mixed attitude to the problem. Following the CBI guidelines in 1980, they launched a voluntary code in 1986 in a booklet entitled "Payment On Time". It is a rather woolly document and gives no recommended period for the payment of debt. The credit agency Dun and Bradstreet said that it had noticed no change in the time taken to pay debts since the publication of the booklet. That comes as no surprise, as we have had a voluntary code since time began.

Whereas the Department of Employment, which published the booklet "Payment On Time", did not receive much of a response, the Treasury has been far more positive. Last year it introduced penalties for late payment of VAT, and the response to a written question of mine shows quite dramatically that the receipts of VAT have gone up and the outstanding backlog of unpaid VAT has gone down.

The problem will be slightly alleviated by the welcome measure proposed in the Budget, but that measure would not be necessary if bills were paid on time. The answer is a right to interest on the late payment of debts as was recommended by the Law Commission. I am sure that that would result in a more rapid payment of bills.

In its survey the CBI asked firms whether, if they were automatically entitled by law to interest on any debt paid late, they thought their customers would pay more promptly. A staggering 85 per cent. said that they did. As a result, I introduced my Right to Interest Bill, whose main proviso was that interest on the late payment of a debt was deemed to be an express term of every contract. There has been considerable argument since then about whether that should be a statutory entitlement or a statutory discretion. My preference is for the statutory entitlement, because I

believe that any discretion available to the courts is accompanied only by vast armies of lawyers trying to persuade the court how its discretion should be exercised.

The Government's position on this proposal is that they are open to persuasion. I am delighted to report to the Government that a consensus is emerging. My early-day motion 63, which is not by any means frivolous, and which calls for the introduction of legislation, is now supported by 176 hon. Members from all parties, including some of the hon. Members now present. Both alliance and Labour spokesmen have spoken in support of the proposal. I do not know whether it will be in their manifestos, but they have shown a distinct interest in the idea.

The excellent Forum of Private Business, which has about 20,000 members in the small business category, has conducted no fewer than five surveys on the topic, which have shown support varying between 70 per cent. and 84 per cent. in favour of a statutory entitlement. I now have the support also of the Engineering Industries Association, the Small Business Bureau and, I am afraid to say, the National Farmers Union, although I am not sure whether I want to pray that organisation in aid of my proposal. The CBI has come out in favour of the statutory discretion, and that is a welcome development. The Association of British Chambers of Commerce has a rather woolly, ambiguous approach to it all. It says that it supports future legislation so long as there is no change in the law. I suggest that the Government ignore that garbled advice.

Of all the major pressure groups in industry, the Institute of Directors alone stands opposed to the introduction of the statutory interest. That is primarily because it is a free market organisation. It believes that such a proposal is interventionist. It is not. It is regulation of the market place, which we are only too pleased to accept in the present climate. I believe that even at this late hour the Institute of Directors can be persuaded to change its mind.

The concern of my right hon. Friend the Chancellor is welcome. Speeding up the cash flows of small companies is important. I believe that the VAT measures announced by my right hon. Friend will do that and that my Bill will do so even more. The great advantage of my Bill is that it does not cost the Treasury a single penny. The important thing for the Government is to create the right conditions in which small businesses can operate. The Budget has done that, and I welcome it very much.

7.32 pm

Mr. Brian Sedgemore (Hackney, South and Shoreditch): The Chancellor's critics have been unfair to him. They have failed to realise his undoubted talents. In particular, the Chancellor has an outstanding ability to play word games in which he says the opposite of what he means. Most of us play those games at Christmas, but the Chancellor plays them at Budget time. When he tells us that the economy is undergoing some kind of economic miracle, he is really Humpty Dumpty telling us that the manufacturing base has been devastated by the Government. When he says that exports are improving, he is the March Hare who is telling us that there has been an import surge and that the impending balance of payments crisis is likely to be so disastrous that he could not give us the bribes that he had originally promised us. When he tells us that he believes in business integrity, he is really the Knave of Hearts who has created a free enterprise culture in which for too many people in the City of London the only principle is lack of a principle.

e have now had nine wasted Tory Budgets and they have combined to produce a free enterprise charter in which too many business men feel that it is better to make money than to make things. In those nine wasted Tory Budgets, successive Chancellors have trumpeted free enterprise. For the most part, it has been a disaster. For some, it has been death. This winter during the cold spell hundreds and possibly thousands of people died of hypothermia because they could not afford the heating, the food with enough calories and the clothing to stay alive. Every winter, according to doctors in Shoreditch, old people die before their time because they are thrust from the National Health Service and the community services cannot help. In those nine wasted Tory Budgets, breathing the spirit of free enterprise, the Government have left us with 100,000 families without a home, 4 million people without a job and, in a tragedy unparalleled in the Western world, one fifth of our population living on or below the poverty line. Nine million people have been thrown away like empty husks into the dustbin of free enterprise. In the future, historians will shake their heads and wonder how society became so barbaric that it could allow that to happen.

Parliamentarians have a responsibility to examine the moral, economic and intellectual basis of these Budgets and the Tory concept of freedom, which it defines in terms of free markets, consumerism and the ability to pay. The Chancellor justifies the death and destruction of these Budgets in terms of Friedmanism or monetarism, an ideological creed which curiously has existed entirely outside empirical evidence. When monetarism was monotheistic, the Chancellor and his family used to go every Sunday to St. Paul's in the City, and they worshipped the one true god — M3. Then, when monetarism became pantheistic, he and his family went along to St. Paul's in the City and worshipped M0, M1, M2, M3, PSL1, PSL2, DCE, broad money, narrow money, seasonally cyclically, psychically adjusted. In this Budget we have seen the slaughter of all the gods in the monetarist pantheon and the Chancellor has revealed himself to be a heathen who worships plastic—plastic Access, plastic Visa, plastic American Express. Plastic—the ultimate symbol of a throw-away society which inevitably and inexorably will eventually crush us all beneath the weight of our personal debt.

The other justification which the Chancellor gives us for his economic policies is that his tax policies will create incentives. They will make people work harder. If so, why has he increased the tax burden overall? If it is true that top people respond to tax cuts by working harder, why does not the Chancellor argue that working people will respond to wage rises by working harder? If it is true that this theory is based on the notion, as the economists tell us, that the substitution effect outweighs the income effect, is there no empirical evidence to support it? We do not have to look at the recent survey by Professor Brown. Ever since Adam Smith published "The Wealth of Nations" 211 years ago, economists in all countries have been searching for this evidence that the substitution effect outweighs the income effect. They cannot find it. I should have thought that, having got this bright bunch of academics together in 1776, 211 years on, when they can find no evidence to support their case, they might drop the research project.

[Mr. Brian Sedgemore]

But not a bit of it—they cannot find any evidence in this country, so little Matthew Parris who used to be a Conservative Member, went wheedling off to America last weekend. I saw him talking to some professor sitting beside a television set which had to have a computer to make him look intelligent. He was preaching the kind of guff and garbage which one hears in this country only when Chancellors have come here since 1979 to produce their Budgets. There is no foundation for the monetarist theory and no empirical evidence to support the incentives theory.

Given that the twin moral pillars of the Budget are greed and selfishness, I should have thought that the Chancellor might take the opportunity to give us measures to encourage financial rectitude—for example, to help minority shareholders stamp out fraud. That issue has been taken up recently by the *Financial Times*. The problems stem from the difficulties which minority shareholders had in a company called Film Finances Ltd. when they discovered alleged serious frauds and a prime facie breach of section 42 of the Companies Act 1981.

Hon. Members who have closely followed the Guinness scandal will realise that section 42 of the Companies Act 1981 refers to companies using their own money to buy their own shares illegally. One of the companies with shares in Film Finances Ltd. is Wren Trust Ltd., the wholly-owned subsidiary of Gresham Trust plc. As it happens, the chairman of Gresham Trust plc is Sir Jasper Hollom, who is also chairman of the takeover panel. When minority shareholders tried to bring a civil action for fraud, Sir Jasper, the chairman of the takeover panel, blocked it. In 1985, when professional advisers requested Sir Jasper to remove a secret cheque book in the possession of the finance director of Film Finances Ltd., Sir Jasper refused to do so. Sir Jasper said that he did not want an action for fraud to go ahead because he thought that considerations of profit and commerce were more important than considerations of the law.

I have the company minutes of Gresham Trust plc for 6 March 1986, Sir Jasper Hollom, chairman of the takeover panel, in the chair. Speaking of this case, the minutes state:

"the directors could only have regard to the effect of the present proceedings upon its investment (held by its wholly owned subsidiary Wren Trust Limited) in Film Finances Limited. If, for the reasons set out in the Affidavits, already sworn by Mr. Carr and Mr. Baldock, the Board considered that there were good commerical reasons why the proceedings were not in the best interest of Film Finances Limited, then it should resolve to support Film Finances Limited's application to dismiss the proceedings".

I am bound to say that I find that odd, coming from the chairman of the takeover panel. Surely the Government Front Bench will agree that the right course for the chairman of the takeover panel was, first, to allow the civil action to proceed and, secondly, to report each and every allegation of fraud and breaches of section 42 to the Department of Trade and Industry and to the fraud squad. Quite frankly, it is outrageous that one so eminent as the chairman of the takeover panel can put profit before the law.

On commercial grounds, I have no doubt that the directors of Guinness would have liked not to have had an inquiry because it would not suit them. The hon. Member for Tayside, North (Mr. Walker) quite rightly complained that he had warned the takeover panel that things were going wrong in the Guinness affair. The hon. Member could not have known that there was nothing that Sir Jasper could do about it. At the very time that he was complaining about what was going on in Guinness—note the date of the minute to which I referred, which was exactly the time that the Guinness shenanigans were at their height—Sir Jasper was seeking to cover up an investigation into an almost identical crime in relation to his own companies.

If only the directors of Johnson Matthey Bankers could have said, "On commercial grounds, we do not want an inquiry," I am sure that they would not have had one. If only the directors of Minet Holdings could have said in relation to the PCW syndicate, "On commercial grounds, we do not want an inquiry," I am sure that they would not have had one. There is a lesson for the Government Front Bench. That is, having created the atmosphere in which the most eminent people in the City of London can no longer tell the difference between right and wrong, the Chancellor should, first, tonight telephone the Governor of the Bank of England to secure the immediate resignation of the chairman of the takeover panel. Secondly, when he comes to the House with his Finance Bill, he should say that he will introduce measures to allow minority shareholders to bring fraudsters to book.

I feel a bit of a fool over the matter. I have twice in the House defended the takeover panel. I have said, "There are some people in the City that one cannot trust, but one can trust the takeover panel." Now my hon. Friends say to me, "But it was you, Sedgemore, who told us that we could trust the people on the takeover panel." I am bound to say unequivocally that I apologise to every hon. Member. I trusted those people too much. In future, I shall let my natural cynicism outweigh the desires of my heart, which always see the best of other people, whether they are in the City of London or anywhere else.

The Budget is a graceless epitaph for the Chancellor and the Government. Like the Chancellor, it lacks moral, economic and intellectual integrity. For that reason, the decent, thinking people in the House will not support it tonight.

7.44pm

Mr. Alistair Burt (Bury, North): I congratulate the hon. Member for Truro (Mr. Taylor) on his maiden speech. I know that he cannot be in the Chamber all the time, but he will probably read my remarks tomorrow. It is a special pleasure for me to welcome an hon. Member who is actually younger than I am. We both had the pleasure, when elected, of being able to choose to come to the House or go on a Club 18-30 holiday. I also endorse the remarks about his predecessor, whose loss was deeply felt in the House. I wrote to my local paper that David Penhaligon gave politicians a good name. We would all covet that simple memorial.

The hon. Member for Hackney, South and Shoreditch (Mr. Sedgemore) said precious little about the Budget. The only substitution effect that I have noticed recently is the rapid substitution of his own party by the alliance as the official Opposition of the country. I suspect that, as Labour Members ramble on, they will find that substitution occurring more often and in more places.

I congratulate the Chancellor on the Budget. The touchstone of success for the Budget in my constituency will be as it has been in previous years—its long-term

impact on unemployment. I have made little secret of my concern that the Government's policy in the recent past did not appear to make the reduction in unemployment as passionate a cause as some others that they have taken up. I still consider that the Government are seen as underplaying unemployment, but clearly they are underplaying it much less than they did in the past.

In the past 10 years or so, the arguments on unemployment have changed, or at least they have changed in the real world, although not on Labour Benches. We have recognised that the present chronic unemployment is more likely to have been caused by long-term problems rather than short-term cyclical ones. We have accepted that there are no easy answers and have questioned the seemingly ready solution that Governments should somehow create more jobs. A mood of realism has settled on the issue, but I counsel colleagues that it is not a content mood. My constituents want things to improve. Often, they are angry and frustrated, for the pain of unemployment is barely lessened by an intellectual appreciation that its causes are deep and its cure is uncertain. The appreciation that the country's economic long-term health is so much more important to their own and their children's employment than short-term heart-on-the-sleeve measures has got home, and with it a lower regard for the easy and false options of Opposition parties.

It is in that context that Bury, North views the Budget. Unemployment in the constituency is now down from its high point of 4,798 to 4,171 last month, a rapid drop that was achieved in the past 17 months, which is most welcome. The constituency now has unemployment at about 9 per cent. A number of Budget measures seem certain to enable that trend to continue. The first measure relates to interest rates. That matter was gently glossed over by the right hon. and learned Member for Monklands, East (Mr. Smith) when he dealt with Labour's borrowing and spending plans.

Prudent management of borrowing means that interest rates will fall, and the first effects have already been seen. There is a tone in the Government's handling of the economy to which interest rates are now appearing to respond, which will come as welcome news to the Manchester chamber of commerce and industry, which was quoted gleefully and rather selectively by the right hon. Member for Ashton-under-Lyne (Mr. Sheldon). In its most recent survey of 31 December 1986 it referred to:

"a more optimistic note showing distinct improvements in the figures for deliveries and orders in both home and export markets."

It went on to state:

"as 81 per cent. of respondents see lower interest rates as necessary to improve business prospects, it must remain a matter of conjecture whether the improvement will continue into 1987 without a fall in real interest rates."

Let us hope that the fall in interest rates, precipitated by the Budget, continues. It will be a gain for industry, for home owners and for the economy in general. I also add a plea for stable exchange rates through our early joining of the European monetary system.

Secondly, on inflation, it is a remarkable measure of how far we have come that so little space and attention is now given to inflation, with its crucial effect on industry, wages and fixed incomes — particularly those of the elderly. The same industrial survey of our region makes it clear how important inflation still is to local industry. The Government are entitled to credit for reducing inflation. The Opposition's cavalier disregard of the danger of inflation ought to be remembered by those whom they purport to champion, particularly by the old who were viciously affected by inflationary rises under the last Labour Government.

Thirdly, the release of small businesses from VAT is particularly welcome in a constituency such as mine. It is an important market and retail centre. Cash flow is the bane of so many lives. In an economy where encouragement is being given to the development of small businesses that are providing so many jobs, the Budget measures will help to improve their prospects further.

Fourthly, on income tax the Government must confront head on a seeming paradox. In 1979, the level of income tax and the desire for its reduction was a major electoral concern. Eight years later, the expectation of a reduction has meant that tax cuts are now greeted with almost a Gallic shrug. But there is no paradox. Other dangers now face the economy. People's attention has naturally shifted. Some two and a half years ago I counselled caution on this issue, believing that at a time of rising unemployment the suspicion was easily bred that one man's tax cut was achievable only at the expense of another man's job and that it was vital for a long-term, month-by-month and steady reduction in unemployment to occur to confirm the success of the Government's economic policy and to give it credibility. Slowly but surely, this argument has gained strength. My right hon. Friend the Chancellor of the Exchequer is now more entitled to refer to the advantages of a low tax economy, and we must press this home. The argument has been made easier by the obvious fall in unemployment and the Government's welcome acknowledgment that some public expenditure is very good—hence the welcome mood of the "Autumn Statement" of 1986.

I cannot impress on hon. Members too strongly the importance to our constituents of the balance and the combination between tax cuts and public expenditure—not the over concentration on one rather than the other. The Opposition parties are incredible to people, as they concentrate solely on expenditure, coyly refusing to make it clear who will pick up the bill. Nobody is fooled. The voters know who will pick up the bill. We had honest David Blunkett at last year's Labour party conference to thank for that.

The new balance that this Government have achieved and that they spelt out in the "Autumn Statement" and the Budget is to be welcomed. I see it as a necessary change in emphasis which my part of the country, blessed as it is with good and honest public servants in all their many vocations, will welcome. They will also welcome the concentration of attention on the lower end of tax allowances, though I ask my right hon. Friend to continue in his next Budget the policy of raising the tax threshold by more than inflation, thereby taking more of the lower paid out of tax. The 1·4 million fewer taxpayers since 1978-79 will welcome what has already been done, but I hope all hon. Members agree that that number should be added to.

Let me caution the official Opposition that their promise to add back to the tax bill of the lower paid what the Chancellor has already taken away is for those whose incomes have risen quite a different question from whether they may have wanted a reduction in their tax in the first place. What one does not have, one never misses. People want, quite naturally, the best of both worlds. They realise

[Mr. Alistair Burt]

that it is only a sound economy—not a re-vamp of the IMF-ridden public expenditure-slashing old guard—that provides that chance.

A second touchstone of the success of this Budget is likely to be its ultimate impact on the north-south divide. Here — let us again be honest — is another seemingly intractable problem that has affected Governments of different persuasions since the first world war. All too often the arguments about the north and the south are oversimplified. It is not a simple problem. I hear with some sympathy the genuine cries of some Opposition Members. I know for the most part what inspires those cries, but increasingly those areas are represented by my hon. Friends whose sympathy is no less but whose realism is greater, which keeps them from the undesirable siren call of easy and false policy options.

This Budget will work for the north for the same reasons as it will work for the economy as a whole. However, I urge my right hon. Friend the Chancellor of the Exchequer to devote more of his considerable energies to this problem in his next Budget. It is time to be imaginative and perhaps iconoclastic in dealing with it. I have not always been the first on my feet to praise my right hon. Friend in the past, but I bow to nobody in my appreciation of him as his own man, untrammelled by convention and determined to pursue his own way of dealing with problems. In dealing with the north-south divide that approach is needed.

A Budget looking at the north-south divide would not devote itself to an older and in some ways discredited view that public expenditure on projects is the answer. Instead it would look at whether the fiscal structure could be altered in some way to assist the growth of businesses and new enterprises in the north. If it is fair to ask for differential pay in different parts of the country, perhaps it is also fair to ask for differential tax rates in different parts of the country.

But let us be absolutely frank. Ultimately, the north-south issue will be resolved not by Governments but by pure common sense. One day, some bright spark will wake up down here, in this over-priced, over-rated and congested hell hole of the south of England and say, "Blow this for a game of soldiers; I'm off." People will realise, as the price of land and houses continues to rocket, as their own and their families' quality of life suffers from ridiculous commuting decisions, that there is a decent alternative. We should be emphasising the positive side of the north-south divide. The positive side does not rely solely on public expenditure; it relies also on private expenditure. They both have a part to play. What so depresses me about the arguments of Opposition Members about the north is their appalling lack of belief in their own people and in their own areas. They have hardly a good word to say for them; they moan on and on. How many people outside the House, hearing that image of the north, will be attracted to go there, set up in business and fight for the future? I believe that the north and those who live in the north can produce industry, enterprise and jobs. Magic handouts did not work in the past and they will not work in the future. A different approach is needed.

The north-south divide will be reversed. Folk will realise that away from all this high-cost everything in the south-east is a beautiful part of the country. It is situated in the north-west, with fabulous road, rail, air and sea connections. It is handily placed in the centre of the country, with good state and private schools on the edge of a major city, with all the necessary commercial infrastructure to support successful business initiatives. This place is called the metropolitan borough of Bury. People ought to wake up to what will happen in the south-east in the next 20 years and get out fast. If anybody wants further details about Bury, my telephone number in the House is 219 6320. I shall be glad to tell people about the metropolitan borough of Bury.

This Budget is a responsible continuation of certain policies and an acknowledgment of an equally responsible change in others. The Chancellor has done well. The underlying strength of the economy is sound and people's response to a realistic Budget will be equally realistic. They will vote for it and give us the opportunity to continue to improve. Above all, they will give us the responsibility to continue in future the vital job of reducing unemployment.

7.57 pm

Mr. Ian Wrigglesworth (Stockton, South): One would not have expected the hon. Member for Bury, North (Mr. Burt) to do other than praise the Budget. He welcomed the increased public expenditure upon which the Government embarked towards the end of last year and reminded the Government and the House that unemployment should be given a higher priority than so far his Government have given to it. I welcome that, as I welcome also some of the other points that he made.

As always in economic debates, Conservative Back Benchers tend to agree with quite a number of points that we on the alliance Benches make. In that connection, I wish to refer to the speech of the hon. Member for Nottingham, North (Mr. Ottaway). I pay tribute to the work that he has done in seeking to provide an opportunity for businesses to charge interest on outstanding debts. This is long overdue. These debts are a great burden on small businesses. I welcome, as he did, the Government's VAT changes. They will help small businesses, particularly over their cash flow problems.

I have begun on a non-partisan note, which I am afraid I cannot continue. First, however, I pay tribute to my hon. Friend the Member for Truro (Mr. Taylor). He made a very good maiden speech. It is a great pleasure to welcome him to our Benches. I knew him when he worked for David Penhaligon, and he will make a major contribution to our future debates. I support the warm tribute that my hon. Friend paid to David Penhaligon, with whom I also worked over the past year and whose death in a tragic accident resulted in a great loss to me, as well as to the whole House and the country.

The Budget has shown the clear contrast in the approach to economic policy of the two sides of the House. I want to examine the economy from our point of view, rather than in the glowing and misleading terms in which the Chancellor of the Exchequer, Ministers and their supporters have been describing it recently, as the general election approaches.

Inflation is still higher in this country than in any other member of the group of seven industrial nations, with the exception of Italy. Although one can draw good comparisons with our performance in the past — I acknowledge the progress that has been made—the fact remains that we are still lagging behind our partners in the group of seven industrial nations that constitute our major competitors on the world market.

My next point is one dear to the hearts of many Conservative Members, and hon. Members have referred to it during the debate. Our total tax burden is still higher than it was in 1979. If all that we have heard about the incentives that tax cuts foster is true, one wonders why that vast army of people—in addition to the brain drain, which has been taking place for different reasons—have been leaving the country recently.

In 1978-79, taxes represented about 33·8 per cent. of GDP. In 1979-80 they rose slightly to 35·1 per cent. So, having been at just over 35 per cent. in 1979, when the Conservatives came to office, taxes have gone up to 39 per cent., and just recently have fallen slightly to 38 per cent. Thus, the total tax take in this country is now 38 per cent. of GDP as against 35 per cent. when the Government came to office.

One need only look at the changes that the Government have made in taxation since 1979 to understand why that is the case. The Government like to forget the period 1979 to 1981, certainly as regards manufacturing industry. We remember the days of 8 per cent. VAT, which then went up to 15 per cent. even though the Government had promised that an increase—at least, of that size—would not take place after the election.

There are now 750,000 fewer manufacturing jobs in the economy as a whole. More jobs have been lost here than in the whole of the European Community during the corresponding period. Manufacturing output, unlike that of all the other developed countries, has actually contracted. Ministers do not like being reminded of it, but the House well knows that manufacturing output is still 4 per cent. below the peak level of 1979. It has taken the Government all those years to get back to manufacturing output at 4 per cent. below what it was when they came to office.

Unit labour costs, which have improved marginally—we have heard about this—are vital in comparing our position with that of other countries. They are still rising faster than those of our competitors. Earnings growth, which has stabilised at 7·5 per cent.—almost double the rate of inflaton for the past four years—is now creeping up again, once again undermining our competitive position. Average growth since 1979 is the worst in the group of seven industrial nations, except for France, and is below the European Community average of 1·4 per cent.

Recent figures have been adduced to blank out much of what happened in the early years when the Goverment's monetarist arguments were to the fore and when the change that has recently taken place in policy had not yet been given the chance to start working. The recent changes are the very ones that some of us have been advocating. The fruits of increased public expenditure are now becoming evident, and that is why we urge the Government to continue in that direction.

The fundamental divide between the two sides of the House, to which I referred earlier, concerns the way in which the £5·5 billion fiscal adjustment has been used. The Chancellor has been most unimaginative, considering the scale of the fiscal adjustments at his disposal. He could have done a great deal about tax reform, which would have been widely welcomed. However, he has devoted £3 billion to cutting borrowing. Why should he do that before a general election? We have been told that it is all because of "Lady Prudence", that he has been cautious.

I do not believe that that is the reason. The Chancellor did it for the same reason that led him not to put up the cost of booze and baccy, among other excise duties. He is worried that if he expanded the economy further we would have more major balance of payments problems and inflation would rise to 5, 6 or 7 per cent. That is what he fears would happen if he expanded the economy by using the whole fiscal adjustment instead of cutting back on borrowing.

The Chancellor also embarked on cutting income tax rates with the money that was available to him. He used £2·5 billion to reduce income tax by 2p in the pound.

Mr. Hickmet: What about interest rates?

Mr. Wrigglesworth: I shall come to interest rates in a moment.

Tax cuts are the area about which we most fundamentally disagree with the Government. As has been pointed out, there is no real evidence to show the incentives that tax cuts bring. We do not want tax to be any higher than it has to be. It is a question of priorities. One has only to read the recent speeches of Ministers—in particular those of the Chancellor—to realise that the Government have a wholly different set of priorities from us.

We believe that the highest priority is unemployment, which is hardly mentioned in the speeches of the Chancellor and other Ministers. Nor do they mention the poverty that is being suffered by a large percentage of the population. Those below the official margin of poverty, which is about 40 per cent. above the supplementary benefit level of income, now number 16·3 million—a rise of 42 per cent. since 1979. This amounts to about 31 per cent. of the population.

To echo Franklin Roosevelt, one third of the nation is ill-fed, ill-clothed and ill-housed. Vast areas of the north-west, about which the hon. Member for Bury, North spoke, Scotland, Wales and the north-east fall into that category. One need walk only a mile from the City of London, either east or south of the river, to see the poverty, ill health and bad housing that one third of the population are facing.

Our priority for the Budget, therefore, would have been to deal with those conditions and circumstances and with the unemployment that gives rise to them, rather than using the £2·5 billion fiscal adjustment to cut income tax by 2p.

The hon. Member for Glanford and Scunthorpe (Mr. Hickmet) mentioned interest rates. It is remarkable for Conservative Members to criticise us for not being concerned about interest rates. Like a number of Conservative Members, the Confederation of British Industry, the Governor of the Bank of England and, we are told, the Foreign Secretary and the Chancellor, for a long time we have been advocating membership of the exchange rate mechanism — the European monetary system—to try to get interest rates down. We are deeply anxious about the fact that our interest rates are, on average, 4 per cent. above the level of interest rates in our European partners' economies. We believe—this is not a figure that we have conjured up, but one which others have concluded should be possible — that by joining the exchange rate mechanism and by giving a degree of stability to the exchange rate and to monetary policy, we could succeed, in time, in getting the level of interest rates down by an average of about 2 per cent. The Chancellor has not taken that option despite advice from the many

[Mr. Wrigglesworth]

quarters that wish to see that happen. Indeed, many Conservative Back Benchers want to see that. We believe that that is a vital part of economic policy upon which the Chancellor should have embarked in this Budget and, indeed, in previous Budgets.

We believe that jobs and poverty should be the top priority. The level of unemployment is unacceptable. It is much worse than the official figures suggest. There have been 19 changes in the calculations on the register of unemployment which have taken some 524,000 people off the register, which of course is a register of those who are entitled to unemployment benefit and not those who are seeking work. One can add to that about 485,000 people who are on special schemes and the youth training scheme. If one does that, one gets a figure of unemployment that is massively higher than that quoted by the Government.

I have just received a report from Newcastle university on the research done by that university for BBC North-East. As a result of that work, it estimates that the level of unemployment is 46 per cent. higher than official estimates and represents a total job gap of some 4·7 million between the number of jobs available and those who want them. I do not take the view that the jobs provided by the Manpower Services Commission and the places provided by the youth training scheme are, in the disparaging sense, make-do jobs with no value. Perhaps some of them are of little value, but many of them are of great value and we should not discount them. However, I mention those make-do jobs because it was the Prime Minister, before she was faced with 3 million-plus unemployed, who condemned artificial jobs. In April 1979 the Prime Minister said:

"Artificial jobs are like artificial flowers, they have no fruit, they bear no seed."

If that is the case, we would like to see the Prime Minister and her Chancellor do a great deal more to create real jobs in the economy. We believe that the proposals that we put forward before the Budget could achieve that.

Before dealing with our proposals I shall refer to important items in the Budget. First, unlike the Labour party, we welcome the introducion of tax relief for profit-related pay. We will want to examine this in Committee on the Finance Bill. We have for some time advocated moving towards more profit-related pay, we would like to see the scheme succeed and we will examine it in that light when it comes before the Standing Committee. I do not accept the disparaging remarks made by the hon. Member for Sheffield, Attercliffe (Mr. Duffy), who said that the scheme could not help to make workers identify with their enterprises and seek to achieve better results. That is the whole object of the exercise, as well as increasing the rewards available to workers at the same time.

Secondly, I hope that in Committee we will be able to discuss personal equity plans. I am afraid that all the evidence that we have seen bears out the fears that have been expressed from the alliance Benches ever since the scheme was introduced. We want to see a Loi Monory scheme, a front-loaded tax scheme, that will give a real incentive to people who have not invested in shares so that they will come into share ownership in a way that will greatly extend the number of shareholders in the country beyond what has yet been achieved by the Government.

If one looks at the *Financial Times* survey of institutions offering personal equity plans, one finds evidence to show that the number applying for them has dropped substantially since January when the scheme was first launched, and that those who did apply and those continuing to apply are paying for them in lump sums and are clearly existing shareholders, not new shareholders. The whole purpose of the exercise should be to try to bring people into shareholding for the first time. That is why we want to see a Loi Monory scheme rather than the personal equity scheme that the Government have introduced.

Thirdly, I should mention the regrettable introduction of the 25 per cent. increase in the duty on gaming machines. I am not against increasing that duty or the drink and tobacco duties in line with inflation. It is regrettable that that has not been done over a period of time and that this 25 per cent. increase has been slapped on to pay for the abolition of on-course betting duty. Those of us who live and work in constituencies with many working men's clubs will find that this will be an enormous burden upon them. I regret that the Government have taken this step. In the short time since the Budget I have had an opportunity to discuss this issue with clubs. Many of them are reeling under high levels of unemployment, loss of membership and considerable financial difficulty. The 25 per cent. increase in the duty will be a substantial burden upon them, particularly small clubs, and they could well do without it. To do this to abolish on-course betting duty is most regrettable and I hope that before the Bill goes through the House the Government will have had time to think again.

I should mention what we would have preferred to see in the Budget. On the subject of industry, I do not think that I need add much to the speech made by the hon. Member for Hastings and Rye (Mr. Warren). The Secretary of State for Trade and Industry was in the Chamber and he will have heard chapter and verse from one of his own Members what some of us, not least my right hon. Friends the Members for Glasgow, Hillhead (Mr. Jenkins) and for Plymouth, Devonport (Dr. Owen), have been saying about the need for increased civil research and development, the need for greater support for science in order to reverse the brain drain and the need for a smaller burden of interest rates upon industry.

We believe that we could get a substantial reduction in unemployment by targeting expenditure, not upon tax cuts, but upon providing a jobs guarantee over three years to the long-term unemployed, who are the most hard hit section of the people searching for jobs. We believe that it is essential that we do something about capital expenditure in the public sector. Expenditure needs to be increased in the education service, the Health Service and on infrastructure projects such as roads, railways, sewerage and so. We believe that the benefits of those who have been hardest hit by the recession should be substantially increased and that, plus a cut in employers' national insurance contributions, could all contribute, along with the jobs guarantee, towards getting the level of unemployment down by over 1 million in three years.

We have put forward our carefully costed proposals and the consequences of those proposals for borrowing, interest rates and the balance of payments for all to see. I believe that they would have been much more welcome to the country and certainly to those who have suffered most over recent times. The Secretary of State's speech at the beginning of this debate was exceedingly complacent about the problems facing us both socially and industrially. I hope that on reflection he will think that the

party points that he made and the points scoring in which he indulged have little relevance to the lives of people in industry or those on the dole. I hope that he will think again and that the electorate in due course will see that the tactics adopted by the Government mask a great deal of misery beneath the surface and great divides within the nation. They represent policies that should be rejected in the general election, whenever that comes.

8.20 pm

Mr. John Townend (Bridlington): It was interesting that the hon. Member for Stockton, South (Mr. Wrigglesworth) did not repeat the costing of the alliance programme. He did not say how much would be met from borrowing or how much from taxation. He did not seem to be interested in anyone querying that point with him during the debate.

It is especially pleasurable for Conservative Back Benchers to be called to speak in the debate on the Budget statement this year. After a number of years of hard slog, it is clear to everyone that the Government's economic policies are now paying off. As my hon. Friend the Member for Croydon, South (Sir W. Clark) and other hon. Members have said, it is remarkable, when we consider that oil revenues have dropped by about £6·5 billion, that the Chancellor has still been able to increase expenditure by nearly £5 billion including substantial extra expenditure on education and health. In my constituency within 12 months we shall see the completion of the new Bridlington hospital, which has been required now for 20 or 30 years. This Government—the Government who are repeatedly attacked for making cuts—have built and paid for this hospital. In addition, the Chancellor has been able to reduce the PSBR to 1 per cent. of GDP and to reduce income tax by 2p in the pound.

I am rather intrigued when Opposition Members, particularly alliance Members, refer to the level of taxation at 27p not being that significant to the ordinary man in the street. They forget that people consider national insurance as well as income tax. Even after the present reductions the man on below average earnings starts to pay tax and national insurance at the rate of 36p in the pound.

This has been a very conservative Budget—and I mean conservative with a small "c"—and it has been very prudent. In no way can my right hon. Friend the Chancellor be accused of putting forward a pre-election Budget. The projected figure that he has used in his estimates for the oil price is very conservative and I think that it is very likely that during the year oil prices will be higher and that there will be benefits both to Government revenues and to the balance of payments. The Chancellor deserves our gratitude and congratulations. Conservative Members must understand why the Opposition are looking so green with envy.

The economy is in better shape now than it has been for years. Inflation is under control, productivity is still rising and much of British industry, after a lot of pushing and shoving, is at last getting its act together. We really now have an opportunity of getting into a virtuous circle. Six years of successive economic growth have meant that higher tax yields are allowing the Government to reduce borrowing at the same time as reducing taxation. As a result, all of us who represent small business interests in our constituencies appreciate the effect that that has had already on interest rates, with the base rate falling by 1 per cent. over the past few weeks, mortgage rates are also coming down and further interest rate reductions likely. That will again give increased incentives to industry to invest.

Unemployment is falling. We must never forget that the figures are not understated—they are overstated by the enormous size of the black economy that has grown year after year. There are some 80,000 people who are registered as unemployed in the south-east when we all know that anyone who really wants to work and is capable of working in the south-east can get a job. There are several hundred thousand foreigners working in the catering industry because our own people are not prepared to take those jobs. We must also take into account those who are not willing to work. I checked the figures in my constituency just after Christmas. There were more than 100 school leavers drawing social security, yet there were more than 100 unfilled vacancies on the YTS. How many young people are not capable of taking the jobs that require more and more skills? How many of our children are leaving school unable to write properly, read adequately, do simple arithmetic or speak properly? The right hon. Member for Ashton-under Lyne (Mr. Sheldon) accepted earlier the point that I made that we are spending more per head on education than ever before. He said that what mattered was not the input, but the output. Surely, as much as anything, output must be the responsibility of those working in education.

There has been much talk about the north-south divide. I am sorry that the right hon. and learned Member for Monklands, East (Mr. Smith) is no longer in the Chamber. He would not give way when I tried to intervene earlier. I am an east Yorkshireman born and bred. I have worked in the north, in east Yorkshire all my life. I represent a constituency that has the eastern suburbs and the agricultural heartland of the city of Hull. That is an area of high unemployment. I suggest that Opposition Members, instead of always blaming the Government and referring to cuts, should ask themselves, "What is the reason for all this unemployment?"

When I was a boy, Hull was the third port of our country. It was a great and prosperous city. With entry to the EEC and the movement of trade from the Atlantic and Liverpool to Europe, Hull should have benefited and become the Europort of Europe. It did not. It declined. Why did it decline? It declined for two reasons, the national dock labour scheme——

Mr. Hickmet: And the unions.

Mr. Townend: My hon. Friend the Member for Glanford and Scunthorpe (Mr. Hickmet) is quite right—and the Transport and General Workers Union. Felixstowe, which in those days was a wharf at the end of nowhere, which did not have the dead hand of the national dock labour scheme or the TGWU upon it, took the trade. Our prosperity moved south. The first culprits are the unions and the national dock labour scheme. I urgently press on my right hon. Friends that they should do away with that scheme in our election manifesto, because it has crippled the port of Hull.

I spent many years on the Labour-dominated council in Hull. I well remember industrialists coming to the city and saying that they would like to build a factory in the city if we could sell them some land. Our ideological brothers in the Labour party said that they did not believe in selling land and that land should belong to the people.

[Mr. Townend]

They said that they would lease the industrialists some land. The industrialists said, "Thank you very much", left the town and went somewhere else to buy freehold land. Now, when there is very little foot-loose industry and high unemployment, the Labour party has at last changed its policy. However, it is too late.

The hon. Member for Liverpool, Walton (Mr. Heffer) referred to Liverpool. What industrialist in his right mind would build a factory in Liverpool when we consider the record of the unions and Derek Hatton? What about the rates? That is one of the factors that influences whether an industrialist will develop. The Opposition have not taken any account of the appalling effect that some of those militant trade unions have had on our northern cities. I can quote a classic example. In my city of Hull, two brothers, half English, half West Indian, left the forces after the war and started to build agricultural trailers in a garage. They built up a large business that eventually became a plc. It was the largest manufacturer of agricultural trailers in the country. It was non-union, but eventually the unions got in. Unfortunately, the shop stewards were of the worst militant variety. They crippled that company and in the end it closed. We no longer manufacture trailers in Hull. If that company still existed, how many more apprenticeships would have been created? Before Opposition Members criticise the Government for unemployment in the north, they should come to the north and see the real reasons, as we who have had to live with the results of militant Socialism know the reasons.

It might appear churlish to mention omissions from a Budget that contains so much which is welcome, but some omissions have caused disappointment. No attempt has been made to deal with the tax anomalies and injustices that discriminate against those who are married and in favour of those who live in sin. The Conservative party believes in the family. It believes that children should be brought up in a stable environment and that that can best be provided within a marriage. Our tax system should discriminate in favour of marriage, but if the Government will not go as far as that, they should at least be even-handed and not discriminate against marriage. We have done that for many years, and I am sad that, in a year when resources were available, the Chancellor decided to do nothing.

It is nonsense that when two people decide to get married and set up home together they can pay £900 more a year in tax due to lower mortgage relief than they would if they lived together in sin. Equally, in this day and age, it must be wrong that a woman's investment income should be considered to be that of her husband for tax purposes when her earned income is considered to be her own and when the mistress's unearned income is considered to be her own. We cannot justify continuing a system in which divorce is more tax-efficient than marriage. I ask my right hon. and hon. Friends to consider that point.

I especially welcome two items in the Budget. The first is the additional help to old people, especially the extra age allowance for those aged over 80. It will be welcomed in my constituency, where the percentage of old people is way above the national average. Secondly, I thank the Chancellor for all the help that he has given to small businesses — we have heard all the details tonight — especially the provision that VAT can be assessed on a cash basis and that traders can obtain immediate relief for bad debts. No one has done as much as the Chancellor and his predecessor to help small businesses. Almost ritually, we expect every Budget to provide more help, encouragement and concessions to small businesses, and we were not disappointed this year. I am pleased that corporation tax and capital gains tax for small firms have been reduced to 27p in the pound.

This is a first-class Budget — a just reward for a Government who have followed a consistent economic policy regardless of carping criticism, naturally from the Opposition and occasionally from Conservative Members. Credit is due to British manufacturing industry, which has often been criticised in the past, and to the expanding financial services industry. They have taken advantage of the improved environment provided by the Government and they have created so much additional wealth and tax revenue that this Budget was made possible.

I look forward to my right hon. friend the Chancellor presenting his Budget next year and achieving his aim of reducing the standard rate of tax to 25p in the pound, and I hope that then he will make it more advantageous to be married than to live in sin. The success will continue only if we keep a constant watch on and increase our efforts to control public expenditure. The pressure to increase spending is always there. We must always be vigilant.

8.34 pm

Mr. Ken Eastham (Manchester, Blackley): Election year always stimulates a concentration of mind, especially on the Government Benches, and we have seen that in some of the speeches today.

It was interesting to hear the hon. Member for Bury, North (Mr. Burt) suddenly becoming alarmed about jobs and saying that there is no easy answer. That is completely contrary to what was said in 1979. I remember the posters produced by Saatchi and Saatchi to justify the high fees that they received to project the Conservative party. Then unemployment was 1·1 million. Now it is 3·5 million and the same people are saying, "There are no easy answers". They did not say that in 1979. It shows the emptiness of the case made by Conservative Members. I realise that the election stimulates concentration, but it is not a genuine anxiety and some of the utterances and claims that were made today will kid no one.

The only good contribution from a Conservative Member today was the speech of the hon. Member for Hastings and Rye (Mr. Warren), who criticised the Government for the crisis in engineering. It was a telling, honest and forthright contribution. Opposition Members have been making similar speeches for the past seven to eight years, but, since they fell on deaf ears, they made no difference. The hon. Member for Bridlington (Mr. Townend) talked about six years of growth. If he believes that there have been six years of growth, he will believe anything. He cannot kid anyone by claiming that.

My hon. Friend the Member for Liverpool, Walton (Mr. Heffer) mentioned some alternative methods of creating jobs and said that the northern region should also share the prosperity of the nation. I was grateful to him for reminding us about the Prime Minister standing outside the door of No. 10 in 1979 chanting some quote from St. Francis. Some people have described that as the night when Al Capone took over, not as the night of St. Francis. That has been shown in many ways. We see the sickening and disgraceful spectacle of the rogues in the

City—the slick operators who live on their wits and seem to be getting away with murder. Yet there is an over concentration on attacking the trade unions and punishing them in the most vicious antiquated way. The Government are no better than 19th century mill owners.

I wonder how many people saw "The Money Programme" on BBC2 yesterday evening, which showed 22-year-olds who operate in the City and who receive £100,000 a year. We heard those young whizz kids boasting about their Porsches, their big fancy houses and their £100,000 a year, and we hear speeches about the serious' shortages of highly skilled engineers and technicians. Is it any wonder that there is no great enthusiasm among highly skilled people with brains to become engineers when they can receive such great rewards in this Conservative society?

The Budget contained no surprises. The newspapers prophesied that there would be 2p off income tax, and they were dead right. The newspapers also prophesied that the Budget would not help the poor, as did the churches and other religious people. There was no enthusiasm for the Budget and nobody can kid me or anyone else that it was a Budget that was meant for the people. We all saw during the Chancellor's speech that he appeared to lose two pages of his text. There was a slight hiccup and somebody ran off to the side benches to the civil servants. One of my hon. Friends asked that there should be an adjournment because of this splutter. I wonder whether there was a real mistake, and a couple of pages were missed out of the Chancellor's speech, because there was no mention of relief. Usually, the Chancellor tells us about relief for the handicapped or the less well-off. There was no mention of the unemployed or the handicapped, the poor or the mainstream pensioners.

It has been said that some pensioners will be getting 2p off their tax, but we all know that there are millions of pensioners who do not pay any tax. Usually, those who are paying tax are those who have had good jobs, and now have high pensions, such as town clerks, architects and ex-civil servants. Nobody in the inner cities such as Manchester, Glasgow, Liverpool or Cardiff will receive such benefits. None of those people are receiving anything from this Budget.

We should remind the Government that when the Chancellor is doling out money he should be doling it out to the people who made sacrifices. During the past seven or eight years, the groups that I have mentioned have been making considerable sacrifices, and if there is any payout or share of the wealth, they should be at the receiving end of them. Instead there has been no reward for them.

The Chancellor seemed to be padding out what he had to say about VAT. He spoke about the assistance with business transactions, tax deductions and some minimal relief for charities. If he wanted to tackle VAT, an obvious way to have done so would have been to reduce it to the figure that it was under the last Labour Government. We ought to remind the Government and the Chancellor—I will not let him forget it—that they have nearly doubled VAT. If he had reduced VAT, everybody would have benefited. However, that is not the philosophy of the Conservative party. It wants to be specific and give to those who do not need such benefits. That was certainly the case on VAT.

Another tax that has not been mentioned in the debate is taxing the sick through prescription charges, which have risen by 1,200 per cent. since 1979. That is a tax. If the Chancellor wanted to do something to help the sick, he could have done something about these charges. Nobody wants to be sick and nobody should be burdened because he is sick. That was another thing about which the Chancellor did nothing.

The emphasis throughout in the contributions from the Conservative Benches has been on tax relief for the better-off, for those who do not need the money, such as people who have to pay capital gains tax and who are extremely wealthy.

Another matter that has not been mentioned so far is the quality of life. I know that my hon. Friend the Member for Walton dwelt on this subject, but very little concern has been shown by Conservative Members. Like my hon. Friend, I believe that the local authority fabric, such as schools, roads, pavements, housing, hospitals, and better transport, are all worthy sectors, and expenditure on them can improve the quality of life. We all know that at the moment the Government prefer public squalor. It is the old story of private affluence against public squalor, and we have seen this year after year in the past eight years.

There are good ways to provide jobs if the Government are really concerned, and one of the most useful would be controlling the housing stock and making serious inroads into such problems. Nationally, 3·3 million private houses need at least £2,500 spending on them, and that is on the 1981 figures. The Association of Metropolitan Authorities recently estimated that to bring the private sector up to standard would need £27·5 billion.

I realise that these figures are gigantic, and to bring them into perspective so that we can relate to them I shall use the example of my city of Manchester—one city of many that need such help. In Manchester, we have a housing waiting list of 38,000, and 25 per cent. of these people are in overcrowded houses. A quarter of the housing stock is pre-war and it needs £150 million spending on repairs. The council also needs £250 million to repair the system-built houses which came about as a result of decisions taken in this place.

Some 10,000 local authority houses in Manchester are awaiting modernisation and 1,000 more people a year come on the waiting list for homes. Over £100 million is needed for heating improvements. In the private sector, 3,300 houses are waiting for improvement grants. I am advised that another 50 houses a week are added to this list. People are desperately waiting for the Government to give them money so that they can restore these properties into a habitable condition.

The Government once again mentioned training, as they regularly do. I do not go along with the Chancellor nor those on the Government Benches in the way that they interpret training, because our problem is not so much about training of young people but about skill shortages. That reinforces what was said from the Conservative Benches earlier today. I remind the Government that, when we are talking about skill shortages, we should remember that during the past three years they closed 27 skill centres, some of which were making a profit. Nevertheless, daft as that decision was, they decided to close the centres. They also savaged the industrial training boards, which did a vital job in training against skill shortages.

Our nation knows about the north-south divide and does not need politicians in Westminster to remind it about it. People are conscious of the injustices and the inequalities that have been practised by this Conservative

[Mr. Ken Eastham]

Government. People no longer consider that we are one nation. There is a blatant and callous indifference in the Government's policies of inequality.

If the Budget is the best that the Government can do after eight years in office, we should ask what they have to show for those eight years. There are still 3·25 million people unemployed, and hundreds of thousands of people are homeless and living under the arches. People cannot get beds for geriatrics in hospitals. That is the progress that we are suffering under this incompetent Tory Government. Unemployment is not being tackled; crime, which many people say is associated with unemployment, is escalating and there is a feeling of hopelessness. Such is the Budget for 1987 under this Chancellor of the Exchequer.

8.50 pm

Mr. Richard Hickmet (Glanford and Scunthorpe): Much of the criticism of my right hon. Friend the Chancellor's Budget by Opposition Members this afternoon has dealt with the decline of manufacturing industry, the north-south divide, and the consequential reduction in employment in the north. However, there has not been much analysis of particular industries or of the causes why some industries are in decline.

My hon. Friend the Member for Bridlington (Mr. Townend) made a telling point when he analysed what had happened in Hull. That city was one of Europe's major ports, employing several thousand dockers, and was poised to capture European shipping markets when we entered the European Community. However, it committed suicide through the national dock labour scheme and industrial relations in the ports. It is now paying the price.

I should like to investigate briefly the British Steel Corporation, and to take that as an example of what has happened in manufacturing industry during the past few years and to consider its future. As the Secretary of State said earlier, in 1979, the British Steel Corporation took 14 man hours to produce one tonne of steel whereas today it takes 6 man hours per tonne. In 1979, deliveries were unreliable but today the corporation can, in many circumstances, deliver within a month of an order being placed. Quality is now among the best in the world. On Monday, the Secretary of State for Trade and Industry visited the Scunthorpe steel works in my constituency and saw steel being made for export to Germany, China and to other countries. Today the British Steel Corporation exports more than 40 per cent. of its production.

After 10 years of continuous losses, which amounted to billions of pounds of subsidy from British taxpayers, the British Steel Corporation entered profit for the first time last year with a profit of £38 million, on a turnover of about £3·5 billion. This year, it is on target for a profit of £170 million.

Since 1981, that industry has seen about 120,000 job losses in the United Kingdom. On top of those job losses in the steel industry there have been losses in the transport, maintenance and other associated dependent industries, bringing the total losses to about 250,000. The tragedy of the British Steel Corporation has been that we failed to deal earlier with those problems.

The world has been awash with steel. There are 700 million tonnes of capacity in the free world, of which 100 million tonnes is excess. There are at least 30 million excess tonnes in Japan, 30 million tonnes in the United States and, depending on the figures that are available, between 20 million and 30 million tonnes in Europe. That over-capacity must be seen in the context of the countries in the developing world, which are constantly building new steel mills and expanding their capacity. That continuing over-capacity in Europe still exists, even after we had cut capacity in this country by more than 6 million tonnes and by 20 million tonnes in Europe as a whole. Steel workers all over Europe have lost their jobs and have been made redundant.

Today the European regime of quota controls, price fixing and capacity reductions is coming to an end. Since December 1985, no subsidies to the European steel industry have been allowed. I asked my right hon. Friend the Secretary of State for Trade and Industry—perhaps my right hon. Friend the Chancellor of the Exchequer will make sure that he gets the message—to ensure that no indirect subsidies are given for energy, transport or employment costs in the European steel industry.

What about the future? The Japanese steel industry is laying off thousands of steel workers. It is ironic that today personnel staff from the major Japanese steel producers come to the United Kingdom to see what we have done in our steel industry about redundancy and about providing alternative employment for steel workers.

The steel industry in the United States is in mortal decline. The French and German steel industries are in a parlous state. When Opposition Members say that this Budget has done nothing for British manufacturing industry, I have to tell them that the strongest steel industry in Europe today is in Britain. It is the British Steel Corporation, which is one of the most efficient and profitable steel corporations in the free world. Opposition Members may gainsay that if they like, but difficult decisions had to be taken in the industry. When the Labour party was in power, it refused to face those decisions and shelved the Beswick report. Those decisions then had to be taken by this Government.

For the future, I want the British Steel Corporation to compete on profit, delivery, price and quality. If it does, it will remain the best producer in Europe. The only way in which we can protect jobs in manufacturing industry, whether in the steel corporation or anywhere else, is to compete on that basis.

The Commission is not reluctant to remove quotas on the production of steel in Europe. The time has come to get out of the steel regime. It is interesting to ask why the Commission should be reluctant to remove those quotas, because we can deal with over-capacity in steel production in two ways: we can allow the industry to compete on profit or we can proceed by diktat. We can simply tell the steel industries in Europe to close down capacity here and there. I see no reason why the Commission should reduce United Kingdom capacity and I was pleased that the Secretary of State gave that assurance following an intervention I made in his speech. In future, none of the BSC's plants should be affected as, clearly, they are profitable. The Commission must take into account the profitability and financial viability of companies in negotiating further cuts.

What effect does the right hon. and learned Member for Monklands, East (Mr. Smith) think Labour party policies will have on the performance of one of our major manufacturing sectors? The direct cost to the BSC of the 1 per cent. levy on turnover for training purposes would

be £35 million. According to the hon. Member for Kingston upon Hull, East (Mr. Prescott), the Labour party would use the nationalised industry to increase manning. Furthermore, the Labour party is committed to phasing out nuclear power. What effect does the right hon. and learned Gentleman think that that will have on the steel industry, bearing in mind that it is the largest user of electricity in the United Kingdom and that the chairman of the CEGB has said that he will not be able to guarantee continuity of supply if phasing out takes place and that electricity costs may increase by up to 50 per cent?

It is all very well for the right hon. and learned Gentleman, like Pontius Pilate, to make an eloquent speech, washing his hands of any blame for the parlous state of British manufacturing industry, but the Labour party failed to deal with the BSC's problems and today proposes policies which would be fatal to its future. They would remove the industry from profitability, and if they did that, under the European steel regime, the results for the BSC would be disastrous. It would face closure.

I want to see the BSC run on a sound, commercial basis. The future of the corporation lies in privatisation and giving those in that industry a share of the profit, a share of their industry and a say in how it is operated. I am somewhat disappointed that workers in the BSC will not be able to share in the profits-related scheme for tax relief announced by my right hon. Friend the Chancellor.

Mr. Lawson: They will when it is privatised.

Mr. Hickmet: Perhaps that is a good argument for privatisation, but meantime I hope that that matter will be considered in Committee. In relation to a major sector of British manufacturing industry, namely the BSC and steel producers, past Labour party policies have proved disastrous and, if adopted, they would prove disastrous again.

9.1 pm

Mr. John Maples (Lewisham, West): Every year at this time my right hon. Friend the Chancellor of the Exchequer returns with another year of economic growth under the economy's belt and we listen to a range of speeches from the Opposition from which one would think that the economy was in terminal decline. While we certainly have problems, we have an extremely healthy base from which to attack them.

Over the past few months my right hon. Friend has achieved more than tax cuts. In the autumn we saw an increase of nearly £5 billion in public expenditure. Now we have seen a £3 billion reduction in borrowing and a £2·5 billion reduction in taxes. That is a £10·5 billion fiscal adjustment over the past four months, £5 billion of which has gone into increased public spending and only £2·5 billion of which has gone into tax cuts. Therefore, it is wholly wrong to characterise what has happened to public-sector financing over the past five months as nothing but tax cuts.

If one adds to that £10·5 billion of adjustments the lost oil revenues of £6 billion, one finds that the non-oil economy has generated £16 billion more in tax receipts than was predicted at this time last year. I do not know where Opposition Members think that that money came from. It did not come from out of the sky, off a tree or from the IMF, which is where they go for their money; it came from economic growth. That is its only possible source and it is extraordinarily economically illiterate to pretend that it came from anywhere else.

The balance that my right hon. Friend has struck between tax cuts and the PSBR seems about right. I am glad that he has concentrated on cutting the basic rate of tax rather than on raising thresholds further. I am also glad that he has tried hard to give interest rates a downward push. In that context the proposals of the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) are interesting. I put that in an intervention to the right hon. and learned Member for Monklands, East (Mr. Smith) and he uncharacteristically refused to come to grips with the problem. The right hon. Member for Sparkbrook said:

> "The rational measure of borrowing is the public sector financial deficit, which we will hold below 4 per cent. of national income."—[*Official Report*, 18 March 1987; Vol. 112, c. 952.]

There was no good in the right hon. Gentleman trying to confuse people about the difference between the PSBR and the PSFD. The difference is privatisation receipts, which a Labour Government would not have. I would have thought that the right hon. Gentleman would have known this and not tried to be so disingenuous in his response. Page 63 of the Red Book shows that virtually the only difference between the financial deficit and the borrowing requirement is the £5 billion of privatisation receipts which his Government will not have. As a consequence, it seems the right hon. Gentleman would view with considerable equanimity a PSBR in the region of £16 billion. Perhaps when he is replying to the debate the hon. Member for Dagenham (Mr. Gould) will deal with this point. I hope that he will not try to confuse people in describing the difference between the financial deficit and the borrowing requirement, because to the Labour Government they are exactly the same.

A £16 billion increase in borrowing would raise total demand for credit in the economy by a quite astronomical percentage and would be bound to push interest rates up to an extremely dangerous level. It is extraordinarily irresponsible to pretend that the economy can stand that sort of level of public sector borrowing.

As I have said, I am grateful to my right hon. Friend the Chancellor for choosing to give a downward push to interest rates. In the last week or so we have seen part of the result of that. I hope that we will not delay for too long interest rate cuts because the markets want them to come down and the result of not reducing them is, as we have seen, a rise in the pound. I can understand my right hon. Friend wanting to see a slow decline in interest rates, but I hope that he will not allow that to go on for too long. The pound had reached a level about which the Government and manufacturing industry were happy and it would be better to see it back to that level.

I am also interested in the passage in the Red Book which gives the consequences of private sector credit demand on interest rates. I have been seeking to make that point for some time. An added explanation is that the credit granting institutions sell credit in a way that artificially expands it. If we were to couple the downward pressure on interest rates resulting from a lower PSBR with, perhaps, a little pressure in the banking sector for some qualitative restraint on lending to consumers and property companies, we might see interest rates fall even further.

[Mr. John Maples]

The tax cuts have been criticised as being a way to do nothing about unemployment. One can argue about whether tax cuts or various methods of public spending are better ways of generating jobs. To some extent, we pay our money and take our choice from the academic studies that have been carried out. It is not true to pretend that tax cuts have no consequences for job creation. They help, and several academic studies prove that. We are seeing a fall in unemployment. If my right hon. Friend the Chancellor finds in the near future that he has further room for manoeuvre, I hope that he will be able to tackle the low end of the national insurance contribution schedule, because on the employees' and the employers' side that will help the low paid and help to generate jobs. It could do that at relatively low cost because the benefit needs to be given only to the group of people at the bottom.

I hope that my right hon. Friend will stay on the same path and will continue the strategy of reducing the basic rate of income tax rather than trying to raise tax allowances. I hope that he will combine what he has done in the Budget with further measures to help push down interest rates.

9.7 pm

Mr. Bryan Gould (Dagenham): I congratulate the hon. Member for Truro (Mr. Taylor) on his maiden speech. He made a most effective speech and we look forward to hearing further from him in the same vein. I am sure that all hon. Members join him in the well-deserved tribute he paid to his predecessor.

This Budget debate began last Tuesday with the Chancellor's Budget speech. It was a speech of quite astonishing complacency, which painted a picture of the economy and then proceeded to build a Budget strategy upon that picture. His speech was a picture of the economy moving from strength to strength and doing so well that there was no need whatever for a backward glance at the poor or the unemployed or at all the other people who have been left behind. Clearly, the Chancellor's assumption was that they did not need anything in the way of a helping hand, that the Budget strategy would look after them as the economy prospered.

Presumably that is why in the Chancellor's speech and in the Budget itself it is impossible to detect even a hint of any help directed towards the unemployed or the poor. However, the truth is rather different. It is that the Budget speech was a mixture of half-truths and deceptions, of misleading statistics and ill-founded assertions all designed to conceal a record of quite appalling waste and decay and to give an illusion that the failures of the past, which were barely acknowledged, would somehow and miraculously be transformed into sparkling successes. It was in pursuit of that illusion that the Budget cynically and callously turned its back on the unemployed. It was a Budget which, in pursuit of that illusion, again did nothing whatsoever to address our long-term problems. Indeed, it makes those problems a great deal worse.

Let us look at some of the claimed successes, at some of the more salient features of our economic situation and our recent economic performance and see how ready Conservative Members are to claim them as successes. Let us look first, for example, at manufacturing investment —surely not an unimportant matter if we are concerned about our industrial future. We know—we have heard it repeated in the debate—that manufacturing investment is 20 per cent. below what it was in 1979. It is perhaps even more telling that, whereas in the years from 1975-79 manufacturing investment rose by £5·84 billion—there was a net positive investment of that size—in the years 1980-85 there was a net disinvestment of £5·52 billion. In other words, over that period, and virtually the term of office of the Government, we have been the only and first underdeveloping country that the industrial world has seen. That is the truth; that is the extent of the faith and confidence that investors have in the industrial economy, for which the Chancellor has been responsible.

Mr. Jonathan Sayeed (Bristol, East): Will the hon. Gentleman give way?

Mr. Gould: No, I have only just begun. Perhaps the hon. Gentleman would like to rise to claim success in manufacturing output. Again, as we know, manufacturing output is still nearly 5 per cent. below what it was in 1979. Even if the rather optimistic and hopeful forecast in the Red Book were to be achieved this year and manufacturing investment were to rise by 4 per cent.—a most unlikely eventuality — we still would not have returned to the position of 1979.

In case that is not damning enough, I want the House to consider one pair of simple statistics. By comparison with the 5 per cent. fall in manufacturing output in the eight years from 1979 to 1987 let us look at the eight years of the great depression—the years of 1929 to 1937—when, as everybody knows, the economy was in desperate straits. Over that period we did not experience a fall in manufacturing output of 5 per cent.; we experienced an increase in manufacturing output of 38 per cent.

Mr. Lawson: This is casuistry.

Mr. Gould: This is not casuistry; this is a form of statistics that the Chancellor is all too unwilling to face. Clearly, there is no willingness on the Government Benches to claim those figures as a success story.

Let us turn to our performance on manufacturing trade. Here we have an amazing turn-round from a surplus of £5 billion in 1978 to a Treasury forecast of a deficit of £8 billion for this year. The Chancellor said earlier, when my right hon. and learned Friend the Member for Monklands, East (Mr. Smith) made this point, that it was "neither here nor there". I only hope that that remark was picked up by *Hansard*. If it was not, I invite the Chancellor to repeat it now. If not, I hope that he will in the speech that he is about to deliver.

In a sense the Chancellor is partly right when he says that that deficit — that volume of goods, £13 billion worth of productive capacity — is, "neither here nor there"; it is certainly not here, but it is there. It is providing £13 billion worth of jobs, well over a million jobs in manufacturing industry, but it is providing jobs in other economies rather than in the British economy. I wonder whether any Conservative Member will rise to claim as a success the 2 million jobs that have been lost in manufacturing since 1979. Is that a success? Does that matter? Is that not important? I believe that it is. It is an important element in the worst unemployment record that any industrial country has had since 1979. Of course, the Chancellor tries to bluster his way through that figure as well, but it is an uncomfortable truth from which he cannot escape.

One could go on describing this wonderful success story with its emphasis on small businesses. However, in each of the past four to six years the number of insolvencies among small businesses has broken new records and is now at over 14,000—four times what it was when the Government took office.

Does anyone want to claim that the competitiveness of British industry is a success story? We are told that all the terrible sacrifices were worth while because now British industry is newly competitive, leaner and fitter. I tell the Chancellor that British industry is smaller, and poorer. Can he nominate any index of competitiveness which shows an improvement since 1979? I believe that he cannot.

Another way of measuring success is to examine its fruits. There are some fruits. Of course, a group of people will benefit from the Chancellor's tax cuts and be able to exchange their BMWs for Porsches. Why is the success not felt in all parts of the economy? Why, for example, do we have the worst trained work force in the western world? If British industry is so strong, why are we assured, as we were today, that even a small contribution by British industry to go some way towards meeting the levels of training provided by other and more successful countries would bankrupt even the most successful companies in our economy?

If we are so successful, why can we not afford to make even a token start in dealing with the £15 billion backlog of housing repairs in both the public and private sectors? That backlog condemns hundreds of thousands of families to misery and homelessness.

Mr. Sayeed: Why will certain Labour boroughs not take up Government money for the estates action plan?

Mr. Gould: The hon. Gentleman will have great difficulty establishing the truth and accuracy of that statement.

If the Government wished to benefit the economy from the fruits of success, they could spend some of the billions of pounds on housing and repairs. As the CBI recommends, we could be spending money on industrial infrastructure — on roads, rail, bridges and sewers. I admit that the Government are spending money, but not as much as the CBI identifies as being absolutely necessary. In its report, "The Fabric of the Nation", the CBI makes it clear that unless we spend that money our industrial infrastructure will decay and fray at the edges. One needs only to walk around our streets and compare our shabby, shoddy and dirty cities with those of more prosperous countries to understand how far short we are falling in this vital area.

If we have so much money to spend, and there is so much success in the economy, why are we not spending money on essential research and development? Why are we allowing ourselves to fall so far behind our more successful rivals?

Mr. Sayeed *rose*——

Hon. Members: Sit down.

Mr. Gould: Why is it, even in the high-tech industries — the sunrise industries — that we are now running a major deficit of well over £2 billion? The trouble is that so successful is the economy that the sun has not yet risen and there is no chance of that occurring under present policies.

Mr. Sayeed *rose*——

Mr. Gould: It is clear that only one Government Back Bencher is prepared to claim any of this as a success. If we are so successful, why are we not spending money on the National Health Service? Why are we not spending money to ensure that nurses are not forced to go abroad for jobs at decent salaries but are able to stay here to prevent the closure of wards and the loss of hospital beds? That is the position in our supposedly successful economy—we are running down the National Health Service.

If we are so successful, why are pensioners living in poverty, scrambling around to keep themselves warm to stop themselves from dying from hypothermia? If we are so successful and there is so much money, why did the Government break the link between pensions and national earnings? Why did we leave the pensioners behind? Why has nothing been done for family poverty? Why are there now more than twice as many people living in poverty today than there were in 1979?

Mrs. Elaine Kellett-Bowman (Lancaster): Will the hon. Gentleman give way?

Mr. Gould: No, I will not give way.

If the country is so flush with money and success, why is there nothing in the Budget to make a true assault on family poverty through the most effective available means, child benefit? If we are doing so well, why is there no attempt to deal with the central scandal, waste and abuse of over 3 million people unemployed? Why are we constantly told that, "We cannot deal with unemployment because we do not know where the money will come from"? That has always been the point that has been put to those of us who argue that we should be spending money on providing jobs in the economy. If we are doing so well, why does the Chancellor sit there shaking his head and muttering, doing nothing and raising not a finger to help the unemployed?

The truth of the matter was revealed—in a rare flash of honesty—by a remark made by the Prime Minister when she gave an interview to the *Financial Times* on whether to join the European monetary system or at least the exchange rate mechanism. What the Prime Minister said was extremely revealing. She said that we could not join the exchange rate mechanism because the economy was not strong enough. Of course, I do not expect the Chancellor to agree with her sentiment about the EMS — we are all aware there is a major disagreement between the Prime Minister and the right hon. Gentleman about this matter. However, I wonder whether he would agree with his right hon. Friend, in her rare flash of insight and honesty, when she made that concession about the economy.

The Chancellor's Budget speech and his Budget strategy — typical of the general approach of the Government—were economical with the truth. We had a great deal of vainglorious posturing by the Chancellor and some extraordinary claims were made. I hasten to say that those claims were not made in the House where they could have faced immediate challenge, but, of course, on television. That is where the Chancellor set out to hoodwink the electorate and made claims that simply could not be sustained.

The Chancellor claimed that, under his tutelage and that of the Government, Britain has now reached the point where we are head of the European league for growth. The Chancellor well knows that, since this Government took

[Mr. Gould]

office, we have had average growth of about 1·3 per cent. a year. That is worse than in any comparable period of our post-war history and it is worse than virtually any other advanced industrial country. He made an extravagant claim about productivity — a huge claim — that, once again, we are at the top of the league for productivity. That is largely a statistical effect, produced by simply getting rid of the weaker brethren. It is rather like shooting the tail-end batsman in an attempt to put up the average—that may not work if one is the captain of the England team. Nevertheless, the principle exists.

Let us consider the truth of the matter. I invite any right hon. or hon. Member to give me the answer to this question—[HON. MEMBERS: "Give way then".] I will give way, but let me put the question first. Can anyone point to any of our rivals — we are told that they are languishing behind us in the productivity league table— who have secured improvements in productivity by reducing manufacturing output? Is there such a case— [HON. MEMBERS: "Come on, answer."] The fact of the matter is that we have achieved productivity improvements because the 5 per cent. fall in manufacturing output has been exceeded by a 28 per cent. fall in employment in manufacturing industries. If that is the sort of productivity improvement that the Government have to offer, let us have no more of that, thank you very much.

The one claim that the Chancellor of the Exchequer did not make, and the one league table that he did not put up on the screen, as it were, was about inflation. I wonder why that was. After all, inflation has been the Government's central objective. Why did the right hon. Gentleman not proclaim the Government's enormous comparative success with inflation? The answer is clear. Again, if anyone wishes to dispute what I am about to say, let him rise and I shall gladly give way. The answer to this little puzzle is that the right hon. Gentleman did not dare to reveal the truth about inflation because, as a proportion of the average of the G7 countries, it is worse than it was in 1979. The only advanced country that has a higher inflation rate than ours among the G7 countries is Italy.

The Italians, however, have the great compensation of their output, employment, national wealth and share of world trade in manufactures, which have compensated for their having a slightly higher rate of inflation than ourselves. They have overtaken us in all those respects and the Italians now have a far more successful and powerful economy than us.

Mr. Michael Colvin (Romsey and Waterside): Perhaps when debating the Budget we might also pause to give thought to the alternative Budget. What would the rate of inflation be today if a Labour Government increased spending by £28 billion, which the Opposition say that they would?

Mr. Gould: Provided that I am not tempted to give way to such futile interventions again, I shall have time to answer the hon. Gentleman's questions by the end of my remarks.

On the inflation rate, the great jewel in the Government's crown, the Chancellor of the Exchequer was so afraid of what was happening to inflation that he failed to keep excise duties in line with the rate of inflation. That was not through generosity but because he was in a state of funk about what would happen to inflation.

The false claim is made that the Budget is the continuation or culmination of a tax-cutting process. We are told that a tax-cutting Government have come to judgment. Even after the tax cuts have been taken into account, the tax burden for the ordinary family is now higher than it was in 1979. A higher proportion of our national income is paid in tax than it was when the Government came to office.

It is not as if the strategy of the Chancellor of the Exchequer had any great point in it, even if it were a true one. Even if his claims were right, the Brown report makes it clear that the incentive effects of tax cuts that the Chancellor claims are minimal and illusory. As on so many other aspects of the Budget strategy, tax cuts are a matter of both claim and policy. They are a matter of wish fulfilment rather than of practical achievement.

On taxation, I invite the Chancellor of the Exchequer to deny that work has been done in the Treasury on the possibility of a major switch from direct to indirect taxation if the Conservative party wins the next general election. We understand by that that there would be a major shift to VAT. Perhaps there would not be an increase in the rate of VAT, but there would be an extension of its scope. We are familiar with that scenario because that is what happened in 1979 when the Conservative party came to office. The Conservative Government cut income tax but they doubled VAT. I notice again that the Chancellor of the Exchequer does not stir. We know that if the Conservative party were to win the next election, the tax cuts would be clawed back by a swingeing increase in VAT.

The Chancellor of the Exchequer claims that he has been consistent, which is the most laughable claim of all. In the passage in the Budget statement dealing with the medium-term financial strategy, I believe that the words "sterling M3" did not pass the right hon. Gentleman's lips. He could not bring himself to use that phrase. He talked in a woolly fashion about broad money, but even that, he told us, would have little effect or influence on policy. That is just as well, because if we were to apply the doctrines that he described only a couple of years ago as immutable, we should be experiencing inflation rates of 20 per cent. or so.

However, in the name of sterling M3, the Chancellor and his predecessor pursued policies that ruined the nation's economy, decimated its industry and blighted the lives of millions of people. It is astonishing that that doctrine could go without so much as a decent burial. Humility is not what we expect from the Chancellor, but an apology, however reluctant and inadequate, would not have come amiss.

We now have another piece of mumbo-jumbo economics. We no longer have sterling M3; we now have the PSBR. That, we are told, is the great totem. Yet the Government's Red Book tells us that the major explosion in borrowing and lending has been in the private sector, and that that private sector borrowing is the major upward pressure on interest rates. Why is the Chancellor doing nothing about that? If he is concerned about interest rates, why is he concentrating on the PSBR, which is insignificant by comparison with private sector borrowing?

The Chancellor claims that his Budget strategy is that of a prudent Chancellor. But he is the most profligate Chancellor in recent years. What happened, under this prudent Chancellor, to the £60 billion or so of North sea

oil revenues? What happened to the billions of pounds that he secured by selling off the taxpayers' assets? What happened to the increased revenues from the increased tax burden that he piled on ordinary people, including hidden taxes, such as the forced increases in electricity and gas charges? Where have all those billions of pounds gone? They have slipped through the Chancellor's fingers, and there is nothing to show for them. He has spent that money at the rate of £20 billion a year on financing unemployment. Now, this prudent Chancellor invites the nation to float itself over the general election hump on a tide of imported consumer goods, financed by record family borrowing and fuelled afresh by the irresponsible tax cuts that he has offered in the Budget.

Oddly enough, it is not only the Opposition who have argued the case for public spending as a more responsible alternative to tax cuts. A document, presumably addressed to the Chancellor, from the Tory Reform Group—the patrons of that august body include the Secretaries of State for Energy and for Education and Science, the Paymaster General, who is present, and the Home Secretary—states:

"We believe that the extra resources available to the Government should not be used to increase the real spending power of those fortunate enough to be in work, but rather to create jobs for those out of work."

It goes on to say:

"This is not the year to boost consumer spending."

The Paymaster General will no doubt endorse that, and so do we. We believe that that would have been the responsible thing to do. The Chancellor had nearly £6 billion to spend, and he gave almost half of it in irresponsible tax cuts and reduced borrowing, unnecessarily and damagingly, by a further £3 billion to keep the City sweet. He could have taken the action that was necessary in the interests of our economic future—action that we spelt out in "New Jobs for Britain", our programme for reducing unemployment by 1 million in two years. As it happens, by a happy coincidence, our programme cost exactly the £6 billion which the Chancellor has frittered away. It is on that that we should have been spending the money.

There is just one thing to be said for the Budget. In all its futility and irresponsibility, it offers the British people a clear choice between another five years of Tory Government, with all their wasted decay, irresponsibility, carelessness and incompetence, and investing in our economic future, our industrial base, our infrastructure, the training and skill of our people, our economic future and the quality of life. It is a choice between destructiveness and investment. That is the choice which the British people will make come a general election. That is why there will be a Labour Government after that general election.

9.36 pm

The Chancellor of the Exchequer (Mr. Nigel Lawson): We have had an interesting debate, enlivened for the past 25 minutes by the complete fantasy of the hon. Member for Dagenham (Mr. Gould). I congratulate the hon. Member for Truro (Mr. Taylor) on his maiden speech. He has not wasted much time. I do not know whether that betrays a certain nervousness about the duration of his tenure here, but he certainly carried the whole House with him in his sincere and well-merited tribute to David Penhaligon, whom we all miss so much.

The debate was interesting, too, for the opportunity that it has given to the right hon. and learned Member for Monklands, East (Mr. Smith) and the hon. Member for Dagenham to compete for the moderate candidature in the battle for the Labour leadership, which cannot now be long postponed. Although the hon. Member for Dagenham is rather flashier—

Mr. John Smith: Get on with the Budget.

Mr. Lawson: I have been told to get on with the Budget, but we did not hear a single word about Labour's plans from the hon. Member for Dagenham. He was purporting to say what the choice was for the nation. I shall give a word of advice to the Opposition. Although the hon. Member for Dagenham is undoubtedly rather flashier, I would go for the right hon. and learned Member for Monklands, East. He is very canny; he has seldom, if ever, said anything, and certainly not today. The hon. Member for Dagenham has said a great deal, most of it highly critical of the Labour party and all of which we have carefully kept on file for future use. The hon. Gentleman is also a little careless. I read in *The Observer* the weekend before the Budget that he

"was given the task of drawing up the employment programme in preference to the pugnacious Prescott who is employment spokesman. (Gould did, though, get his sums wrong, meaning that the appendices had to be left out of the original document.)"

Mr. Gould: I am grateful to the Chancellor for giving way because this gives me an unforeseen opportunity to place on the record that that statement in *The Observer* profile, about which I do not generally complain, is plainly wrong.

Mr. Lawson: I do not know what happened to those appendices, but the hon. Gentleman certainly got his sums wrong today.

Today's debate takes place on a very important anniversary, for it was exactly 10 years ago today that the Lib-Lab pact was signed. The right hon. Member for Cardiff, South and Penarth (Mr. Callaghan), in the days when he had some influence over the Labour party's policies, succeeded in resisting a Conservative motion of no confidence by striking a deal with the right hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Steel). This deal ensured that the right hon. Gentleman's Government would die a slow and lingering death, rather than a quick one. By the same token, it delayed the return to sanity in the nation's finances.

It is interesting to recall what some luminaries in our political life were doing then—a sort of "Where were they then?" rather than "Where are they now?" The right hon. Member for Plymouth, Devonport (Dr. Owen) was Labour's Foreign Secretary. That very model of a modern Labour moderate, Mrs. Shirley Williams, was Education Secretary, in between appearances on the Grunwick picket line. The right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) was Minister for Prices—a job in which he first established Hattersley's law: whatever the right hon. Gentleman predicts, the precise opposite will come to pass.

Indeed, of the leading lights of the Opposition today, only two were absent from the ranks of Government then. The right hon. Gentleman the Leader of the Opposition had, we are told, refused offers of a ministerial job. I only

[Mr. Lawson]

hope he is not regretting his decision, because it is daily becoming clearer that he is most unlikely to get another opportunity of office.

The right hon. Member for Glasgow Hillhead (Mr. Jenkins) had already left the sinking ship for the flesh pots of Brussels. Of course, the right hon. Member is back with us now, as joint economic spokesman for the SDP and its subsidiary, the Liberal party. The right hon. Gentleman's "Who's Who" entry reminds us that he is a member of the Athenaeum, of Brooks's, of Pratts, and of the Reform Club. He is, par excellence, someone who believes that the solution to any problem is to join a club, whether it is the European monetary system or OPEC. Talking of clubs, let me take this opportunity of wishing the right hon. Gentleman well in his new and exalted post of chancellor of Oxford university.

Mr. Jack Straw (Blackburn) *rose*——

Mr. Lawson: I shall not give way. The hon. Member for Dagenham did not give way, and nor shall I.

The right hon. Member for Hillhead owes that victory, in equal measure, to the first-past-the-post electoral system and his seminal address to the students of Oxford university a few years ago. In that address, he said:

"There has been a lot of talk about the formation of a new centre party . . . I find this idea—"

[Interruption.]

Mr. Speaker: Order.

Mr. Lawson: I shall be coming to the Budget in due course, have no fear. In his address to the students of Oxford university, the right hon. Gentleman said:

"There has been a lot of talk about the formation of a new centre party . . . I find this idea profoundly unattractive. I do so for at least four reasons.

First, I do not believe that such a grouping would have any coherent philosophical base. The idea that my views are closer to the campaign attitude of the Liberal candidate in Chester-le-Street than to those of Mr. Giles Radice is manifest nonsense."

He concluded:

"Fourth, and more personally, I cannot be indifferent to the political traditions in which I was brought up and in which I have lived my political life. Parties are not to me a religion, but the Labour Party is and always has been an instinctive part of my life."

[Interruption.] I am coming to the end.

Mr. Speaker: Order. I think that this is a preamble.

Mr. Lawson: He went on:

"I therefore have no desire to seek new combinations. I remember an old piece of doggerel about someone:

'Playing on his fuddled fiddle
Somewhere in the muddled middle.'"

I could not have put it better myself.

As for the right hon. Gentleman's contribution to this debate, it was, of course, the same speech as he has made in all our previous economic debates—rather like some fine antique piece of furniture, the polish improving as the utility diminishes.

This year's Budget has been warmly welcomed—*[Interruption.]*—I see by the Opposition, and it has also been warmly welcomed by British industry, on whose performance our future prosperity depends.

Interest rates, which had fallen ½ per cent. in anticipation of the Budget, have since fallen a further ½ per cent., and the building societies have now given notice of a 1 per cent. fall in the mortgage rate. The pound remains firm. This means, incidentally, that, taking the income tax cut and the mortgage rate reduction together, the Budget is worth an extra £5 or more a week in take-home pay to a typical married couple buying their home on a mortgage.

As for the fall in interest rates generally, this of course reverses the 1 per cent. increase in interest rates in October. The House will recall that during the period of foreign exchange market turbulence which followed the somewhat inconclusive G5 and G7 meetings at the end of September, I authorised the Bank of England to intervene unusually heavily in order to buy a breathing space that would enable me to confine the interest rate rise to 1 per cent. rather than the 2 per cent. the market was then pressing for.

The reward for this was to be accused by the Opposition parties of having wasted vast sums of money. *[Interruption.]* I hear Opposition Members say that we did. I can now tell the House that the dollars that were sold from the reserves in September and October have subsequently all been repurchased—at a profit of some tens of millions of pounds. So much for wasting the taxpayer's money.

All Budgets are exercises in balance. What has surprised some, both inside and outside the House on this occasion, is that in striking the balance I leaned very heavily in the direction of prudence, limiting the reduction of taxation to what was compatible with a public sector borrowing requirement of only £3·9 billion, or 1 per cent. of gross domestic product.

A PSBR of this size, which we look to have secured for the first time this year, represents an important achievement. In his very cogent speech my right hon. Friend the Member for Worthing (Mr. Higgins) asked, "Why 1 per cent.?" I believe that it is necessary to get the PSBR down to a level which, even with zero inflation, would prevent public debt growing as a percentage of GDP. One per cent. does that. We are there, and from now on it is a matter of consolidation.

But this Budget is not just a matter of having achieved the spring double of significant tax cuts—including 2p off the basic rate—and a sharp reduction in planned public borrowing. With the autumn statement, in which I announced a sizeable increase in public spending, concentrated on the priority areas of health and education, it represents an unprecedented autumn and spring treble.

Meanwhile, the Opposition parties have been vying with each other as to how they would have used the money that was available to me. For £3 billion, the Leader of the Opposition informed the House, in his somewhat rambling reply to the Budget speech, I could have obtained a computer for every secondary school child. Maybe I could, but the real point is this: had they been in office, with their policies, they would never have been in that position in the first place. The money would not have been there; the resources would not have been there; there would have been no chance whatever.

For there is nothing fortuitous about it. It is the reward of years of vigorous, healthy growth with low inflation. And that is what is set to continue, assisted not merely by sticking to the overall economic strategy that has brought us this success but by the new measures contained in the Budget.

I cannot, inevitably, mention all the measures in the Budget. I noted that my hon. Friend the Member for Woking (Mr. Onslow) and a number of my other hon. Friends referred to the capital gains of life assurance

companies. We shall certainly be debating that matter in Committee. However, let me mention three important proposals among the others. The first is profit-related pay, to which my right hon. Friend the Secretary of State for Trade and Industry devoted, quite rightly, a large part of his opening speech. That offers great hope for the future of our country. The second is the development of personal pensions, to which my right hon. Friend the Secretary of State for Social Services referred more fully in a major speech outside the House a few days ago. The third proposal relates to the measures to help small businesses, in particular the option for businesses with a turnover of up to £250,000—more than half of all traders registered for VAT—to switch to cash accounting. That is a most important change. In his speech on Wednesday the right hon. Member for Sparkbrook referred to this and said:

"We equally welcome the changes in VAT that the Chancellor proposed for small businesses. However, we must confess to bias because we proposed them all in last year's Finance Bill, but the Government voted them down." —[*Official Report*, 18 March 1987; Vol. 112, c. 948.]

I have to tell the House that there is not a shred of truth in that assertion. I challenge the right hon. Gentleman to provide chapter and verse for it. While he is thinking about it, I remind him that the Budget resolution covering cash accounting for VAT is Budget resolution No. 1, which I understand the Opposition propose to vote against tonight. Small businesses will be well aware of what the Opposition are doing.

There is, of course, an irreconcilable difference between the Government's economic policy and that of the Opposition parties. They would spend more, borrow more and tax more than we believe is compatible with a healthy economy and a free people. The main difference between the Opposition parties is that the Labour party, whether wisely or not, has been a great deal more specific.

As my right hon. Friend the Chief Secretary has revealed during the debate, the Labour party's firm spending pledges now amount to an extra £34 billion a year of public expenditure. All that would have to be financed somehow. If from income tax, it would require the basic rate of tax to be more than doubled. A lot of it, it seems, would be financed by higher borrowing—some £6 billion more, according to the right hon. Member for Sparkbrook. That would be damaging enough, but it still——

Mr. Gould *rose*——

Mr. Lawson: Does the hon. Member for Dagenham dispute the £6 billion figure?

Mr. Gould *rose*——

Mr. Lawson: I have not given way. I shall give way in a moment. The hon. Member for Dagenham disputed that the Labour party is planning to borrow an extra £6 billion. Let me tell the House that the right hon. Member for Sparkbrook said that he believed that there should be a public sector financial deficit of some 4 per cent. of GDP. That is £16 billion—*[Interruption.]* GDP is over £400 billion, so 4 per cent. is a £16 billion public sector financial deficit. The public sector financial deficit in the Red Book is £9½ billion, so the difference is £6½ billion and I challenge the hon. Member for Dagenham to wriggle out of that.

Mr. Gould: It is interesting that the Chancellor was extremely anxious not to be answered on the question that he put to me and tried to wriggle out of the subject.

Let me make it clear. Our jobs programme costs a net annual amount to the Exchequer — the Chancellor wanted an answer, so let him listen to it—of £6 billion. I believe that even the Chancellor can work out that that is quite a different question from how that money is to be provided. The fact is—*[Interruption.]*

Mr. Speaker: Order.

Mr. Gould: The Chancellor's Budget strategy and speech clearly show that it is possible to raise £6 billion for an investment programme of the kind that we propose without having to borrow anything like £6 billion.

Mr. Lawson: The hon. Gentleman has got his sums wrong again. It is clear that *The Observer* was right after all.

The Opposition could not have shown their hand more clearly than by their pledge, if given the chance, to take back the tax cuts I have been able to make in the Budget as a prelude to still more——*[Interruption.]*

Mr. Gould *rose*——

Mr. Lawson: They have chosen that battleground and in the weeks and months ahead we shall be more than happy to fight on it. But let me return for a moment to the overall framework of economic policy. Over the past seven years there has been a vigorous debate in this country about the conduct of fiscal and monetary policies—in particular, whether it was possible to have a sustained recovery of output without a fiscal stimulus.

The post-war neo-Keynesian approach was to try to stimulate economic performance by expansionary fiscal policy and accommodating monetary policy whenever there was any sign of weakening growth. In practice it provided at best short-term gains to output at the cost of long-term trouble: rising inflation and a succession of financial crises. That is why we turned our back on that approach.

Our critics have constantly changed their ground as events have confounded all their gloomy predictions. Initially, they said that it was quite impossible to reduce inflation by the policies we were pursuing, and then we did reduce inflation. They then said that inflation was falling only because we were in a self-perpetuating downward spiral and that as soon as growth resumed inflation would rise again. Growth has now been going on for the past six years and inflation has stayed low. When growth did begin they said that it was a flash in the pan and would soon peter out. It has not petered out; it has gone on for six successive years. Year after year, we were told that although growth this year might be better than expected, next year it would slow down. And so it went on. But what has been the outcome? Sustained growth against a background of falling inflation.

The debate about monetary and fiscal policy should now be over. Given the historically low Budget deficits of the past two years, there can be no clearer evidence of the bankruptcy of our critics' case than the suddenness with which those who accused us of starving the economy of demand now turn round and accuse us of generating excessive demand. They were wrong then, they are wrong now.

The plain fact is that ours is now the fastest growing major economy in Europe and it is continuing to grow ahead of the rest. Moreover, growth in this upswing has been balanced between consumption and investment

[Mr. Lawson]

whereas, under the Labour party, it was consumption that was growing fast, so far as anything was growing at all, and investment was growing at a mere fraction of the rate of growth during this Government. Fixed investment has gone up nearly 4 per cent. in the upswing under this Government, twice the average for the European Community as a whole and far ahead of the 1¼ per cent. that Labour achieved. The picture of a healthy flourishing economy emerges not only from the official statistics but from the CBI's industrial trends survey and from that of the Association of British Chambers of Commerce, and all the other surveys, which show, too, that it is throughout the country, not just in the south-east.

Throughout the country, too, unemployment is falling. Indeed, the unemployment rate has fallen fastest over the past 12 months in Wales and the north. The same is true for long-term unemployment. Youth unemployment has fallen in every region over the past three years, again fastest in Wales, the north, the north-west and the west midlands. That is where unemployment has been falling fastest. The job pages of the regional newspapers bear that out.

To say that the Budget does nothing about unemployment, as the hon. Member for Dagenham said, is to miss the point completely. The solution to unemployment is a vigorous economy, and this Budget is reinforcing the vigorous economy that we have in this country. That is why unemployment is coming down and why it will continue to come down for the rest of this year. The plain fact is that British manufacturers, too, have an outstanding opportunity in 1987 with exports growing fast and a highly competitive pound.

The economy is now as sound and strong as it has been for a generation. It is the strength of the economy that has enabled us to announce in one and the same year higher spending on priorities, lower public borrowing, and lower taxation. Many Governments have been able to achieve one or even two out of the three, but no previous Government for decades has succeeded in all three. I commend the Budget to the House.

Question put:—

The House divided: Ayes 351, Noes 202.

Division No. 122] **[10.00 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Benyon, William
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Rt Hon Sir Adam
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Cormack, Patrick
Couchman, James
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Durant, Tony
Dykes, Hugh
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Dame Peggy
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forman, Nigel
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Harris, David
Harvey, Robert
Havers, Rt Hon Sir Michael
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hayes, J.
Hayhoe, Rt Hon Sir Barney
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, Gerald *(Cannock)*
Howe, Rt Hon Sir Geoffrey
Howell, Ralph *(Norfolk, N)*
Hubbard-Miles, Peter
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irving, Charles
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
King, Roger *(B'ham N'field)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McLoughlin, Patrick
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marlow, Antony

Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Sir Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(Hants NW)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Morris, M. *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Mudd, David
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Normanton, Tom
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abgdn)*
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Prior, Rt Hon James
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Rifkind, Rt Hon Malcolm
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Hertf'dshire N)*
Stokes, John
Stradling Thomas, Sir John
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Waller, Gary
Walters, Dennis
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Robert Boscawen and
Mr. Tristan Garel-Jones.

NOES

Abse, Leo
Adams, Allen *(Paisley N)*
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnes, Mrs Rosemary
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Garrett, W. E.
George, Bruce
Godman, Dr Norman
Golding, Mrs Llin
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hancock, Michael
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howarth, George *(Knowsley, N)*
Howells, Geraint
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
Jenkins, Rt Hon Roy *(Hillh'd)*
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lambie, David
Lamond, James
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Livsey, Richard
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
MacKenzie, Rt Hon Gregor
McNamara, Kevin
McTaggart, Robert
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Prescott, John
Randall, Stuart
Raynsford, Nick
Redmond, Martin
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Rowlands, Ted

Sedgemore, Brian	Thorne, Stan (Preston)
Sheerman, Barry	Tinn, James
Sheldon, Rt Hon R.	Torney, Tom
Shields, Mrs Elizabeth	Wainwright, R.
Short, Ms Clare (Ladywood)	Wardell, Gareth (Gower)
Short, Mrs R.(W'hampt'n NE)	Wareing, Robert
Silkin, Rt Hon J.	Weetch, Ken
Skinner, Dennis	Welsh, Michael
Smith, C.(Isl'ton S & F'bury)	White, James
Smith, Cyril (Rochdale)	Wigley, Dafydd
Smith, Rt Hon J. (M'ds E)	Williams, Rt Hon A.
Snape, Peter	Wilson, Gordon
Soley, Clive	Winnick, David
Spearing, Nigel	Woodall, Alec
Stewart, Rt Hon D. (W Isles)	Wrigglesworth, Ian
Stott, Roger	Young, David (Bolton SE)
Strang, Gavin	
Straw, Jack	Tellers for the Noes:
Taylor, Matthew	Mr. David Alton and
Thomas, Dr R. (Carmarthen)	Mr. James Wallace.

Question accordingly agreed to.

Resolved,

"That it is expedient to amend the law with respect to the National Debt and public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting any supply;

(b) for refunding any amount of tax;

(c) for varying the rate of that tax otherwise than in relation to all supplies and importations; or

(d) for relief other than relief applying to goods of whatever description or services of whatever description."

Mr. Speaker: I am now required under Standing Order No. 50(3) to put successively, without further debate, the Questions on each of the Ways and Means motions Nos. 2 to 52 and on the Procedure Resolutions, on all of which the Finance Bill is to be brought in. Instead of reading out each motion in full, I propose to follow the procedure used in recent years, that is to say, I will first read the title of the motion and then simply put the Question that the motion be agreed to. May I have the leave of the House to put motions 2 to 16 together? There does not appear to be any objection to that being done.

2. Unleaded Petrol

Resolved,

That, as from 6 o'clock in the evening of 17th March 1987,—

(1) after section 13 of the Hydrocarbon Oil Duties Act 1979 there shall be inserted th following section—

"Rebate on unleaded petrol

13A.—(1) On unleaded petrol charged with the excise duty on hydrocarbon oil and delivered for home use there shall be allowed at the time of delivery a rebate of duty at the rate of £0·0096 a litre.

(2) For the purposes of this section petrol is "unleaded" if it contains not more than 0·013 grams of lead per litre of petrol or, if the petrol is delivered for home use before 1st April 1990, not more than 0·020 grams of lead per litre of petrol.

(3) Rebate shall not be allowed under this section in any case where it is allowed under section 14 below.";

(2) in section 24 of that Act (control of use of duty-free and rebated oil) in subsection (1) (power of Commissioners to make regulations) after the words "section 12" there shall be inserted "section 13A"; and

(3) in section 27 of that Act (interpretation) in the definition of "rebate" after the words "section 11" there shall be inserted "13A":

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—*[Mr. Lawson.]*

3. Vehicles Excise Duty (Farmers' Goods Vehicles)

Resolved,

That Schedule 4 to each of the Vehicles (Excise) Act 1971 and the Vehicles (Excise) Act (Northern Ireland) 1972 shall have effect, in relation to licences taken out after 17th March 1987, with the amendments set out below:

But this Resolution shall not authorise the making of amendments which would result in different provisions being in force in different parts of Great Britain:

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968:

(1) In Part I, in sub-paragraph (2) of paragraph 6 (farmer's goods vehicle or showman's goods vehicle having a plated gross weight or a plated train weight) in paragraph (b) (weight exceeding 7·5 tonnes but not exceeding 12 tonnes) for "£155" (which applies to farmers' goods vehicles only) there shall be substituted "£175"; and

(2) In Part II, for Tables A(1), C(1) and D(1) (rates for farmers' goods vehicles having plated weight exceeding 12 tonnes) there shall be substituted the Tables set out below:

TABLE A(1)

RATES OF DUTY ON RIGID GOODS VEHICLES EXCEEDING 12 TONNES PLATED GROSS WEIGHT

RATES FOR FARMERS' GOODS VEHICLES

Plated gross weight of vehicle		Rate of duty		
1. Exceeding	2. Not exceeding	3. Two axle vehicle	4. Three axle vehicle	5. Four or more axle vehicle
tonnes	tonnes	£	£	£
12	13	265	190	190
13	14	340	205	205
14	15	445	205	205
15	17	620	205	205
17	19	—	295	205
19	21	—	395	205
21	23	—	540	295
23	25	—	965	415
25	27	—	—	600
27	29	—	—	880
29	30·49	—	—	1,450

TABLE C(1)

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES PLATED TRAIN WEIGHT AND HAVING ONLY 2 AXLES

RATES FOR FARMERS' GOODS VEHICLES

Plated train weight of tractor unit		Rate of duty		
1. Exceeding	2. Not exceeding	3. For a tractor unit to be used with semi-trailers with any number of axles	4. For a tractor unit to be used only with semi-trailers with not less than two axles	5. For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	14	280	250	250
14	16	355	265	265
16	18	415	265	265
18	20	485	265	265
20	22	565	330	265
22	23	600	370	265
23	25	690	470	265
25	26	690	520	320
26	28	690	655	430
28	29	725	725	490
29	31	1,010	1,010	630
31	33	1,470	1,470	1,010
33	34	1,470	1,470	1,350
34	36	1,650	1,650	1,650
36	38	1,860	1,860	1,860

TABLE D(1)

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES PLATED TRAIN WEIGHT AND HAVING 3 OR MORE AXLES

RATES FOR FARMERS' GOODS VEHICLES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	14	250	250	250
14	20	265	265	265
20	22	330	265	265
22	23	370	265	265
23	25	470	265	265
25	26	520	265	265
26	28	655	265	265
28	29	725	310	265
29	31	1,010	385	265
31	33	1,470	580	265
33	34	1,470	850	330
34	36	1,470	1,220	500
36	38	1,640	1,640	745

—[Mr. Lawson.]

4. VEHICLES EXCISE DUTY (RECOVERY VEHICLES)

Resolved,

That provision may be made for, and in connection with, charging duty in respect of recovery vehicles by reference to an annual rate of £50 under the Vehicles (Excise) Act 1971 and the Vehicles (Excise) Act (Northern Ireland) 1972.—*[Mr. Lawson.]*

5. VEHICLES EXCISE DUTY (TRADE LICENCES)

Resolved,

That provision may be made with respect to the rates of duty applicable to trade licences under section 16 of each of the Vehicles (Excise) Act 1971 and the Vehicles (Excise) Act (Northern Ireland) 1972.—*[Mr. Lawson.]*

6. ABOLITION OF GENERAL BETTING DUTY ON ON-COURSE BETS

Resolved,

That—

(1) General betting duty shall not be chargeable on any bet made on or after 29th March 1987 which is an on-course bet within the meaning of Part I of the Betting and Gaming Act 1981 ("the 1981 Act");

(2) Nothing in this Resolution shall affect—

(a) the question whether a person is for the purposes of Schedule 1 to the 1981 Act carrying on a general betting business or engaged in an activity by reason of which he is or may be or become liable for general betting duty, or

(b) the question whether a person is for the purposes of Schedule 2 to the Miscellaneous Transferred Excise Duties Act (Northern Ireland) 1972 carrying on a business which involves or may involve general betting duty becoming payable or engaged in an activity by reason of which he is or may be or become liable for duty:

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes

7. GAMING MACHINE LICENCE DUTY (RATES)

Resolved,

That, with respect to licences for any period beginning on or after 1st June 1987, for the Tables set out in section 23(1) of the Betting and Gaming Duties Act 1981 there shall be substituted the following Tables:

TABLE A

Small-prize machines

Description of machines authorised by the licence	Duty on whole-year licence
Chargeable at the lower rate	£150 per machine
Chargeable at the higher rate	£375 per machine

TABLE B

Other machines

Description of machines authorised by the licence	Duty on whole-year licence
Chargeable at the lower rate	£375 per machine
Chargeable at the higher rate	£960 per machine

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—*[Mr. Lawson.]*

8. GAMING MACHINE LICENCE DUTY (EXEMPTIONS ETC.)

Resolved,

That provision may be made amending Schedule 4 to the Betting and Gaming Duties Act 1981 (exemptions and supplementary provisions relating to gaming machine licence duty).—*[Mr. Lawson.]*

9. VALUE ADDED TAX (CREDIT FOR INPUT TAX)

Resolved,

That in relation to supplies and importations made on or after 1st April 1987, the Value Added Tax Act 1983 shall have effect with the following amendments:

(1) In section 15, for subsections (1) to (3) there shall be substituted—

"(1) The amount of input tax for which a taxable person is entitled to credit at the end of any period shall be so much of the input tax for the period (that is input tax on supplies and importations in the period) as is allowable by or under regulations as being attributable to supplies within subsection (2) below.

(2) The supplies within this subsection are the following supplies made or to be made by the taxable person in the course of furtherance of his business—

(a) taxable supplies;

(b) supplies outside the United Kingdom which would be taxable supplies if made in the United Kingdom;

(c) supplies which section 35 below provides are to be disregarded for the purposes of this Act and which would otherwise be taxable supplies.

(3) The Commissioners shall make regulations for securing a fair and reasonable attribution of input tax to supplies within subsection (2) above, and any such regulations may provide for—

(a) ermining a proportion by reference to which input tax for any prescribed accounting period is to be provisionally attributed to those supplies;

(b) justing, in accordance with a proportion determined in like manner for any longer period comprising two or more prescribed accounting periods or parts thereof, the provisional attribution for any of those periods; and

(c) the making of payments in respect of input tax, by the Commissioners to a taxable person (or a person who has been a taxable person) or by a taxable person (or a person who has been a taxable person) to the Commissioners, in case where events prove inaccurate an estimate on the basis of which an attribution was made."

(2) In section 6(1), for the words "the charge to tax" there shall be substituted the words "this Act".

(3) In section 35(1) and (2), for the words "shall be disregarded" there shall be substitued the words "shall, excpet where the contrary intention appears, be disregarded".

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—*[Mr. Lawson.]*

10. VALUE ADDED TAX (SUPPLIES TO GROUPS)

Resolved,

That, in relation to transfers of assets made on or after 1st April 1987, the Value Added Tax Act 1983 shall have effect with the insertion after section 29 of the following section—

"*Supplies to groups.*

29A.—(1) Subject to subsections (2) and (3) below, subsection (4) below applies where—

(a) a business, or part of a business, carried on by a taxable person is transferred as a going concern to a body corporate treated as a member of a group under section 29 above;

(b) on the transfer of the business or part, chargeable assets of the business are transferred to the body corporate; and

(c) the transfer of the assets is treated by virtue of section 3(3) *(c)* above as neither a supply of goods nor a supply of services.

(2) Subsection (4) below shall not apply if the representative member of the group is entitled to credit for the whole of the input tax on supplies to it and importation by it—

(a) during the prescribed accounting period in which the assets are transferred, and

(b) during any longer period to which regulations under section 15(3) *(b)* above relate and in which the assets are transferred.

(3) Subsection (4) below shall not apply if the Commissioners are satisfied that the assets were acquired by the taxable person transferring them more than three years before the day on which they are transferred.

[Mr. Speaker]

(4) The chargeable assets shall be treated for the purposes of this Act as being, on the day on which they are transferred, both supplied to the representative member of the group for the purpose of its business and supplied by that member in the course or furtherance of its business.

(5) A supply treated under subsection (4) above as made by a representative member shall not be taken into account as a supply made by him when determining the allowance of input tax in his case under section 15 above.

(6) The value of a supply treated under subsection (4) above as made to or by a representative member shall be taken to the open market value of the chargeable assets.

(7) For the purposes of this section, the open market value of any chargeable assets shall be taken to be the price that would be paid on a sale (on which no tax is payable) between a buyer and a seller who are not in such a relationship as to affect the price.

(8) The Commissioners may reduce the tax chargeable by virtue of subsection (4) above in a case where they are satisfied that the person by whom the chargeable assets are transferred has not received credit for the full amount of input tax arising on the acquisition by him of the chargeable assets.

(9) For the purposes of this section, assets are chargeable assets if their supply in the United Kingdom by a taxable person in the course or furtherance of his business would be a taxable supply (and not a zero-rated supply).".

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—*[Mr. Lawson.]*

11. VALUE ADDED TAX (VALUATION)

Resolved,

That, in relation to supplies made on or after 1st April 1987, Schedule 4 to the Value Added Tax Act 1983 shall have effect with the insertion, at the beginning of paragraph 1(1)(c), of the words "if the supply is a taxable supply,".

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—*[Mr. Lawson.]*

12. VALUE ADDED TAX (ISSUE OF SECURITIES)

Resolved,

That, in relation to supplies made on or after 1st April 1987, Group 5 in Schedule 6 to the Value Added Tax Act 1983 shall have effect with the following amendments—

(a) at the end of item 5 there shall be added the words "or the underwriting of an issue within item 1"; and

(b) after item 6 there shall be inserted the following item—

"6A. The making of arrangements for, or the underwriting of, an issue within item 6.".

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—*[Mr. Lawson.]*

13. VALUE ADDED TAX (SUPPLIES RECEIVED FROM ABROAD)

Resolved,

That with respect to services supplied on or after 1st April 1987, section 7 of the Value Added Tax Act 1983 (reverse charge on supplies received from abroad) shall be amended as follows—

(a) in paragraph *(b)* of subsection (1), for the words "taxable person" there shall be substituted "person (in this section referred to as 'the recipient')";

(b) n subsection (1), in the words following paragraph *(b)* for the words "as if the taxable person" there shall be substituted "as if the recipient";

(c) in subsections (3) and (4) for the words "taxable person" there shall be substituted "recipient"; and

(d) n subsection (3) for the words "the allowance" there shall be substituted "any allowance".

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—*[Mr. Lawson.]*

14. VALUE ADDED TAX (TOUR OPERATORS)

Resolved,

That provision may be made about the treatment for the purposes of value added tax of supplies by tour operators, travel agents and others making like supplies. — *[Mr. Lawson.]*

15. VALUE ADDED TAX (TRANSFERS FROM THE UNITED KINGDOM)

Resolved,

That provision may be made repealing item 2 of Group 15 in Schedule 5 to the Value Added Tax Act 1983.—*[Mr. Lawson.]*

16. VALUE ADDED TAX (REGISTRATION ETC.)

Resolved,

That the Value Added Tax Act 1983 may be amended by provisions as to registration, and provisions treating as taxable persons certain registered persons who neither make nor intend to make taxable supplies.—*[Mr. Lawson.]*

17. INCOME TAX (CHARGE AND RATES FOR 1987-88)

Question put

That—

(1) Income tax for the year 1987-88 shall be charged at the basic rate of 27 per cent. and, in respect of so much of an individual's total income as exceeds £17,900 (the basic rate limit as determined under subsection (4) of section 24 of the Finance Act 1980—indexation), at such higher rates as are specified in the Table below:

TABLE

Higher rate bands	*Higher rate*
The first £2,500	40 per cent.
The next £5,000	45 per cent.
The next £7,900	50 per cent.
The next £7,900	55 per cent.
The remainder	60 per cent.

(2) Section 24(4) of the Finance Act 1980 (indexation of thresholds) shall not, so far as it relates to the higher rate bands, apply for the year 1987-88:

(3) This Resolution shall not require any change to be made in the amounts deductable or repayable under section 204 of the Income and Corporation Taxes Act 1970 (pay as you earn) before 18th May 1987:

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—*[Mr. Lawson.]*

The House divided: Ayes 350, Noes 200.

Division No. 123] **[10.15 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Benyon, William
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Bigge-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Boscor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Rt Hon Sir Adam
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombe, Simon
Cope, John
Cormack, Patrick
Couchman, James
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Durant, Tony
Dykes, Hugh
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Dame Peggy
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forman, Nigel
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Harris, David
Harvey, Robert
Havers, Rt Hon Sir Michael
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hayes, J.
Hayhoe, Rt Hon Sir Barney
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, Gerald *(Cannock)*
Howe, Rt Hon Sir Geoffrey
Howell, Ralph *(Norfolk, N)*
Hubbard-Miles, Peter
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irving, Charles
Jackson, Robert
Jankin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
King, Roger *(B'ham N'field)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McLoughlin, Patrick
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Sir Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(Hants NW)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Morris, M. *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Mudd, David
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Normanton, Tom
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abgdn)*
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Rifkind, Rt Hon Malcolm
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela

Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Herts'dshire N)*
Stokes, John
Stradling Thomas, Sir John
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Waller, Gary
Walters, Dennis
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Bowen *(Hartford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Tristram Garel-Jones and
Mr. Robert Boscowen.

NOES

Abse, Leo
Adams, Allen *(Paisley N)*
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnes, Mrs Rosemary
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Proven)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
George, Bruce
Godman, Dr Norman
Golding, Mrs Llin
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hancock, Michael
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howarth, George *(Knowsley, N)*
Howells, Geraint
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
Jenkins, Rt Hon Roy *(Hillh'd)*
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lambie, David
Lamond, James
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Livsey, Richard
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
MacKenzie, Rt Hon Gregor
McNamara, Kevin
McTaggart, Robert
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Prescott, John
Randall, Stuart
Raynsford, Nick
Redmond, Martin
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shields, Mrs Elizabeth
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Cyril *(Rochdale)*
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Matthew
Thomas, Dr R. *(Carmarthen)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wainwright, R.
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
White, James
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Frank Haynes and
Mr. Don Dixon.

Question accordingly agreed to.

18. INCOME TAX (INDEXED PERSONAL RELIEFS ETC.): OPERATIVE DATE FOR PAYE

Resolved,

That, for the year 1987-88, in subsection (7) of section 24 of the Finance Act 1980 (which specifies the date from which indexed changes in income tax thresholds and allowances are to be brought into account for the purposes of PAYE) for "5th May" there shall be substituted "18th May":

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—*[Mr. Lawson.]*

19. INCREASED PERSONAL RELIEF FOR THOSE AGED EIGHTY AND OVER

Resolved,

That, for the year 1987-88 and subsequent years of assessment—

(1) Subject to the provisions of this Resolution, subsection (1) of section 8 of the Income and Corporation Taxes Act 1970 (personal reliefs) shall have effect—

(a) in relation to a claim by a person who proves that he or his wife was at any time within the year of assessment of the age of eighty or upwards, as if the sum specified in paragraph *(a)* (married) were £4,845; and

(b) in relation to a claim by a person who proves that he was at any time within the year of assessment of the age of eighty or upwards, as if the sum specified in paragraph *(b)* (single) were £3,070;

and for this purpose, a person who would have been of the age of eighty or upwards within the year of assessment if he had not died in the course of it shall be treated as having been of that age within that year;

(2) For any year of assessment for which a person is entitled to increased personal relief by virtue of this Resolution, he shall not be entitled to increased relief under subsection (1A) of the said section 8 (increased relied for persons of sixty-five and upwards);

(3) For the purpose of any enactment which refers to Part I of the Income and Corporation Taxes Act 1970 or to Chapter II of that Part, paragraph (1) above shall be taken to be included in that Chapter:

(4) In the following enactments—

(a) subsection (1B) of the said section 8 (tapering of relief under subsection (1A)), and

(b) paragraph 3(3) of Schedule 4 to the Finance Act 1971 (exclusion of certain reliefs where there is separate taxation of wife's earnings),

any reference to subsection (1A) of the said section 8 shall include a reference to paragraph (1) above:

(5) In subsection (8) of section 36 of the Finance Act 1976 (application of provisions relating to transfer of balance of certain reliefs between spouses) the reference in paragraph *(b)* to subsection (1A)*(b)* of the said section 8 shall include a reference to paragraph (1)*(b)* above:

(6) This Resolution shall not require any change to be made in the amounts deductible or repayable under section 204 of the Income and Corporation Taxes Act 1970 (pay as you earn) before 18th May 1987:

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—*[Mr. Lawson.]*

20. INCREASED RELIEF FOR BLIND PERSONS

Resolved,

That—

(1) For the year 1987-88 and subsequent years of assessment, in section 18 of the Income and Corporation Taxes Act 1970—

(a) in subsection (1) (single blind persons and married couples of whom one is blind) for "£360" there shall be substituted "£540"; and

(b) in subsection (2) (married couples, both of whom are blind) for "£720" there shall be substituted "£1,080":

(2) This Resolution shall not require any change to be made in the amounts deductible or repayable under section 204 of the Income and Corporation Taxes Act 1970 (pay as you earn) before 18th May 1987:

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—*[Mr. Lawson.]*

21. RELIEF FOR INTEREST (LIMIT FOR 1987-88)

Resolved,

That, for the year 1987-88, the qualifying maximum referred to in paragraphs 5(1) and 24(3) of Schedule 1 to the Finance Act 1974 (limit on relief for interest on certain loans for the purchase or improvement of land) shall be £30,000:

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—*[Mr. Lawson.]*

22. CORPORATION TAX (CHARGE AND RATE FOR FINANCIAL YEAR 1987)

Resolved,

That corporation tax shall be charged for the financial year 1987 at the rate of 35 per cent.—*[Mr. Lawson.]*

23. CORPORATION TAX (SMALL COMPANIES)

Resolved,

That—

(a) the small companies rate for the financial year 1987 shall be 27 per cent.; and

(b) the fraction by reference to which corporation tax charged on income is reduced under section 95(2) of the Finance Act 1972 shall for that financial year be one fiftieth.—*[Mr. Lawson.]*

24. COMPANIES' CHARGEABLE GAINS

Resolved,

That provision may be made with respect to the treatment of the chargeable gains of companies for the purposes of corporation tax.—*[Mr. Lawson.]*

25. CHARITIES

Resolved,

That, for the year 1987-88 and subsequent years of assessment, section 27(7) of the Finance Act 1986 (which limits to £100 the payroll deductions attracting relief) shall have effect with the substitution of "£120" for "£100".

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—*[Mr. Lawson.]*

26. REGISTERED FRIENDLY SOCIETIES

Resolved,

That provision may be made—

(a) amending section 332(2) of the Income and Corporation Taxes Act 1970 and section 64 of the Friendly Societies Act 1974 with respect to contracts for the assurance of gross sums under tax exempt life or endowment business of registered friendly societies; and

[Mr. Speaker]

(b) amending the operation of section 400 of that Act with respect to gains arising in connection with policies issued in the course of such business by registered friendly societies.—*[Mr. Lawson.]*

27. ANNUITIES, ETC.

Resolved,

That provision may be made about contracts, schemes or other arrangements providing for the payment of annuities or lump sums.—*[Mr. Lawson.]*

28. RETIREMENT BENEFITS SCHEMES

Resolved,

That provision may be made about retirement benefits schemes.—*[Mr. Lawson.]*

29. INCOME SUPPORT

Resolved,

That provision may be made charging to income tax under Schedule E payments of income support under the Social Security Act 1986 or the Social Security (Northern Ireland) Order 1986.—*[Mr. Lawson.]*

30. PAY AS YOU EARN

Resolved,

That provision may be made with respect to the payments to which section 204 of the Income and Corporation Taxes Act 1970 (pay as you earn) applies.—*[Mr. Lawson.]*

31. UNDERWRITERS

Resolved,

That charges to income tax (including charges for the years of assessment 1985-86 and 1986-87) may be imposed by provisions about underwriters.—*[Mr. Lawson.]*

32. FOREIGN PARTNERSHIPS

Resolved,

That provision may be made, with retrospective effect, with respect to the taxation of persons resident in the United Kingdom who are members of partnerships resident outside the United Kingdom.—*[Mr. Lawson.]*

33. COMPANIES: MATERIAL INTERESTS

Resolved,

That provision may be made as to the cases in which a person is to be regarded as having a material interest in a company for certain purposes of the Tax Acts. — *[Mr. Lawson.]*

34. APPORTIONMENT OF INCOME ETC. OF CLOSE COMPANIES

Resolved,

That provision may be made amending Schedule 16 to the Finance Act 1972.—*[Mr. Lawson.]*

35. CORPORATION TAX (PAYMENT DATES)

Resolved,

That provision may be made as to the time within which company is required to be paid.—*[Mr. Lawson.]*

36. CHARGES ON INCOME

Resolved,

That provision may be made with respect to the dates on which certain payments made between companies are to be treated as received.—*[Mr. Lawson.]*

37. INVESTMENT COMPANIES

Resolved,

That amendments may be made to section 304 of the Income and Corporation Taxes Act 1970.—*[Mr. Lawson.]*

38. RECOGNISED INVESTMENT EXCHANGES

Resolved,

That charges to income tax, corporation tax and capital gains tax may be imposed by provisions enabling enactments referring to The Stock Exchange to have effect, with or without modification, in relation to other recognised investment exchanges.—*[Mr. Lawson.]*

39. CONTROLLED FOREIGN COMPANIES

Resolved,

That provision may be made with respect to the circumstances in which a controlled foreign company, within the meaning of Chapter VI of Part II of the Finance Act 1984, is to be regarded as pursuing an acceptable distribution policy.—*[Mr. Lawson.]*

40. DUAL RESIDENT COMPANIES

Resolved,

That provision may be made with respect to companies which are resident in the United Kingdom and are also within a charge to tax under the laws of a territory outside the United Kingdom.—*[Mr. Lawson.]*

41. DOUBLE TAXATION RELIEF: INTEREST ON OVERSEAS LOANS

Resolved,

That provision may be made amending sections 65 and 66 of the Finance Act 1982.—*[Mr. Lawson.]*

42. ADVANCE CORPORATION TAX: OIL INDUSTRY

Resolved,

That provision may be made with respect to—

(a) the setting of advance corporation tax against corporation tax on profits arising from oil extraction activities or oil rights, within the meaning of Part II of the Oil Taxation Act 1975; and

(b) the repayment of advance corporation tax under section 17(3) of that Act and section 127(5) of the Finance Act 1981.—*[Mr. Lawson.]*

43. COMMODITY FUTURES, FINANCIAL FUTURES AND OPTIONS

Resolved,

That provision may be made—

(a) for bringing gains on certain disposals of commodity futures, financial futures and options within the charge to capital gains tax or corporation tax on chargeable gains, and

(b) with respect to the treatment under the Capital Gains Tax Act 1979 of certain options.—*[Mr. Lawson.]*

44. Stamp duty (clearance services)

Resolved,

That provision may be made with respect to stamp duty in relation to instruments transferring securities to persons concerned with clearance services.—*[Mr. Lawson.]*

45. Stamp duty (market makers)

Resolved,

That amendments may be made to section 82(6) of the Finance Act 1986.—*[Mr. Lawson.]*

46. Stamp duty (Crown exemption)

Resolved,

That charges to stamp duty may be imposed by provisions relating to instruments made by, to or with Ministers of the Crown.—*[Mr. Lawson.]*

47. Stamp duty reserve tax

Resolved,

That charges to stamp duty reserve tax may be imposed by further provisions relating to that tax.—*[Mr. Lawson.]*

48. Inheritance tax

Resolved,

That charges to inheritance tax may be imposed—

(a) by provisions relating to the coming to an end of an interest in possession in settled property;

(b) by provisions as to the circumstances in which the settlor is liable for the tax on the value transferred by a potentially exempt transfer relating to settled property;

(c) by provisions relating to relief under Chapter I (business property) or Chapter II (agricultural property) of Part V of the Inheritance Tax Act 1984;

(d) by provisions relating to settled property of the kind to which Schedule 4 to that Act (maintenance funds for historic buildings etc.) relates; and

(e) by provisions relating to the payment of tax by instalments.—*[Mr. Lawson.]*

49. Oil taxation: nomination scheme

Resolved,

That, in connection with a scheme relating to the nomination of sales, appropiations and other disposals of oil, provision may be made with respect to the amounts to be taken into account under the Oil Taxation Act 1975 in determining the gross profit or loss accruing to a participator in an oil field in any chargeable period.—*[Mr. Lawson.]*

50. Oil taxation: market value of oil

Resolved,

That provision may be made with respect to the determination of the market value of oil for the purposes of provisions of the Oil Taxation Act 1975.—*[Mr. Lawson.]*

51. Collective investment schemes

Resolved,

That charges to income tax, corporation tax, capital gains tax, stamp duty and stamp duty reserve tax may be imposed by provisions relating to unit trust schemes or to other collective investment schemes.—*[Mr. Lawson.]*

52. Relief from tax (incidental and consequential charges)

Resolved,

That it is expedient to authorise any incidental or consequential charges to any duty or tax (including charges having retrospective effect) which may arise from provisions designed in general to afford relief from tax. — *[Mr. Lawson.]*

Procedure (Personal Pension Schemes)

Ordered,

That, notwithstanding anything to the contrary in the practice of the House relating to matters which may be included in Finance Bills, any Finance Bill of the present Session may make provision for the payment of sums out of or into the National Insurance Fund in connection with provisions relating to the payment of minimum contributions under Part I of the Social Security Act 1986. — *[Mr. Lawson.]*

Procedure (Exchange and Financial Control)

Ordered,

That, notwithstanding anything to the contrary in the practice of the House relating to matters which may be included in Finance Bills, any Finance Bill of the present Session may—

(a) make provision for and in connection with the repeal of the Exchange Control Act 1947; and

(b) amend section 2 of the Banking and Financial Dealings Act 1971.—*[Mr. Lawson.]*

Procedure (Future Taxation)

Ordered,

That, notwithstanding anything to the contrary in the practice of the House relating to matters which may be included in Finance Bills, any Finance Bill of the present Session may contain the following provisions taking effect in a future year—

(a) provisions amending the Taxes Management Act 1970;

(b) provisions with respect to amounts due by way of penalty or interest;

(c) provisions with respect to interest on tax overpaid;

(d) provisions with respect to the payment of corporation tax without assessment; and

(e) provisions with respect to the time within which corporation tax in respect of any accounting period of a building society is required to be paid.—*[Mr. Lawson.]*

Bill ordered to be brought in upon the foregoing resolutions and orders by the Chairman of Ways and Means, Mr. Chancellor of the Exchequer, Mr. Secretary Walker, Mr. Secretary Fowler, Mr. Secretary Ridley, Mr. Kenneth Clarke, Mr. John MacGregor, Mr. Secretary Channon, Mr. Secretary Moore, Mr. Norman Lamont, Mr. Ian Stewart and Mr. Peter Brooke.

FINANCE

Bill to grant certain duties, to alter other duties and to amend the law relating the National Debt and the Public Revenue, and to make further provision in connection with finance, presented accordingly by Mr. Norman Lamont and read the first time; to be read a Second time tomorrow and to be printed. [Bill 123.]

EUROPEAN COMMUNITY DOCUMENTS

MEDICAL AND HEALTH RESEARCH

Motion made, and Question put forthwith pursuant to Standing Order No. 102(5) (Standing Committees on European Community documents.)

That this House takes note of European Community Document No. 10279/1/86 on a programme of action in the field of medical and health research (1987-1989); and welcomes the Government's intention to support the proposal, subject to agreement on an acceptable level of cost and the adoption of a Council Decision rather than a Regulation.—*[Mr. Malone.]*

Question agreed to.

ROAD HAULAGE

Motion made, and Question put forthwith pursuant to Standing Order No. 102(5) (Standing Committees on European Community documents.)

That this House takes note of European Community Documents Nos. 11198/85 on the conditions under which non-resident carriers may operate national road haulage services within a member State, and 10522/1/86 on access to the market for the carriage of goods by road between member States and the Department of Transport's supplementary explanatory memoranda of 16th January and 27th February 1987; and supports the Government's intention to seek early liberalisation of road haulage services in conditions which minimise the burden on the road haulage industry and promote fair competition.—*[Mr. Malone.]*

Question agreed to.

STATUTORY INSTRUMENTS, &c.

CIVIL DEFENCE

Motion made, and Question put forthwith pursuant to Standing Order No. 101(5) (Standing Committees on Statutory Instruments.)

That the draft Civil Defence (Grant) (Scotland) Amendment Regulations 1987, which were laid before this House on 4th March, be approved.

That the draft Civil Defence (Grant) (Amendment) Regulations 1987, which were laid before this House on 4th March be approved.—*[Mr. Malone.]*

Question agreed to.

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Malone.]*

10.33 pm

Mr. Robin Squire (Hornchurch): I am sure that Conservative Members who remain for the debate will pay full testimony to the importance, although we recognise that half an hour is scarcely long enough, of the issues that need exploring. I welcome and pay tribute to my right hon. Friend the Member for Kingston upon Thames (Mr. Lamont) and my hon. Friend the Member for Surbiton (Mr. Tracey), who are here because they strongly support what I am saying and who, as hon. Members are aware, are unable to contribute to the debate, by the rules of the House. However, they have been foremost in their defence of the existing education arrangements in Kingston and are very concerned about the proposals that have occasioned the debate.

I also welcome my hon. Friend the Member for Leicester, East (Mr. Brunivels), who, like me, has shared an experience about which more in a moment. I welcome also my hon. Friend the Member for Dartford (Mr. Dunn), who will be answering the debate as the Minister, but I particularly welcome my hon. Friend the Member for Mitcham and Morden (Mrs. Rumbold), who in a previous incarnation was deputy leader of the council in Kingston and who knows much about the affairs of Kingston. Her presence is testament of her concern about the matter that we are debating. Finally—this may seem like a long list, but we have a large number of hon. Members here, I pay tribute to my hon. Friend the Member for Nottingham, East (Mr. Knowles), who is a former leader of the council in Kingston. It is my expectation, should they catch your eye, Mr. Speaker — you never know — that my hon. Friends the hon. Members for Leicester, East and for Nottingham, East will contribute to the debate.

Since people have come up to me in the last 48 hours to ask why I, whose constituency is a little away from Kingston, have chosen this subject for debate, I must explain. The link is that I spent five years as a pupil of one of the schools at the centre of re-organisation—Tiffin boys' school. I share that experience with my hon. Friend the Member for Leicester, East (Mr. Bruinvels), although I think that he spent less time at the school. That experience enables me to attest to the quality of education at that school. Some would say that my education has gone ever beackwards' but it is a great tribute to the quality of teaching and to the pupils themselves.

I understand that the Minister cannot comment on the details, because he has a quasi-judicial role. We would be wrong to expect a detailed rejection or acceptance, but I hope that he will note the genuine concern that I express on behalf of thousands of people in the area covered by the Kingston education authority.

I shall explain the background to the debate. Kingston education authority has eight secondary schools, two of which are selective—Tiffin boys school and Tiffin girls school. Six are not selective and include two Roman Catholic voluntary aided schools, one for girls and one for boys.

Following the election in May 1986, the Conservatives lost control to what some might call an unholy alliance of Labour, Liberal and SDP, with the Liberals in the van. In due course the new authority issued to every household a Change". This allegedly was to take account of and tackle the problem of falling rolls — a problem which is common to many if not all parts of the country.

A number of problems arise from that document. First, no details are supplied of the costs of the various options. A separate document is available which gives details of costs ranging between nil and £6 million. The innocent, let alone the suspicious, might query why those details were not circulated with the document. One might think that it was because some of the options are expensive. There is no option for the status quo. Whatever choice parents are offered they cannot say that they want things to remain the same, whatever the cost.

There is no opportunity for the two Roman Catholic schools—Richard Challoner and Holy Cross—to remain separate. Every option in the document requires them to amalgamate. That does not provide an opportunity for individual opinion to be reflected.

Above all, no educational justification is advanced for ending the selective education policy. There is no option which allows the continuation of selective education. That is ironic, because, as my hon. Friend the Minister said in an excellent speech in his constituency on 7 December 1985:

> "The National Council for Education Standards concludes from their study of the 1981 and 1982 results that better examination results are associated with the selective system of schools, whether it be a fully selective system of Grammar and secondary moderns, or a mixture of selective and comprehensive schools."

Most opinion polls confirm that that is also the view of the electorate. Despite that it seems that the leaders of Kingston council have been determined to fly in the face of that opinion, as illustrated by the document that they have issued.

What has been the response to that document? Fortunately, a campaign has been launched, the Kingston education campaign, and it has circulated its document widely. I am happy to say that that document makes good some of the omissions in the council document. It tackles and punctures some of the myths that were apparent both in the document and the local reaction to that document.

The first myth that is tackled is the suggestion that, in some way, Kingston's education standards are in total inferior—I stress in total—in comparison with those of neighbouring education authorities, especially Richmond. The campaign document points out, using Department of Education and Science figures, that the number of pupils in Kingston attaining five or more O-level passes is 33·6 per cent. compared to 25·9 per cent. in Richmond, which has a fully comprehensive system. Moreover, if one considers the other end of the scale — those who may have failed in the education system—it is apparent that in Kingston, 7·6 per cent. of pupils leave with no qualifications and in Richmond that figure is 10·5 per cent. Those figures do not suggest a declining or poor educational system. I have already explained that my hon. Friend the Member for Surbiton cannot speak in this debate, but he has asked me to specifically point out that parents in his constituency, where all the secondary schools are non-selective, are most alarmed at the chaos that reorganisation will cause to those excellent schools.

The second myth to be perpetrated is that grammar schools are receiving a disproportionate share of the area's

[Mr. Robin Squire]

set up by Kingston council show that in 1985-86, on a cost per pupil basis, the average for all secondary schools was £1,143; for Tiffin boys it was £1,106 and for Tiffin girls it was £1,012—that figure happens to be the smallest sum per pupil for any secondary school in the borough. On the basis of those figures, any suggestion that the two selective schools are dominating or receiving excessive allocation is obviously groundless.

The third point worth emphasising from the leaflet is the issue raised by the alliance in its regular publications —I believe that they are called "Focus"—to the effect that there was no certainty about when the Tiffin schools would close and that it was only a rumour. Every option set out in the council document either requires the closure of one or both of those schools or a substantial, irreversible change in the nature of them. It is important that that is placed on the record.

All the statistics show that, of the 104 educational authorities in the country, Kingston is regularly in the top five on the basis of its examination results. Those are the results of all the schools. It should in no way be thought that I am raising a standard for two schools in the borough. I believe that Kingston's record — a record covering all the schools — is good enough to stand comparison with that of any education authority.

I wish to put on record the achievements of Tiffin boys and Tiffin girls schools. In 1986 Tiffin boys' percentage pass rate at advanced level was 85·1 per cent. Over the past 15 years the average pass rate at advanced level has been 87 per cent. and in that time no fewer than 1,418 pupils have gained the minimum university entrance requirement of two subject passes at advanced level. In 1980 the pass rate of 94 per cent. at A-level was 20 per cent., higher than the average for the entire country and 10 per cent. higher than the average for all the Headmasters' Conference schools—broadly accepted as the public schools.

The percentage pass rate in 1986 at ordinary level was 78·5 per cent., with 149 boys gaining 971 subject passes, of which 634 were either A or B grades. At ordinary level in the same year, 30 boys gained 10 or more subject passes each. Three boys achieved an A grade in at least eight subjects. Over the past 15 years the average pass rate at ordinary level has been 80·8 per cent., with more than 1,000 subject passes in five of the past six years. During the academic year ended July, more than 100 boys left the school to go on to degree courses at either polytechnics or universities, and that has been the story for many years.

Over the years, Tiffin has regularly been among the 20 leading schools in the country in the gaining of academic awards. Last year 16 young men, and this year 15, have gone on to Oxbridge courses. These figures bear comparison with most schools in the country, let alone most state schools.

There is another side to education at Tiffin boys school. It has international renown for its choral music. As for instrumental music, it has more bands than I thought could exist in a school. It has a 60-piece orchestra, a brass band, a concert band, a recorder group, a swing band, a string quartet and a piano quartet. The school is renowned for the quality of its dramatic productions. The rugby team is one of the best in the south of England. A few years ago it was seen and rated by *Rugby World* as one of the top six teams in the country. The school enjoys an excellence in cricket and rowing, and the list continues. There is an all-round development of excellence among the

Tiffin girls school has recently been the subject of an HMI report. I need only say to my hon. Friend the Minister that it was a glowing report following a major inspection in 1986. At advanced level, 77 girls sat examinations in 229 subjects, achieving 205 passes, 47 per cent. at the top two grades. Of the upper sixth, 80 per cent. went on to universities or polytechnics, six girls going to Oxbridge. At ordinary level, there was a pass rate of 92 per cent. among fifth formers, an average per fifth-form girl of nine subject passes. I re-emphasise that this was achieved at the school with the least resources per head of pupil in the borough.

What are my reactions to this background as a former Kingstonian who is now in exile? The argument cannot be confined to the views of those who are pro comprehensive and those who are anti. In my earlier existence as a councillor in another borough, I voted to support comprehensive schemes on their merits. Surely that is how education issues should be viewed. We should not take political lines. We should ask whether the scheme has education merit in the area that is concerned.

In the scheme that is proposed, no opportunity will be given to parents in Kingston to opt for selection. Secondly, there is a necessity to review falling rolls. There is a danger because a closure, or closures, is or are being dressed up as a reason to end selection. In many other areas education authorities have seen the need to close one or more schools, and they have done so without challenging and changing the fibre of the education that is offered within the authority. One or two of the options which have been circulated involve large comprehensive schools which, if adopted, would lead to even more closures than might be blamed upon the ending of selection.

Thirdly, I note that recently eight new governors have been appointed to Tiffin girls school, all of whom, by pure chance happen to be Labour or alliance councillors. Will they work to save that school? Will they work to enable the sort of results and the other achievements, which time does not allow me to develop, to be retained, or will they sit in on what might be the school's wake? I suspect that we are facing something that we have become used to seeing. That is, the usual dogma from the Labour party, which clearly is now shared by the Liberal party and which is simply put: if everyone cannot share such an education, no one will have it.

I understand that Councillor Harris, who is the Liberal education chairman for Kingston, is quoted as saying at a council meeting:

"85 per cent. of the pupils in Kingston are suffering, education should not be treated as a political football."

If what I have read out is suffering, I hesitate to describe what some other education authorities must be getting on the basis of the Kingston results. To play political football, someone has to kick off. I argue that the kick-off has been conducted by the current council leadership. I understand that Councillor Harris was fortunate enough to have the advantage of a public school education. I do not begrudge him that. Conservative Members are not in the business of doing anything other than congratulating those who have the fortune to be born of parents who have the resources to pay for that type of education. But those of us who did not go and who could never have been sent to a public school would like others coming behind us with

a modest financial background to continue to have the chance to have an excellent education. It may be true that other people in the past few years through their own changes, but one problem which is well known in Kingston is that, if the proposals are accepted, Tiffin boys school at least is likely to move into the independent sector. That is not a gain for the state sector. It means simply that, in future, most of the intake there will be governed more by the pocket than by ability. If that is a gain, I do not see it.

Another alliance councillor, Councillor Mrs. Philpott, at the same council meeting on 8 July to which I referred said:

"This is a positive and exciting time, history is being made."

Perhaps, after all the discussion, the decision will be made to end the proud record of the Kingston education authority. I stress Kingston education authority—I do not mean just the two schools. I submit that that is not the sort of history that many people want made and that they want the education authority, even now, to heed the many thousands of electors in Kingston who are worried about and opposed to these proposals. Through the presence tonight of their elected representatives, they wish the House to note that fact and to urge my hon. Friend the Minister, if he receives these proposals, to give due regard to the protests and fears which I have expressed.

10.53 pm

Mr. Michael Knowles (Nottingham, East): My hon. Friend the Member for Hornchurch (Mr. Squire) was kind enough to mention some of my qualifications to speak in the debate. For 12 years I was a councillor in the royal borough of Kingston upon Thames, for nine of them as leader. A further qualification is not mine—it is my daughters'. All three were educated in that system and not one attended Tiffin girls' school. I make that last point as an answer to the excuse offered for attempting to destroy these grammar schools—that their existence denies other pupils a fair opportunity. That is untrue and nonsense and should be denounced as such.

My hon. Friend the Member for Hornchurch mentioned the names of other hon. Members. One further name should be mentioned. I refer to the man who devised Kingston's system when the new London borough came into existence, Alderman Bill Marshall. Others have held the post of education chairman. In a real sense, as he devised the system, Mr. Marshall was the education chairman. He was the kind of figure in morality, intellect and character, that is not often found in local politics and perhaps not often found in national politics, either. Kingston's system was devised as a system. To delete Tiffin schools would bring at best, a period of chaos, and no better result overall in the end. That has been the experience.

For nine years, I, as leader, defended the system not only because of the Tiffin schools but because the system as a whole defended standards—a view that education means that children should be able to read, write and calculate. Social integration, peace studies, et al are nonsense and should not be given house room in an education system. Unlike other Conservative authorities, we preferred to fight in the first ditch rather than the last ditch in defence of standards.

The argument is between those who believe in standards in education and those who do not. The end result of disagreement with the views expressed by my hon. of the road. It will be an irony if, when national Government at last accepts its responsibilities to education, such a system that has stood for over 25 years like a rock against a tide of illiteracy should now be swept away.

I certainly do not expect my hon. Friend the Under-Secretary of State to mouth the platitudes that we have heard year in and year out about locally administered national systems. I had to deal with Labour Governments and various Secretaries of State—they passed away as Labour Secretaries of State for Education — who attempted to lean on us and twist our arms when we defended the system. I expect no less from my right hon. and hon. Friends when the roles are reversed. I issue the warning most seriously. We should not necessarily accept the views of the education world and its officials. They, too, are part of the education world's conspiracy against good schools of any kind and would advise against helping. If that be not true, why have so many good schools of all kinds been closed with, at best, the supine acquiescence of Conservative Secretaries of State? Here is a chance to take a stand to show that the tide has turned. If talk of standards is to be shown as meaning something more than mere words, here is the opportunity. If not here, where? If not now, when?

10.58 pm

Mr. Peter Bruinvels (Leicester, East): I congratulate my hon. Friend the Member for Hornchurch (Mr. Squire) on bringing forward the debate. There is no doubt that grammar schools are under threat. There are only 150 grammar schools left in the country. It is particularly sad that the Liberals should launch such an attack on the greatest grammar schools left in the country. I refer to Tiffin boys and girls schools.

Small schools have always been the best. There are 11 secondary schools left in Kingston, with 8,157 pupils. All are liable to major alteration, as my hon. Friend the Member for Surbiton (Mr. Tracey) said on LBC this morning. Why should there be any alteration? What is wrong with Tiffin boys school? It has 823 pupils at the moment, with 232 in the sixth form. Tiffin girls school has 741 pupils. Both are schools of excellence. They have delivered good results over the years. There has been hard work. There have been caring and dedicated teaching staff, led first by Brigadier J. J. Harper and, secondly, by John Roberts. The demise, if it is to come, will come in September 1989. We must fight to avoid that.

Today the *London Daily News* reported that my right hon. Friend the Member for Kingston upon Thames (Mr. Lamont) has said that there would be educational vandalism if Tiffin boys school were to go. I attended Tiffin boys school for four terms. Its results were the best in the country. The pass rate for O-levels in 1986 was 971, or 79 per cent. Of those, 227 achieved A-grades. The pass rate for A-levels in 1986 was 286, or 85 per cent., and 56 of the 286 achieved A-grades.

There have been 25 years of outstanding results. I attend the speech days; they are marvellous. There is still a strong tradition in Kingston, for which we must fight. There is nothing wrong about excellence. It is good that

[Mr. Peter Bruinvels]

our young people can be trained so well. It is also good that there should be proper examination procedures. Those schools must not be threatened. They must survive.

11 pm

The Parliamentary Under-Secretary of State for Education and Science (Mr. Robert Dunn): I am delighted to respond to this short debate on the proposed reorganisation of education in Kingston upon Thames. In so doing, I should like to welcome to the Treasury Bench my right hon. Friend the Secretary of State for Education and Science, the Minister of State, my hon. Friend the Member for Mitcham and Morden (Mrs. Rumbold), my right hon. Friend the Member for Kingston upon Thames (Mr. Lamont) and my hon. Friend the Member for Surbiton (Mr. Tracey).

I begin by congratulating my hon. Friend the Member for Hornchurch (Mr. Squire) on his success in obtaining this Adjournment debate. As an old Tiffinian, I know that he retains a great interest in the fortunes and future of the school. I have noted the great concern that he has expressed so well tonight. I congratulate also my hon. Friends the Members for Leicester, East (Mr. Bruinvels) and for Nottingham, East (Mr. Knowles) on their short contributions.

As my hon. Friend the Member for Hornchurch will know and understand, it is important at this stage for the Secretary of State to avoid prejudging the issues, should any proposals come before him with regard to the organisation of schools in any community. Therefore, my hon. Friend will not expect me to say anything about the particular case that is the subject of this debate. I know that he will accept my assurance that I have listened carefully to what has been said. I shall look forward to receiving any deputation, if and when proposals are made. I assure the House that when proposals are made we treat them very seriously indeed because we are under a legal duty to act fairly. In other words, my right hon. Friend the Secretary of State must judge each set of proposals on its merits and take into account both the arguments of those making the proposals and the views of any objectors.

In conclusion, I congratulate my hon. Friend on his success in raising this subject for debate.

Question put and agreed to.

Adjourned accordingly at two minutes past Eleven o'clock.

House of Commons

Tuesday 24 March 1987

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BRIGHTON MARINE PALACE AND PIER (FINANCE, &C.) BILL

As amended, considered, to be read the Third time.

Oral Answers to Questions

DEFENCE

Trident

1. **Mr. Fallon** asked the Secretary of State for Defence how many jobs in the north-east are *(a)* directly or *(b)* indirectly dependent on the Trident programme.

6. **Mr. Hirst** asked the Secretary of State for Defence if he will estimate the number of jobs in Scotland which are directly and indirectly dependent on the Trident programme.

The Parliamentary Under-Secretary of State for Defence Procurement (Mr. Archie Hamilton): Mr. Speaker, may I first apologise for the absence of my right hon. Friend the Secretary of State, who is on an official visit to the Far East?

Estimates of the total number of United Kingdom jobs dependent on the Trident programme are not made on a regional basis. However, it is estimated that the Trident programme will create on average 7,500 direct and 6,000 indirect jobs over its procurement period. Construction work alone in Scotland on Trident facilities will directly employ over 2,500 in its peak year.

Mr. Fallon: Is my hon. Friend aware that about 800 men at Cleveland Bridge in my constituency have been working on the cradle construction for the Trident programme and that they are bidding for further work at Faslane and Coulport?

Is he further aware that the number one fear in Darlington is that an incoming Labour Government might cancel the Trident programme and put an end to that work?

Mr. Hamilton: I am aware of my hon. Friend's constituency interest. We must bear in mind that, although there are many direct jobs, a significant number of indirect jobs are also involved. I am sure that my hon. Friend's constituents are as concerned as anybody that the programme should be continued.

Mr. Hirst: I am grateful for my hon. Friend's reply. Does he not find it remarkable that the Opposition parties are prepared, not only to gamble with the defence of this country, but to abandon a project upon which thousands of jobs depend, especially in the west of Scotland?

Mr. Hamilton: My hon. Friend is absolutely right. About 4,500 Ministry of Defence civilian employees currently work on the deterrent at Coulport, Faslane and Rosyth. If it comes to cancelling Polaris and Trident, the work for 2,000 employees will be lost in Rosyth unless it is replaced by other nuclear submarine work.

Mr. Douglas: Will the Minister reflect that his strictures about job losses, particularly in Scotland, come ill from his mouth, when his Government have lost nearly 20,000 jobs in Scotland because of the mismanagement of North sea oil?

Mrs. Kellett-Bowman: Ask a question about Trident.

Mr. Douglas: They will lose a lot more with Trident. On the question of Trident, will the Minister confirm that the construction work at Rosyth is not exclusively for Trident but is for dual-streaming and could be used for SSNs and SSKs?

Mr. Hamilton: On the second part of the hon. Gentleman's question, it is certainly true that it could be so used, but a reason why we are having to put in those facilities is the much larger size of Trident submarines. Therefore, they need extra facilities.

The Government cannot be blamed for the fall in the price of oil across the world and the decline of the North sea oil industry. The Opposition could be blamed for having policies that will destroy jobs in Scotland.

Mr. McWilliam: Will the Minister say how many jobs will be put at risk, particularly in the Royal Ordnance factories, at Swan Hunter, and at Marconi, because of the Trident's impact on the defence procurement programme?

Mr. Hamilton: No jobs are being put at risk in that direction at the moment. We have a large ordering programme.

Mr. Franks: My hon. Friend has referred to job losses in the north-east and Scotland. Will he note that in Barrow over 4,000 people, or 30 per cent. of the work force, are currently employed on the Trident programme, and that by 1990 75 per cent., or more than 9,000 people, will be employed on that programme? What are the prospects for those jobs if an incoming Labour or alliance/Labour Government cancel Trident overnight? What will 9,000 of my constituents do?

Mr. Hamilton: I am afraid that the impact on my hon. Friend's constituency will be devastating, and whatever plans there are to substitute that work they will take so long to come through that in the short-term those people will find themselves on the street.

Mr. Ashdown: Does the Minister realise that whatever jobs are tied to Trident in defined communities in Britain they are as nothing to the jobs that have been and will be lost as a result of the cut in conventional expenditure in the rest of Britain's defence industries? Does he realise that 1,800 jobs have already been lost at Westland as a result of the Government——

Mr. Speaker: Order. That may well be, but the question is about Trident.

Mr. Ashdown: Does the Minister realise that the Trident expenditure has already cost 1,800 jobs in Yeovil

and will cost more, and that the people of Yeovil have nothing to thank Trident for, because we are bearing the first fruits of this bitter pill?

Mr. Hamilton: There is no direct relationship between Trident and the orders at Westland.

Sir Antony Buck: Does my hon. Friend agree that the cancellation of Trident would, obviously, be serious for job losses? If Trident were cancelled, does he agree that it would be even more serious in terms of the destabilisation of NATO and our position in it?

Mr. Hamilton: I could not agree more with my hon. and learned Friend. There is no doubt that our commitment to our independent deterrent is, indeed, important.

Mr. Denzil Davies: The Minister knows well that 95 per cent. of the people employed in the defence industries in the north-east and Scotland are producing non-nuclear defence equipment. With the cuts that must come in the defence budget falling on non-nuclear defence equipment to pay for Trident, far more people will lose their jobs than those now employed on Trident. Why does the Minister not admit those facts?

Mr. Hamilton: It is difficult to admit that when the cost of Trident is falling.

United States Secretary for Defence

2. **Mr. Alton** asked the Secretary of State for Defence when he next plans to meet the United States Secretary for Defence to discuss nuclear defence policy.

The Minister of State for the Armed Forces (Mr. John Stanley): My right hon. Friend next expects to meet the United States Secretary of Defence at the spring meeting of the NATO Nuclear Planning Group.

Mr. Alton: Now that the American authorities have admitted that the W79 nuclear shell has been deployed in West Germany, and that as long ago as Montebello the decision was taken to modernise battlefield nuclear weapons, how can the Minister justify the wholly contradictory, deceitful replies given from the Government Dispatch Box to my hon. Friends——

Mr. Speaker: Order. Will the hon. Gentleman withdraw the word deceitful, please?

Mr. Alton: I shall withdraw deceitful. How can the Minister justify the replies that he and his colleagues gave to my hon. Friends the Members for Woolwich (Mr. Cartwright), for Yeovil (Mr. Ashdown) and for Orkney and Shetland (Mr. Wallace) that no such decisions had been taken?

Mr. Stanley: I can certainly justify exactly what has been said, and I hope that the hon. Gentleman will listen carefully to what has been said on that particular issue. At the Montebello meeting of the NATO Nuclear Planning Group in 1983 NATO agreed both a major reduction in the number of its theatre nuclear weapons in Europe and the need for possible improvements to ensure the effectiveness of the remaining stockpile. That was clearly set out in the communiqué issued at the Montebello meeting. Since then SACEUR has put forward his proposals for these improvements and these have been pursued with the individual nations concerned. But, as Defence Ministers have made clear to the House, no decisions affecting the modernisation of theatre nuclear weapons in service with British forces have yet been made. That is what we have said, that is correct, and it is completely straightforward.

Mr. Bill Walker: Will my right hon. Friend ask the Secretary of State to remind the American Defence Secretary that during the deployment of cruise and Pershing missiles, which are important to the twin-track negotiations, the alliance parties and the Labour party voted in this House against their deployment? Although today they try to pretend otherwise, that was how they acted at that time.

Mr. Stanley: I am grateful to my hon. Friend. He is of course entirely correct. Although some other parties in the House have sought to re-write the history of their actions in this House, only the Government have consistently adhered to the deployment of ground launched cruise missiles and Pershing 2 without which no INF negotiations would be taking place at the moment.

Mr. Duffy: Will the Minister remind his right hon. Friend, when he next meets the United States Defence Secretary, that the new Chairmen of both of the Armed Services Committees in Congress, Mr. Les Aspin and Sam Nunn, are a good deal more nuclear-allergic than their predecessors? They probably typify a growing understanding throughout the Alliance of the importance of early INF agreement in Europe, about which the Prime Minister should be careful not to appear to be quibbling or dragging her feet?

Mr. Stanley: In both the Republican and Democratic parties in the United States there is a total understanding that we can deter a nuclear threat only with nuclear weapons. The only allergy to nuclear defence exists on the Opposition Front Bench. They are undermining the whole of the NATO posture of a combination of nuclear and conventional deterrence?

Mr. Nicholas: Does my right hon. Friend not find it slightly strange to be questioned about the detail of nuclear policy by the hon. Member for Liverpool, Mossley Hill (Mr. Alton), bearing in mind that he represents a party in which 83 per cent. of the prospective parliamentary candidates are committed to unilateralism?

Mr. Stanley: I am most grateful to my hon. Friend for reminding us of that very important statistic. While we are on the subjects of polls, I noticed a very interesting poll produced in the Sunday press last Sunday. The sample was asked "Which party do you trust to make the right decisions about defence, nuclear weapons and disarmament?" In reply, 42 per cent. said the Conservatives, only 20 per cent. said Labour and the Liberal—SDP alliance was the least trusted of all parties, with only 15 per cent. support.

Mr. Denzil Davies: It is quite clear from the Minister of State's replies that his answers are now written by the politburo in Smith Square and are not really Government answers at all, or perhaps they are written by the chairman of the Conservative party himself. To return to the question, there is a certain amount of confusion. I do not charge the right hon. Gentleman with deceit. However, there is a certain amount of confusion between what was said in this House and what is said by some American officials. Will the right hon. Gentleman clarify the position? As I understand it, a decision was taken——

Mr. Richard Holt (Langbaurgh): Put the question.

Mr. Davies: I will put my question in my own way.

As I understand it a general decision was taken at Montebello to modernise the remaining NATO theatre or tactical nuclear weapons. Is the Minister of State saying that British tactical nuclear weapons and those American nuclear weapons that could be available to British forces in Germany were excluded from the Montebello agreement, or included? If they were included, a decision in principle has been taken.

Mr. Stanley: The right hon. Gentleman must carefully study what I have said. The position is absolutely clear. A decision in favour of the modernisation of the residual stockpile was taken at Montebello as part of the agreement. However, as for the implementation of that decision in relation to theatre nuclear weapons in service with British forces, no decisions have yet been made.

Crown Proceedings Act 1947

3. **Mr. Ashley** asked the Secretary of State for Defence on how many occasions he has met representatives of the Atomic Veterans Associations and of the Section Ten Abolition Group; and if he has any plans to meet them in the future.

The Parliamentary Under-Secretary of State for the Armed Forces (Mr. Roger Freeman): My right hon. Friend met a delegation including members of the British Nuclear Test Veterans Association and the Section Ten Abolition Group on 20 February 1986 and I received a petition concerning section 10 of the Crown Proceedings Act 1947 from members of the British Nuclear Test Veterans Association on 13 November 1986. I understand that my noble Friend the Minister of State for Defence Procurement has agreed to meet representatives of the BNTVA.

Mr. Ashley: The Minister will be aware that both those organisations are concerned with the welfare of ex-service and service personnel. Will he recognise that those ex-service men and women who have been disabled by negligence will continue their fight for the same right to sue for compensation as is to be given to present members of the armed services? Will he further recognise, on the question of bullying and brutality in the Army—another aspect of negligence—that hon. Members on both sides of the House have——

Mr. Speaker: Order. I cannot relate that to atomic veterans.

Mr. Ashley: I suggest that brutality in the armed forces is an aspect of negligence. Therefore, in so far as officers are being negligent, and hon. Members on both sides of the House have additional evidence that that brutality is taking place, will the Minister now undertake to meet a deputation of hon. Members from both sides of the House to discuss that evidence?

Mr. Freeman: My right hon. Friend the Secretary of State for Defence and I have made it plain that bullying and any mistreatment of soldiers is not and never has been tolerated in the British armed forces. My right hon. Friend and I are always happy to meet hon. Members and delegations to discuss any topic.

Mr. Cartwright: If the Government honestly believe that no British service man suffered injury as a result of the British nuclear weapons test, why do the Minister and his colleagues seem so reluctant to have that view tested in the courts?

Mr. Freeman: The announcement by my right hon. Friend the Secretary of State for Defence on 8 December last involving the Government's support for repeal of section 10 of the Crown Proceedings Act 1947 showed a welcome change in law and procedure. That change, removing the burden from service men who could not sue for negligence, must be for the future and is certainly not retrospective.

Mr. McNamara: With regard to the atomic experiment veterans, as the Government have been conducting only a statistical exercise, may we now have a firm date when the results of that exercise will be given to the House? Is the hon. Gentleman aware that, although we accept that no degree of bullying should be tolerated in the British Army, there is great concern about the recent number of cases which have come forward? It is necessary that the Government should not only conduct an internal inquiry, but should publish the results of whatever inquiry is carried out and say what steps they will take to eradicate any possibilities of it in the future.

Mr. Freeman: Any complaints to do with the mistreatment of soldiers are always fully and properly investigated by the Ministry of Defence. I said on Second Reading of the Crown Proceedings (Armed Forces) Bill, the purpose of which is to abolish section 10 of the Crown Proceedings Act, that we expect the report on the survey carried out by the National Radiological Protection Board to be received by the end of this calendar year. That is our expectation.

Low-Flying Aircraft

4. **Mr. Kennedy** asked the Secretary of State for Defence if he is satisfied with the notification and investigation procedures regarding low-flying aircraft incidents; and if he will make a statement.

Mr. Freeman: The investigation of low-flying aircraft incidents is a centralised responsibility within the Ministry of Defence. All instances where there is a prima facie case of a breach of low-flying regulations are subjected to full investigation. These are very thorough and I am satisfied with the operation of this procedure.

Mr. Kennedy: I thank the Minister for that reply. I appreciate the efforts that he is making in his office to discuss with hon. Members many issues relating to low-flying aircraft activity which constituents raise with us. It has been suggested to me that last year, for example, the Ministry of Defence, in response to inquiries by *The Observer*, stated that there had been no collisions involving American F111 jets. That subsequently proved not to be the case, according to the Minister's recent written answer to me. Will the hon. Gentleman consider this matter, because genuine confusion seems to have been created in the public's mind by some of the public utterances of Ministry of Defence officials?

Mr. Freeman: Conservative Members are very proud of the great skill of our RAF pilots in low flying, and I am sure that that sentiment is shared by all hon. Members. The RAF pilots perform a difficult job. I am sure that the hon. Gentleman will join me in complimenting the RAF.

As for *The Observer* article, if the hon. Gentleman cares to table a question or to write to me about it, I shall certainly have the matter investigated and respond to him.

Sir Hector Monro: Although I accept absolutely the necessity for low-flying training by the RAF, will my hon. Friend study the low-flying areas and consider whether they can be extended so that the frequency of visits by low-flying aircraft can be spread rather more widely?

Mr. Freeman: It was the last Labour Government who, quite correctly, changed the basis of the low-flying areas. That change was implemented some eight or nine years ago and involved permitting low flying anywhere in the country except over large towns and air traffic control zones. I do not hold out any hope to my hon. Friend for any basic change in that system.

Mr. Home Robertson: How many complaints have been made to the Department about such flights taking place at excessively low levels or at excessive speed? How many of those complaints have led to disciplinary action against MOD staff?

Mr. Freeman: Over the past five years we have received approximately 5,000 complaints per annum from the public about alleged low-flying incidents. The hon. Gentleman will be aware that the low-flying restrictions only permit pilots to fly down to 250 ft. I recently answered a question on the number of disciplinary actions taken. However, I shall write to the hon. Gentleman with the details to refresh his memory of the answer that I gave.

Small Firms Advice Division

5. **Mr. Stevens** asked the Secretary of State for Defence how many small firms have consulted the Ministry of Defence small firms advice division; and if he will make a statement.

Mr. Archie Hamilton: Over 500 in the four months since my noble Friend the Minister of State for Defence Procurement and my hon. Friend the Under-Secretary of State with responsibility for small businesses announced the MOD small firms initiative. The initiative is designed to increase competitive opportunities and to secure best value for money. The small firms advice division advises small firms seeking to penetrate the defence market individually, and through regional seminars, about MOD procurement policies.

Mr. Stevens: I thank my hon. Friend for that reply. This service is a great encouragement to small firms in a wide range of areas. How many small firms have taken advantage of the opportunities offered by the MOD small firms advice service to get involved in defence research?

Mr. Hamilton: One part of this initiative is the small firms research initiative, which provides oppportunities for small firms with ideas for new and innovative products and processes to apply for a larger share of defence research funds. To date about 150 firms have been involved.

Mr. MacKenzie: How many of those small firms have been placed on the list set up by his noble Friend Lord Trefgarne for the purchase of equipment?

Mr. Hamilton: I believe that the figure is about 200.

Mr. Watts: Will my hon. Friend consider making it a requirement for prime contractors to pay their small subcontractors more promptly? However good the work of the small firms advice service, the late payment of bills by main contractors to small subcontractors is a major cause of concern.

Mr. Hamilton: In principle the Ministry has no authority to intervene, because the matter is between the prime contractor and the subcontractor or supplier. However, there is a code of practice for competitive subcontracting that encourages prime contractors to pass to subcontractors payment terms no less favourable than those applying to the main contractor. Our payment terms are very good.

French Defence Minister

8. **Mr. Meadowcroft** asked the Secretary of State for Defence when he last met the French Defence Minister; and what was discussed.

Mr. Stanley: My right hon. Friend visited France on 9 and 10 March. He discussed a range of issues of mutual defence interest with M. Giraud. I have placed in the Library a copy of my right hon. Friend's opening statement at the press conference he held with M. Giraud.

Mr. Meadowcroft: Is the Government's wavering attitude towards the INF talks the result of the French Government's influence, or are we seeking to influence the French Government in favour of a zero-zero option? Surely that would be a good price to pay to remove all intermediate nuclear weapons from Europe? How far does co-operation with the French have a serious influence upon our attitude towards those talks?

Mr. Stanley: The policy of the British Government has been entirely consistent—as has been the policy of the other NATO countries—towards the INF agreement. We are seeking to foster co-operation with the French in a variety of ways.

With regard to wavering, I am surprised that the hon. Gentleman has not addressed himself to the problem that he faces. Previously he has been campaigning enthusiastically against nuclear weapons, partly as a member of the national executive of CND, but now, presumably, he will be doing much more than wavering by campaigning enthusiastically for the Liberal-SDP Eurobomb

Mr. Conway: Does my right hon. Friend agree that if the Government were to accept the Liberal party's advice to purchase the French M4 and M5 missiles the cancellation costs of Trident would be in excess of £3 billion? Given the present vogue for massage, would that be a gross massage of public expenditure?

Mr. Stanley: I agree with my hon. Friend that that is one of the many unrealistic and impractical options that the Liberal-SDP alliance has put forward as an alternative to Trident. It is our assessment that if we were to take that route the time scale would not meet our needs and the costs would be substantially greater.

Mr. Soames: Does my right hon. Friend agree that it is a source of particular pleasure that so much excellent progress has been made with the French Government in the recent talks? Does he agree also that this progress is suitable as a further platform for strengthening European security?

Mr. Stanley: My hon. Friend is right. We are encouraged by the progress that we have made with our French allies. We hope to deepen the dialogue that we have had with them.

Mr. Marlow: Is it not the case that the French would be happy and content to have a European nuclear deterrent provided that there was only one finger on the trigger, and that finger happened to be French? If that is what the Liberal-SDP alliance wants, why does it not tell us that loud and clear?

Mr. Stanley: I agree with my hon. Friend that the command and control arrangements that are implicit in what the Liberal-SDP alliance puts forward are completely incompatible with our own requirements. The French prize highly the independence of their own deterrent, as we do ours.

Battlefield Nuclear Weapons (Europe)

9. **Mr. Clelland** asked the Secretary of State for Defence what assessment his Department has made of the effects upon the British Army of the Rhine of NATO's possible use of battlefield nuclear weapons in Europe.

Mr. Stanley: The effects of nuclear weapons would be entirely dependent on the number and the yield of the weapons used. However, the central purpose of the possession of nuclear weapons is to ensure that a potential aggressor cannot contemplate either conventional or nuclear attack. That policy has had more than 40 years of uninterrupted success in western Europe.

Mr. Clelland: Will the Minister admit that the decision was taken in Montebello in 1983 to modernise battlefield nuclear shells, which are potentially lethal to British troops at the front and which are already in the NATO stockpile? Does he agree that Ministers have misled the House on this issue over the years and that they should now resign?

Mr. Stanley: The hon. Gentleman is wholly incorrect. If he wants to pursue the issue, I hope that he will address himself to how the Labour party, with its non-nuclear policy, will provide any sort of protection for the British Army of the Rhine.

Mr. Mates: Is not the factor of the shorter-range nuclear weapons in Europe one of the most important aspects of any agreement to be reached on INF? Would we not be wrong to go ahead blindly into an INF pact without addressing the problem? Will my right hon. Friend be reassured by the fact that most people in Britian are just as worried about the Russian preponderance of small-sized nuclear weapons as they are about medium ones?

Mr. Stanley: My hon. Friend is entirely correct. It would certainly make no sense at all to enter into an INF agreement if we did not introduce some constraints over the shorter-range Soviet systems, in which the Soviet Union has an enormous superiority and which it can use perfectly well to cover those targets that are currently covered by its long-range INF forces. That is why we have made it quite clear that collateral constraints on some of the short-range systems are an integral part of any sensible INF agreement.

Mr. Douglas: That is nonsense. You will regret saying that, Stanley.

Mr. Speaker: Order.

Mr. Douglas: He did not mean that.

Mr. Speaker: Order. I do not know what the Minister meant.

Mr. Campbell-Savours: Does the Minister accept that had it not been for Dan Plesch's work under freedom of information legislation in the United States of America, Britain would never have known of the modernisation programme that has taken place? Is he aware that I have a book with me that sets out three years of ambigous answers from Ministers and ambigous letters to individual hon. Members, all in the language of ambiguity and all trying to deny that the modernisation process has been undertaken? Why is it that the Government have sought to mislead Parliament for three and a half years in this way? Why did they not tell the truth after Montebello?

Mr. Stanley: The hon. Gentleman, not for the first time, is talking absolute nonsense. The results of the Montebello meeting were set out in a public communiqué that has been in the Library of both Houses for over four years.

Mr. Latham: Will my right hon. Friend confirm that there will be no use by NATO countries of battlefield nuclear weapons or any other weapons unless they are attacked first, and that that is the whole basis of NATO's strategy?

Mr. Stanley: I fully agree with my hon. Friend. The whole essence of the possession of nuclear weapons is to provide an essential element of deterrence. That is the whole philosophy, and it has worked in theory and in practice for more than 40 years.

Mr. McNamara: The right hon. Gentleman may have made an error earlier when he said that the agreement on short-range weapons was an integral part of INF negotiations. Would he like, on consideration, to withdraw that statement? Does the point that he made in reply to my hon. Friend the Member for Tyne Bridge (Mr. Clelland), that no decisions have been made, as far as British forces are concerned, to modernise after the Montebello agreement, also apply to the weapons that are currently owned by the United States but which are in British care at the moment, namely, shells? Have they been modernised? Have any British forces been engaged in any exercises using modern shells?

Mr. Stanley: Dealing with the second part of the hon. Gentleman's question first, the answer that I gave applies to nuclear weapons that are British-produced and, therefore, in British custody, and to American-produced weapons that are assigned for service with British forces. As far as the first part of the hon. Gentleman's question is concerned, nothing that I have said today is different from what has previously been said in the House. I refer the hon. Gentleman to what my right hon. Friend the Prime Minister said on this point on 12 March. I repeat it for his convenience. She said:

"An INF agreement must provide for restraints on those shorter-range systems which could be used to circumvent an INF agreement. These are the longer-range SRINF; in practice it means the Soviet SS12, SS22 and SS23. I believe that the draft treaty tabled by the United States will do that effectively." —[*Official Report*, 12 March 1987; Vol. 112, c. 461.]

Defence and Disarmament (Public Opinion)

10. **Mr. Dykes** asked the Secretary of State for Defence if he will list the numbers and types of representations on

different defence and disarmament options which he has received from members of the public since the beginning of the current year.

Mr. Stanley: According to available records, my Department so far in 1987 has received some 340 letters from right hon. and hon. Members and directly from the general public on defence policy and disarmament issues. Most of these are either requests for information or comments on aspects of nuclear policy and arms control.

Mr. Dykes: Did any of the comments and suggestions in the party document "Europe's New Detente" include the ludicrous suggestion that there might be individual sets of negotiations with individual Warsaw Pact countries on conventional arms reductions, excluding the Soviet Union?

Mr. Stanley: I notice that that publication has emerged only recently. I am not surprised that we have not had any representations in relation to it, but I expect that we shall certainly have some. I fully agree with my hon. Friend. It would be a ludicrous posture for any British Government to adopt.

Mr. Leigh: Given the nature of the Warsaw Pact, is it not laughable to imagine that countries such as Poland and Czechoslovakia would be allowed to make individual agreements with any Western countries, given the fact that hundreds of thousands of Soviet troops are stationed in those countries to hold down subject populations?

Mr. Stanley: My hon. Friend makes a telling point. Our arms control posture is served well by advancing on a NATO-wide basis. That is the only sensible basis on which we can pursue negotiations on behalf of the Alliance as a whole.

Mr. Corbyn: How many representations has the Minister had concerning the deployment of cruise missiles at Molesworth? Will he confirm that cruise missiles have been taken to Molesworth this week in advance of the Prime Minister's meeting with Mr. Gorbachev? Is this not a deliberate attempt to escalate world tension?

Mr. Stanley: I can provide no such confirmation to the hon. Gentleman. I am quite certain that the great majority of people in this country now recognise that it is only by the successful deployment of NATO cruise missiles and Pershing 2 that we now have the possibility of making real progress in getting rid of a major class of weapons.

Mr. Greg Knight: Will my right hon. Friend confirm that, in defence terms, the cancellation of Trident makes about as much sense as the Labour party conference decision in the 1930s to scrap the Royal Air Force?

Mr. Stanley: I am grateful to my hon. Friend for reminding us of that very important piece of history. The removal of the British independent strategic deterrent makes absolutely no sense whatsoever, just as it makes no sense whatsoever to attempt to resist and to deter the nuclear threat with conventional weapons, which is the absurd policy of the Opposition Front Bench.

Defence White Paper

11. **Mr. Kirkwood** asked the Secretary of State for Defence when he expects to publish the 1987 Defence White Paper.

Mr. Archie Hamilton: No decision has yet been taken. As in previous years, however, I hope that it will be possible to publish in the spring, in good time for an examination by the Select Committee on Defence and a full debate in the House before the summer recess.

Mr. Kirkwood: Is the Minister aware that acknowledged experts in the field fully expect the 1987 White Paper to be yet another exercise in papering over the cracks that have resulted from the salami-style process of cuts during the last seven or eight years of defence expenditure? Does he not feel that the time is right for a full-scale defence review before the election?

Mr. Hamilton: I confidently expect the Defence White Paper to spell out very clearly what are the Government's defence policies, which is more than I can say of the defence policies of the alliance.

Mr. Jessel: Is my hon. Friend able to say whether the 1987 White Paper will refer to the excellent decision of the Secretary of State to reprieve the Royal Military School of Music? Is he aware that this is a great day for Army bands, military music, Kneller Hall and Twickenham? May I thank my hon. Friend, his colleagues and the Prime Minister for their interest in this great decision, which will uphold standards for future generations?

Mr. Hamilton: I cannot comment on what will be in the Defence White Paper, but I can pay a great tribute to my hon. Friend for his powers of advocacy and persuasion in terms of reaching this decision.

Short-Range Nuclear Weapons

12. **Mr. Terlezki** asked the Secretary of State for Defence what representations he has received seeking the deployment of an increased number of short-range nuclear weapons; and if he will make a statement.

Mr. Stanley: We have no records of any such representations recently. However, as my right hon. Friend the Secretary of State said in the INF debate on 9 March, NATO has called for a ceiling in Soviet shorter-range INF missiles in the 500 to 1,000 km range, with a United States right to match them.

Mr. Terlezki: Does my right hon. Friend agree that it is extremely dangerous to negotiate only about medium-range missiles and not to take into account the short-range missiles—the SS1, the SS23 and the SS12, which have a range of 1,000 km? Bearing in mind also that in conventional weapons the NATO countries are outnumbered by the Warsaw Pact by 3:1 and 2:1 on land, sea and in the air, should we not take that into account to protect our country and our freedom?

Mr. Stanley: My hon. Friend is most certainly correct. As I said previously, it is part of the NATO position that the INF agreement has to deal also with the constraints on the shorter-range systems.

Mr. Denzil Davies: Will the Minister of State clarify what he said in answer to question 10? He seemed to go further than the Foreign Secretary and the Secretary of State for Defence when he said that short-range missiles were an integral part—"integral" was, I think, the word that he used—of an agreement on intermediate-range missiles. Is that the Government's position? If they are an

integral part of that agreement, and if no agreement is reached on short-range missiles, presumably there will be no agreement on intermediate-range missiles.

Mr. Stanley: All that I said is entirely in accordance with what was said by my right hon. Friend the Secretary of State for Defence and also by my right hon. Friend the Prime Minister. I shall remind the right hon. Gentleman of exactly what my right hon. Friend the Secretary of State for Defence said in the House on 9 March about the INF. He said:

"That is why part of NATO's negotiating position since 1982 has been that any INF agreement should include constraints on SRINF missiles of the 500 km to 1,000 km range, which means the Soviet Scaleboard and SS23 missiles. The NATO proposal has remained broadly the same over those years. It calls for a ceiling in Soviet systems of this range, together with a United States right to match them. It is an essential condition for any equitable INF agreement, but the Soviet Union has yet to agree it." — [*Official Report*, 9 March, 1987; Vol. 112, c. 40-41.]

That is the position.

Intermediate Nuclear Forces

13. **Mr. Douglas** asked the Secretary of State for Defence if he will make a further statement on the implications for Her Majesty's Government's defence policy of the removal from Europe of intermediate nuclear forces.

Mr. Stanley: We are confident that we shall be able to maintain effective deterrence in the event of an INF agreement on the basis outlined by my right hon. Friend the Prime Minister in the House on 12 March.

Mr. Douglas: Is the Minister of State ready to reconsider the answers that he has given to previous questions? Will he accept that an INF agreement is indispensable for getting a scale-down of nuclear weapons in Europe? While we are all concerned about the removal of battlefield and theatre nuclear weapons, that should not be a precondition for reaching an agreement on INF.

Mr. Stanley: It is certainly the case that an INF agreement is very important, but all my answers referred to the shorter-range INF systems, as the hon. Gentleman will clearly see when he looks at the text. I do not think that we need to take any lectures from the hon. Gentleman about the importance of an INF agreement. If we had followed the Labour party's policy of not deploying ground-launched cruise missiles and Pershing 2 there would be no INF negotiations today.

PRIME MINISTER

Engagements

Q1. **Mr. Pavitt** asked the Prime Minister if she will list her official engagements for Tuesday 24 March 1987.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. I was also present at Victoria to mark the arrival of King Fahd. In addition to my duties in this House I shall be having further meetings later today. This evening I shall be attending a state banquet in honour of King Fahd.

Mr. Pavitt: Is the Prime Minister happy that, as a direct result of her policies, as from next Thursday cancer patients on chemotherapy will be paying as much as £12 per script for their medicines or £33·50 annually for a season ticket? Chemotherapy may make a young lady, who is probably suffering the trauma of losing a breast, also go bald, yet the NHS charges her £16 for a wig. Is it not an injustice that the average taxpayer, healthy and sick, pays £2·20 every week for medicines, but only the sick pay twice? Will the Prime Minister immediately negotiate with the BMA for cancer to be added to the seven diseases which are already accepted by the BMA for prescription exemption?

The Prime Minister: The hon. Gentleman has asked this question many times, I think probably of all Governments. He knows that the answer has not varied from Government to Government. It is extremely difficult to put that on the list of treatments — [HON. MEMBERS: "Why?"] — which rank for special prescriptions, first because it is not easy to detect precisely when the disease occurs and, secondly, because many people would not wish to know that they have it. The hon. Gentleman has spoken about costs. May I remind him that the average family of four pays some £26·50 in taxation every week to support the National Health Service. That is very considerable. Naturally, most of the prescriptions are exempt — 75 per cent. of people are exempt — but no Government have found it possible to add that disease to the exempt list.

Mr. Sackville: Does my right hon. Friend agree that the announcement by the CBI of record order books and industrial confidence provides further evidence that only through the continuation of the Government's economic policies can we look forward to further economic growth and a return to full employment?

The Prime Minister: Yes, the CBI forecast is excellent. It shows a healthy and balanced growth of exports, investment consumption, manufacturing output and total output. It shows that the Government's policies are working extremely well, not only to create new jobs, but, at last, to get down the numbers on the unemployment register. That is very good news and further expansion is in prospect, and therefore further falls in unemployment are in prospect.

Mr. Kinnock: Is the Prime Minister aware that yesterday the Chancellor of the Exchequer said that the rise in the manufactured trade deficit to a £8 billion deficit this year,

"is neither here nor there" — [*Official Report*, 23 March 1987; Vol. 113, c. 33.]

Given that in her period of office manufactured exports have gone up by 15 per cent. and manufactured imports by 48 per cent., does she think that a £8 billion manufactured trade deficit "is neither here nor there"?

The Prime Minister: I think that what matters is the overall performance of the economy. The overall performance of the economy is excellent. I fail to see why the right hon. Gentleman should consistently try to keep out of account the performance of other industries such as the extractive industries of coal mining and oil, the construction industry and the service industries, all of which give the most excellent performance in the British economy.

Mr. Kinnock: None of which escapes the fact that the forecast for the balance of payments deficit, largely attributed to that manufactured trade deficit, is £2 billion

this year, despite the fact that the right hon. Lady has at her disposal very large oil revenues and a saving of oil imports. Will she accept that the CBI, even on the basis of the fortunate recovery recorded in its statement, still expects manufactured imports to go up 25 per cent. faster than manufactured exports? On the basis of the fact that already this year—*[Interruption.]*

Mr. Speaker: Order.

Mr. Kinnock: —there has been a 6 per cent. revaluation in sterling, how sturdy does she think the recovery is supposed to be?

The Prime Minister: The recovery is very sturdy. That is the right hon. Gentleman's problem and he knows it.

Mr. Kinnock: Given the right hon. Lady's responsibility for putting unemployment up by 2 million and the fact that we are on record as fighting it that much harder than she does, all good news is welcome. Will she now answer the question? Given the continual deterioration in manufacturing trade performance, how sturdy does she think that the recovery is?

The Prime Minister: The recovery is very sturdy. I find it difficult to understand why the right hon. Gentleman should consider that those who work in the oil, coal and construction industries and in the great service industries, which make an enormous contribution to Britain's balance of payments, should be thought to have no right whatever to import goods. It is absolutely crazy.

Chequers (Official Reception)

Q2. **Mr. Pollock** asked the Prime Minister when she last hosted an official reception at Chequers.

The Prime Minister: I cannot recall having ever given an official reception at Chequers, although there have been official luncheons.

Mr. Pollock: I thank my right hon. Friend for that reply. Will she give some thought to the possibility of holding some such function in the future, which would give an opportunity for providing generous supplies of Scotch whisky to invited guests, thereby enabling them to appreciate the most excellent qualities of that fine product, the bulk of which is distilled in my constituency?

The Prime Minister: I know my hon. Friend's concern about the Scotch whisky industry and I recall having visited a successful distillery in his constituency. I assure him that the whisky served at Chequers and at No. 10 is genuine Scotch whisky, and very good it is.

Mr. Bell: If the Prime Minister is to host an official reception at Chequers, will she consider inviting those who are unemployed in Cleveland, and will she then agree with them that, since Cleveland now has the highest unemployment and the third highest crime rate in Britain, there is a clear link between unemployment and crime in Cleveland?

The Prime Minister: I am very well aware of the problems in the hon. Gentleman's constituency. He will therefore have welcomed the latest unemployment figures, which showed that unemployment in all regions was down. I am sure that in his more honest moments he will welcome and support the Government's economic policy.

Engagements

Q3. **Mr. Brinton** asked the Prime Minister if she will list her official engagements for Tuesday 24 March.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Brinton: Is not the way to create greater enduring employment through prudent climate-setting by Government and prudent spending by Government? Is not the current CBI report, combined with the report that the Government have prudently saved £75 million on prescriptions, a good example of exactly the way that we should go?

The Prime Minister: Yes. The Government's task is to provide a sound financial background and a sound framework of law within which enterprise can flourish. We are entering the seventh successive year of growth. That is a very good record and shows the strength and rightness of the Government's policy, as confirmed by the CBI estimate and forecast today.

Mr. Beith: Does the Prime Minister agree that anything that the Syrian Government could do to assist in bringing about the release of Terry Waite and other hostages would materially affect attitudes in this country towards future better relations with Syria?

The Prime Minister: I assume that anything that Syria can do she would already be doing.

Q4. **Mr. Terlezki** asked the Prime Minister if she will list her official engagements for Tuesday 24 March.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Terlezki: As my right hon. Friend will be visiting Moscow and meeting Mr. Gorbachev, will she please tell him that, while it is very important that we should negotiate on nuclear and conventional weapons for peace, harmony and friendship in the world, it is absolutely imperative that he show his human heart, human face, compassion and sincerity by allowing the people in Soviet Russia the freedom of speech, religion and movement, that we take for granted in this country. *[Interruption.]* Then we could negotiate on nuclear weapons. Only when, for all people in the Soviet Union, the barriers are broken down, the Berlin Wall is demolished and slave labour camps are abolished can the people be free. *[Interruption.]*

The Prime Minister: I fully agree with my hon. Friend. *[Interruption.]*

Mr. Speaker: Order. The whole House knows why the hon. Gentleman feels strongly about this matter.

The Prime Minister: I fully agree with my hon. Friend and can assure him that I shall, of course, be raising those matters under the Helsinki accords, which deal with the free movement of people and ideas. I am having a bigger correspondence than I have ever had from people who wish certain personal cases to be raised and from people who hope that I will raise the matter of religious freedom and freedom of speech for all in the Soviet Union.

Q5. **Mr. Pendry** asked the Prime Minister if she will list her official engagements for Tuesday 24 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Pendry: Will the Prime Minister take time out today to look afresh at the guidelines for civil servants when asked by their Minister to give advice on such personal issues as tax problems? Would she care to comment on the report in *The Guardian* today which concerns one such case in connection with her Chancellor of the Exchequer?

The Prime Minister: I see no cause whatsoever to comment upon a particular case. I am satisfied that the standards on both sides were upheld.

Mr. Hill: Did my right hon. Friend, during her discussions with President Mitterrand and Chancellor Kohl, discuss our independent nuclear resources in France and the United Kingdom, and was it ever mentioned that the new European forum for discussion of defence matters should be the reactivated Western European Union?

The Prime Minister: Yes, of course we discussed the independent nuclear deterrents of both the United Kingdom and France, reaffirming once again that they are wholly outside the present arms control negotiations. They are our last resort deterrent and are absolutely vital to our security and future. We did not go into the wider matter of the European forum, although I thought that my right hon. and learned Friend the Foreign Secretary made an excellent speech on it the other day.

Q6. **Mr. Pike** asked the Prime Minister if she will list her official engagements for Tuesday 24 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Pike: The House having given approval last night to the Budget proposals, in which the tax concessions benefit the wealthier sections of the community the most and give little benefit to the poorly paid, will the Prime Minister indicate her concern for those pensioners who are receiving only their state pension, who are to receive a mighty small increase in April compared with those of pensionable age still in well-paid occupations, even if for only a short time, who will obviously be benefiting considerably from the tax concessions?

The Prime Minister: The tax concessions will benefit many people — factory workers, nurses, teachers, policemen, on average earnings and one in three pensioners. Of course, many pensioners do not only have the basic state pension, but have a second pension as well. I remind the hon. Gentleman that in 1979 second pension, SERPS, amounted to 95p per week for those who retired then. People who are now retiring and who have the SERPS pension to add to the basic pension have an extra £16·25 a week. Pensioners, too, benefit from tax reductions.

Mr. Favell: Has it occurred to my right hon. Friend that the Leader of the Opposition's most recent recipe for jobs is not dissimilar to that adopted by Derek Hatton and his friends for Liverpool——

Mr. Speaker: Order. Questions must relate to the Prime Minister's responsibility.

Mr. Favell: Does my right hon. Friend consider that she should adopt a recipe for jobs similar to that adopted by Derek Hatton and his friends for Liverpool?

The Prime Minister: As I am sure my hon. Friend is aware, our recipe for jobs is absolutely the right one. It has produced 1 million extra jobs since 1983 and is reducing the numbers of unemployed on the register. In addition, since 1979 we have spent £10·5 billion on special employment measures and are introducing yet another one, a new job training scheme, on 1 April. That will also help those who have not got jobs to get a training to help them find a job.

Q7. **Mr. Roy Hughes** asked the Prime Minister if she will list her official engagements for Tuesday 24 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Hughes: Would the Prime Minister care to comment on the reports emanating from Washington about the modernisation of nuclear weapons, which, as I understand it, have been denied by at least four Ministers? Would it not be reasonable to suggest that they have been handling the truth rather carelessly, or is it yet another example of this Administration's rather perverted use of the term "open government"?

The Prime Minister: I am grateful to the hon. Gentleman for raising this matter. At the Montebello meeting of the nuclear planning group in 1983, NATO agreed both a major reduction in the number of its theatre nuclear weapons in Europe and the need for possible improvements to ensure the effectiveness of the remaining stockpile. This was clearly set out in the comminiqué issued at the Montebello meeting. Since then SACEUR has put forward his proposals for these improvements. These are being pursued with the individual nations concerned, but, as Defence Ministers have made clear to the House, no decisions affecting the modernisation of the theatre nuclear weapons in service with British forces have yet been made. I thank the hon. Gentleman for asking the question.

Car Bomb (Rheindahlen)

3.32 pm

The Minister of State for the Armed Forces (Mr. John Stanley): At about 10.30 local time last night, a car bomb exploded outside an officers' mess at joint headquarters of British Armed Forces Germany at Rheindahlen. A NATO social function was in progress at the time. Thirty-one people were hurt in the explosion, 27 German and four British. Seven of them stayed overnight at the RAF hospital at Wegberg and all but three have now been discharged. I am glad to say that no one was seriously injured.

A higher alert state than usual was in operation at the time, without which the consequences of this explosion could well have resulted in much more extensive injuries. but large open areas crossed by public roads like the Rheindahlen headquarters have self-evident security difficulties. Further security measures are now in force.

An organisation calling itself the National Democratic Front for the Liberation of West Germany claimed responsibility for the explosion some hours after it took place. This claim is being examined by the German authorities who are leading the investigation into the incident and with whom our own security authorities are in close co-operation.

Our sympathy goes to the British and German service men and civilians and their wives who were injured in this incident.

Mr. Denzil Davies (Llanelli): May I also on behalf of the Opposition express our sympathy to those British and German servicemen, civilians and their wives who were injured in this incident. I am sure the Minister and the whole House will agree that this was a serious incident in that a terrorist bomb could be exploded actually inside the British military headquarters at Rheindahlen in the Federal Republic of Germany.

I have three questions for the right hon. Gentleman. He mentioned that obviously the German authorities will lead the investigation into the bombing. Will there be an internal investigation by our authorities to see how security can be improved? I understand the difficulties that the Minister has mentioned. Could he also tell us what the state of alert was at the time and whether it is now envisaged to have a higher state of alert?

There had been reports in the press and the media that a telephone call was made some time before the explosion to a West German newspaper. Can the Minister confirm or deny that that happened?

Mr. Stanley: I can certainly confirm to the right hon. Gentleman that we will be conducting our own internal investigation from a security standpoint. The right hon. Gentleman will understand that we do not go into the details of the security alert state applying at any particular time, but, as I said in my statement, there was a higher than usual level of security alert at that time, and further measures have subsequently been taken.

As far as advance warning is concerned, we understand at the moment that no warning was received at Rheindahlen before the explosion took place. We understand that a message in English about a bomb at Monchengladbach, which is near Rheindahlen, was received at the German Press Association shortly before the explosion, but the message was not fully understood because of language difficulties. A further warning at Rheindahlen was received in German a few minutes after the explosion took place.

Sir Antony Buck (Colchester, North): I am sure the whole House will want to associate itself with the message of condolence and sympathy which will now go forward to those who have been injured. Will the Minister agree that it is a matter of grave concern that there can be such an incident at a headquarters as important as Rheindahlen? Might it not be necessary to look at other headquarters with a British service input and a NATO role to ensure that this cannot happen or that there is a minimal chance of it happening at other headquarters?

Mr. Stanley: As my hon. and learned Friend is aware, the Rheindahlen headquarters is a very much more extensive complex than just a headquarters building, which is highly protected. As he well knows from his previous experience, the Rheindahlen complex is a very broadly spread out site, through which pass a number of public roads. Obviously, we take this issue and this incident with great seriousness, as he asks, and we shall be examining closely whether there are lessons to be learned. As my hon. and learned Friend well knows from his own time in the Department, it is immensely difficult to produce total security when service men are, of necessity, spread over large areas and their normal civilian life has to take place around them.

Mr. John Cartwright (Woolwich): Is the Minister aware that we in the alliance would also like to associate ourselves with the message of sympathy to those who were injured in last night's bombing? In view of the murder last week of an Italian air force general, there are suggestions that these two incidents may be part of a campaign by a loosely linked group of terrorist organisations who are targeting NATO installations and personnel. Against that sort of background, is the Minister satisfied that there is sufficient international co-operation within the NATO nations to deal with this sort of threat?

Mr. Stanley: Yes, I am certainly satisfied that there is extremely close co-operation, and has been for some time, between police authorities in the respective countries. Incidents such as this bombing illustrate the imperative need for that close co-operation.

Mr. Nicholas Soames (Crawley): Will my right hon. Friend acknowledge that, regardless of the very considerable difficulties, there will be great dissatisfaction and concern that such an outrage could have occurred at a headquarters such as Rheindahlen? Secondly, I endorse what the hon. Member for Woolwich (Mr. Cartwright) said. I hope that the Minister will pursue with great vigour all the intelligence leads and resources that NATO can give us in our hunt for the people who perpetrated this monstrosity.

Mr. Stanley: I can certainly assure my hon. Friend that the primary task of everybody who is engaged on this investigation is to try to identify those responsible and to bring them to justice. My hon. Friend's point about security arrangements at Rheindahlen is certainly well taken.

Mr. Merlyn Rees (Morley and Leeds, South): I am glad that there were no serious injuries. The Minister was right to make a statement, even though in Northern Ireland there have been 18 deaths since 1 January, and there were

three yesterday, without a word in the House. Whose job is it to pass on to the military authorities in Rheindahlen the information that new middle-class terrorist groups are emerging in western Germany?

Mr. Stanley: As the right hon. Gentleman knows, the basic responsibility for that co-ordination lies with the security authorities of the various countries and the police authorities. We have our own internal arrangements, with which he will be familiar, to make certain that every available bit of information about terrorists that might suggest vulnerability to a particular group is passed on as rapidly as possible.

Mr. Derek Conway (Shrewsbury and Atcham): The House is right to express condolences to those injured, and particularly to express concern that the headquarters at Rheindahlen should be attacked in this way. In view of this attack, and the recent one at RAF Akrotiri, where a higher state of alert therefore had to result, perhaps my right hon. Friend will need to examine the establishment of the units involved to ensure that no undue stress is placed on operational training so as to safeguard against the terrorist threat?

Mr. Stanley: Yes, my hon. Friend is right to draw attention to the dilemma that we face in the security of such areas, as to how much time, effort and manpower should be devoted purely to the security task. Inevitably that will be at the expense of normal training and operational work of the armed forces. That is the continuing conundrum that we face, and we have to give the highest priority to the security of our forces and the dependants of our service men.

Mr. David Young (Bolton, South-East): Will the Minister pass on to the families of those injured the regret of both sides of the House about this outrage? Will he take on board the concern that we feel that, according to press reports, the car bomb was placed near an officers' mess where a party was going on, which suggests a great deal of internal intelligence going to terrorists? Will he look at that when he reviews the situation?

Mr. Stanley: It will be a high priority to establish who was responsible and to see how far they were assisted in carrying out this outrage by any information that they were able to glean as to what social functions were taking place at Rheindahlen that night.

Sir Kenneth Lewis (Stamford and Spalding): Will my right hon. Friend accept that, while it is right to react in such a situation and to have a full inquiry, it would be the greatest mistake to over-react?

Mr. Stanley: Yes, I take my hon. Friend's warning.

Mr. Thomas Torney (Bradford, South): Will the Minister institute an inquiry into security arrangements not only at Rehindahlen but at British defence establishments throughout West Germany? I know from personal experience that it is simple to walk into these establishments. Is the Minister aware that German personnel used to be used in security in some of these establishments? Are they still used, and will the Minister look into that aspect to see whether it weakens security?

Mr. Stanley: We certainly employ some German civilians locally and we have confidence in those arrangements. On the hon. Gentleman's first point, I can assure him that the security of all United Kingdom military establishments is continuously under review. We regard every military establishment, whether in the United Kingdom, in Europe or further afield, as potentially vulnerable to terrorist attack of one sort or another. Regrettably, we live in an age where terrorism has become international and all military establishments have to be looked at from that standpoint.

STATUTORY INSTRUMENTS &c.

Mr. Speaker: By leave of the House, I shall put together the Questions on the four motions relating to Statutory Instruments.

Ordered,

That the draft Advice and Assistance (Financial Conditions) (Scotland) Regulations 1987 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Civil Legal Aid (Financial Conditions) (Scotland) Regulations 1987 be referred to a Standing Committee on Statutory Instruments, &c.

That the Legal Aid (Financial Conditions) Regulations 1987 be referred to a Standing Committee on Statutory Instruments, &c.

That the Legal Advice and Assistance (Financial Conditions) Regulations 1987 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Portillo.]*

Sir Winston Churchill National Day

3.44 pm

Mr. Stefan Terlezki (Cardiff, West): I beg to move,

That leave be given to bring in a Bill to provide for the discontinuation of May Day bank holiday and to establish the Sir Winston Churchill National Day on or near to 10th May.

For the past 42 years, the people of this country have enjoyed freedom and democracy and peace and tranquillity — in contrast to other parts of the world where fighting and killing never stop, where poverty and slavery still exist and where freedom and democracy are never implemented. I have been privileged to share freedom, peace and democracy with the people of this country for the past 39 years and that is due to the dedication, steadfastness, resilience, patriotism and great sacrifices that the British people and their great leader, Sir Winston Churchill, made during the last world war. Sir Winston Churchill took Britain and its allies through the greatest war in history, and Britain won.

When I was a small boy still living in the Ukraine before the second world war I remember so well my father telling me that in Britain there was a man called Winston Churchill who liked to smoke cigars and who had great courage, foresight and dedication and the determination of a great fighter who believed in freedom and would never surrender. My father was right.

Sir Winston Churchill, throughout the second world war, and for that matter throughout his political life, never gave up. He fought not only for life but for the value of life and the British people came to realise the truth of his loyalty and the bond he formed. They cheered him when he and Britain stood together, but not alone.

I experienced slavery and oppression under Marxism-Communism, and many millions of people still do. I experienced Nazism, having been taught at school that Stalin was my father and later that Hitler was my fuhrer, when I was a slave. It was political indoctrination that made me think that I would never experience freedom and democracy and even wonder whether such things ever existed.

When I arrived penniless to Britain in 1948, I realised that I had arrived in heaven on earth. I experienced for the first time freedom and democracy, and all that was possible because of a man called Winston Churchill and the resilience of the British people.

This House, the mother of Parliaments, the cradle of democracy, still carries the scars of the second world war. Hitler wanted to destroy it, but it was saved by brave men of Britain, and Sir Winston Churchill was one of them. They saved it for us all to speak, to debate, to agree and to disagree and to keep the light of freedom burning. I am further convinced that I would not be here today doing what I do and speaking as I do, nor would there be right hon. and hon. Members of the House had it not been for Sir Winston Churchill who saved Britain from the Nazi holocaust and paved the way for the peace that we have all enjoyed over the past 42 years—*[Interruption.]*

Mr. Speaker: Order. We often hear things in the House with which we do not wholly agree.

Mr. Terlezki: The purpose of my Bill is to remind the people of this country time and again, the old and the young—especially the young—who do not know or who may have forgotten, that, when Britain was in the grip of the iron fist of Nazism and was bombarded indiscriminately, a man called Winston Churchill, with his determination, courage and dedication, together with the British people, made it possible for us all to be free today.

I am not in the habit of creating more public holidays just for the sake of it, nor am I willing to do so. Some people say that we have too many holidays already, and I agree. My reason for seeking to discontinue the first Monday in May as a national holiday and nominating 10 May or near to it as Sir Winston Churchill national day is that that is the day when he became Prime Minister of Britain in 1940. Furthermore, it is my heartfelt desire to establish a permanent reminder to the British people, some of whom tend to take freedom and democracy for granted, that had it not been for a man called Winston Churchill who made it possible for them all to live in a free and democratic Britain, the alternative would have been tyranny, slavery, extermination, Auschwitz, Buchenwald, Treblinka, and Babi Yar.

I can almost remember Sir Winston Churchill saying that we had a rendezvous with destiny. Will we keep that rendezvous or spend our sunset years telling our children and grandchildren what it was like when men were free? What will our answers be when we are asked, "Where were you when freedom was lost?" and, "What did you find that was more precious to you than freedom?"?

Nothing must be more precious to us than freedom. It is like fresh air: if one has not got it, one misses it. I know that. That is why I ask the leave of the House to bring in my Bill and why I ask the House to give that Bill its full support and remind the people of this country, the old, the young and the generations still to come, of Sir Winston Churchill, his steadfastness and courageous leadership in the hour of this country's greatest peril. He captured the hearts and imagination of the people and saved Britain from Nazi slavery. In return we should give him a place in British history as the greatest freedom fighter in modern times.

3.50 pm

Mr. Dave Nellist (Coventry, South-East) *rose*——

Mr. Speaker: Does the hon. Member seek to oppose the motion?

Mr. Nellist: Yes, Sir.

If the hon. Member for Cardiff, West, (Mr. Terlezki) had been arguing for an extension to statutory holidays, this House would undoubtedly have welcomed it. Contrary to what the hon. Gentleman said, Britain has the lowest number of public holidays, in the whole of Europe, apart from the Netherlands. We have eight statutory days, but some countries have almost double that. Britain is in a minority in Europe in not having legal minimum standards of holiday entitlement for those in work. In many cases, the average allowed in Britain by employers is a week less than that given in many other EEC countries. Together with longer average hours of work and lower rates of pay, those facts knock on the head the Tory idea of lazy British workers.

Along with a lower retirement age and a shorter working week, an extension to public holidays would have been a useful step towards seriously reducing unemployment, or sharing out more equitably the available work. However, that was furthest from the hon. Gentleman's considerations.

Many Tories equate May day with tanks parading through the streets of Moscow. That is about as correct as slandering all Catholics with the Spanish inquisition. To set the record straight, the origin of May day was in 1886 in America when 350,000 workers in more than 11,000 establishments downed tools in a demand for an eight-hour day. It is a scandalous indictment of capitalism that in many industries in this country, such as bakery or the retail trades, that demand is still unfulfilled 101 years later. The centre of that movement was in Chicago, which was the fastest growing city of its day, the Mexico City or Caracas of America. It had a huge, developing factory system in which workers worked for between 10 and 18 hours a day.

In 1868, the United States passed an eight-hour law, but during the next decade and a half it was enforced only twice. That is only marginally worse than this Tory Government's enforcement of the Wages Council Act 1979. In the autumn of 1885, one of the workers' leading union organisations, the knights of Labour, planned rallies and demonstrations for the following May to enforce a law that the employers, especially the railway barons, treated with contempt, The slogan of the day was, in the words of one of the songs of that movement,

"8 hours for work, 8 hours for rest, 8 hours for what we will."

Those words are almost identical to those used by British trade union leaders of the time, such as Tom Mann of the engineers, who was born and bred in Coventry.

On 1 May 1886, the first national general strike in American history took place. As a direct consequence, more than 500,000 workers saw their hours of work substantially reduced—in many cases down to an eight-hour day with no loss in pay.

The employers lost no time in preparing their revenge. On 1 May the *Chicago Mail* named two union leaders and stated:

"Mark them for today. Keep them in mind. Hold them personally responsible for any trouble that occurs. Make an example of them if that trouble occurs".

That time was not long in coming.

On 3 May, 500 police herded 300 scabs through a picket line at International Harvester's. When the pickets resisted, the police opened fire and several workers died. A protest meeting was organised for Haymarket square and towards its end, in the pouring rain with only a couple of hundred workers left, the police arrived to break it up. A bomb was thrown. It was never established by whom and at the subsequent trial of the union leaders the prosecution said it was irrelevant and the judge agreed. Seven police officers and an unknown number of workers died in that assassination. Hundreds of union activists were arrested throughout the country and eight union leaders were put on trial. Seven of them had not been at the demonstration and the eighth was the speaker on the platform, so he could not have thrown the bomb.

Legality was never the aim of that trial; revenge was. The *Chicago Tribune* of the day gave the game away with the headline:

"Hang an organiser from every lamp-post".

The trial was absurd: the jury even included relatives of the dead policemen; witnesses and jurors were bribed; and the judge played noughts and crosses with young society ladies during testimony. A local business man summed up the employers' view with the words:

"I don't consider these people to have been guilty of any offence, but they must be hanged . . . the labour movement must be crushed. The Knights of Labour will never dare to create discontent again if these man are hanged."

International protests followed the inevitable verdict of this scandalous frame-up and judicial murder. Huge meetings were addressed in England and Wales by people, including Eleanor Marx, George Bernard Shaw, Oscar Wilde and William Morris. The city council of Paris protested at the "political crime" and when five of the union leaders were executed, a quarter of the population of Chicago turned out for their funeral.

From that day on, 1 May has grown to an international day of solidarity among working people. Its first celebration took place in 1890 on the slogans of "An 8-hour day", "International solidarity" and "Against militarism". As workers emerge from tyranny and repression in whatever country, they adopt that day as theirs. The most recent example is perhaps the most down-trodden exploited people in the world — the black workers of South Africa, especially mineworkers who, in the past three years, have struck for the demand that May day be a paid public holiday. Now the hon. Gentleman wishes to change that tradition, which was introduced in the United Kingdom in 1978 by a Labour Government.

If the hon. Gentleman gets his way this afternoon and is given leave to introduce his Bill, which Winston Churchill will we be celebrating? Is it the one who said in October 1903:

"I am an English Liberal. I hate the Tory Party, their men, their words and their methods."?

Is it the Home Secretary, who personally drafted troops into the South Wales coalfields in 1911? Is it the Secretary of State for War who in 1920 called for military intervention in Russia? Or is it the man who, appointed Tory Chancellor in 1924, yet without rejoining the Tory party until the following year, put Britain back on the gold standard, which led to increased export prices and substantial wage cuts? Is it the man who advocated the use of tanks, machine guns and armoured cars during the general strike of 1926? Or is it the prolific writer who, in the 1939 editions of his books "Step-by-Step" and "Great Contemporaries", wrote about Hitler's rise to power:

"The story of that struggle cannot be read without admiration for the courage, the perseverance, the vital force which enabled him to challenge, defy, conciliate or overcome all authorities or resistance which barred his path . . . I have always said that if Great Britain were defeated in war, I hoped that we should find a Hitler to lead us back to our rightful position among the nations."

That is the same Churchill who echoed the same unbounded approval as Tory newspapers of the day of the rise of Mussolini and Franco.

While Fascism was carrying out the physical elimination of workers' organisations, many sections of the British ruling class gave it their support. Only when it began to encroach on British capitalist markets and areas of influence did Churchill and others change their tune. For them, not for my hon. Friends, the war was about prestige and global influence, not the methods of Mussolini and Hitler. Those who died, including more than 20 million Russians and hundreds of thousands of Allied troops, genuinely abhorred Fascism.

Churchill's place will never be missing from the history books, although the interpretation of his importance will no doubt change. If the House genuinely wants to commemorate and commiserate with those who fell, it